

(NON-CONFIDENTIAL)



**Government of
Pakistan
National Tariff Commission**

REPORT

ON

**PRELIMINARY DETERMINATION ON DUMPED IMPORTS OF
GALVANIZED AND COLOURED STEEL COILS/SHEETS INTO
PAKISTAN ORIGINATING IN AND/OR EXPORTED FROM THE
PEOPLE'S REPUBLIC OF CHINA**

**ADC NO 37/2015/NTC/GC
November 01, 2016**

TABLE OF CONTENTS

<u>S.No</u>	<u>Description</u>	<u>Page No.</u>
A.	Procedure.....	5
5.	Receipt of Application.....	5
6.	Evaluation and Examination of the Application.....	5
7.	Domestic Industry.....	5
8.	Standing of the Application.....	6
9.	Applicant Views.....	7
10.	Initiation of Investigation.....	8
11.	Investigated Product, Like Product and Domestic Like Product.....	9
12.	Period of Investigation.....	11
13.	Exporter/Foreign Producer Involved in Dumping of GCS.	12
14.	Information/Data Gathering.....	12
15.	Questionnaire Response by the Foreign Producers/Exporters	14
16.	Verification of Information.....	16
17.	Public File.....	17
18.	Confidentiality.....	17
B.	Determination of Dumping.....	18
19.	Dumping.....	18
20.	Normal Value.....	18
21.	Export Price.....	19
22.	Dumping Determination.....	19
23.	Determination of Normal Value and export price for Angang Steel	20
24.	Determination of Normal Value and export price for Bengang Steel.....	21
25.	Determination of Normal Value and export price for HBIS Steel	22
26.	Determination of Normal Value and export price for Mannshan Steel.....	23
27.	Determination of dumping for all others	25
28.	Dumping Margin.....	25
29.	<i>De minimis</i> dumping margin and Negligible Volume of Dumped	26
C.	Injury to Domestic Industry.....	27
30.	Determination of Injury.....	27
31.	Volume of Dumped Imports.....	27
32.	Price Effect.....	28
33.	Effect on Market Share.....	30
34.	Effect on Sales.....	31
35.	Effect on Production and Capacity Utilization.....	32
36.	Effect on Inventories.....	33
37.	Effect on Profit/Loss.....	34
38.	Effect on Cash Flow.....	34
39.	Effect on Employment, Productivity, Salaries & Wages.....	35
40.	Effect on Return on Investment.....	36
41.	Effect on growth and Investment.....	36

Preliminary Determination and Levy of Provisional Anti-Dumping Duty on Dumped Imports of Galvanized Coils/sheets into Pakistan Originating in and/ or Exported from the People's Republic of China

42.	Ability to Raise Capital.....	37
43	Magnitude of Dumping Margin	37
44.	Summing Up of Material Injury.....	37
D.	Causation.....	38
45.	Effect of Dumped Imports.....	38
46.	Other Factors.....	38
48	Causal Relationship	40
E.	Conclusion.....	41
F.	Provisional Antidumping Duty.....	42
	Annex - I (Comments of Interested Parties).....	43 - 59
	Annexes - II to X (Dumping Calculations).....	60-63

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (IV of 2015) (the "Act") and the Anti-Dumping Duties Rules, 2001 (the "Rules") is responsible to conduct anti-dumping investigations for imposition of anti-dumping duties to offset injurious impact of dumped imports on domestic industry and ensure fair competition thereof and to the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Agreement on Antidumping").

2. The Commission is conducting an investigation on dumped imports of galvanized and coloured steel coils/sheets into Pakistan originating in and/or exported from the People's Republic of China ("China"), under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

3. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on August 11, 2015. However, Karachi Iron and Steel Merchants Association challenged initiation of this investigation in the honourable Islamabad High Court, Islamabad (the "IHC") and the IHC passed an injunctive order on January 18, 2016 restraining the Commission from carrying on with the investigation. Therefore, the investigation was suspended. On May 13, 2016 the IHC dismissed the petitions. On another writ petition the Lahore High Court Lahore stayed proceedings of this investigation on June 1, 2016. However, the honourable Lahore High Court has amended its decision on June 29, 2016 as follows:

"This is an application for the recall / modification of the order passed by this Court on 01.06.2016 whereby till the next date of hearing proceedings before the Commission were directed to be stayed. The order is modified to the extent that the Commission may proceed with the proceedings but the final order shall not be passed."

4. The Lahore High Court ("LHC") on March 15, 2016 held in a writ petition No. 4735/2016 as follows:

"As pointed out earlier, one of the Members does not meet the qualification requirement provided under section 5(2)(a) of the Act,..... Till such time the NTC complies with the requirements of sections 3 and 5 of the Act, the impugned Notice of Initiation shall be held in abeyance and as soon as NTC is functional in terms of sections 3 and 5, it may proceed further with the said notice strictly in accordance with law."

5. Keeping in view the above decision of the honourable Lahore High Court, by applying same analogy proceedings of the all investigations were suspended till the time the Commission become functional in terms of Sections 3 and 5 of the NTC Act 2015. Thus, the time period during which the investigation was stayed by the superior Courts or the Commission was not functional is considered as injunction period for the purposes of this investigation. This preliminary determination is based on the information available with the Commission at this point of time.

A. PROCEDURE

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

7. Receipt of Application

7.1 On June 29, 2015, the Commission received a written application under Section 20 and 24 of the Antidumping Duties Ordinance, 2015 (now the Act) from M/s International Steels Limited Karachi, (The Applicant). The Applicant is a producer of galvanized and coloured steel coils/sheets. The Applicant has alleged that galvanized and coloured steel coils/sheets originating in and/or exported from China are being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing galvanized coils/sheets.

7.2 The Commission informed the Embassy of China in Islamabad through note verbal dated July 14, 2015, of the receipt of application in accordance with the requirements of Section 21 of the Act.

8. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of galvanized and coloured steel coils/sheets 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.

9. The Domestic Industry

9.1 Section 2(d) of the Act defines domestic industry as:

“Domestic industry” means the domestic producers as a whole of a domestic like product or those whose collective output of that product constitutes a major proportion of the total domestic production of that product; except 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” may mean the rest of the domestic producers:

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

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

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

9.2 The domestic industry producing galvanized and coloured steel coils/ sheets consists of following two units:

- i. International Steels Limited, Karachi (the Applicant); and
- ii. Pakistan Steel Mills Limited, Karachi

9.3 Annual installed production capacity of the Applicant to produce galvanized and coloured steel coils/ sheets was 150,000 MT up till August, 2015. With installation of second line of galvanized coils, which has started commercial production on August 17, 2015, the installed production capacity of the Applicant to produce galvanized coils/sheets has increased from 150,000 MT to 400,000 MT per annum. Further, the Applicant has also installed a colour coating line of 84,000 MT per annum, which has become operational in February, 2015. The installed production capacity of the Pakistan Steel Mills Limited to produce galvanized steel coils/sheets is 100,000 MT per annum.

9.4 The preliminary investigation has shown that the Pakistan Steel Mills Ltd. has not produced any quantity of galvanized steel coils/sheets during last three years. The Applicant was the sole producer of galvanized coils and sheets in Pakistan during last three years. Further, The Applicant is neither related to importers and exporters of investigated product nor imported investigated product by itself. Therefore, it constitutes the domestic industry in accordance with Section 2(d) of the Act.

10 **Standing of the Application**

10.1 In terms of Section 24(1) of the Act;

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

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

"..... no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty five percent of the total production of the domestic like product produced by the domestic industry."

10.2 As stated above (paragraphs 9.3 and 9.4 supra) that only the Applicant produced galvanized coils/sheets during last three years. Therefore, the Applicant produced 100 percent of total domestic production of galvanized coils/ sheets during the period from July 1, 2014 to June 30, 2015. Thus the Applicant represents 100 percent of the total domestic production by the domestic industry. Therefore, the standing requirements given in section 24 of the Act are met and it is determined that the application is made by the domestic industry.

11 Applicant's Views

11.1 The Applicant, *inter alia*, raised the following issues in application regarding alleged dumping of galvanized and coloured steel coils/ sheets and material injury to the domestic industry caused therefrom:

- i. galvanized and coloured steel coils/ sheets imported from China into Pakistan and produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from China are exporting galvanized and coloured steel coils/ sheets to Pakistan at dumped prices; and
- iii. Exports of galvanized and coloured steel coils/ sheets by the exporters/producers from China to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing galvanized coils/ sheets mainly through:-
 - a. Significant price depression;
 - b. Significant decline in profits and profitability;
 - c. Increase in inventories of the domestic like product; and
 - d. Decline in return on investment

11.2 The Applicant has further alleged that there is threat of material injury as well to the domestic industry due to increased/increasing alleged dumped imports of the galvanized coils/sheets.

11.3 The Applicant has made following requests to the Commission to:

- i. Initiate an investigation against alleged dumping of galvanized and coloured steel coils/ sheets from China under Section 23 of the Act;
- ii. Impose appropriate antidumping duty on alleged dumped imports of galvanized and coloured steel coils and sheets in accordance with Section 50 of the Act; and
- iii. Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.

12 **Initiation of Investigation**

12.1 The Commission, in accordance with Section 23 of the Act examined the accuracy and adequacy of the evidence provided in application, and established that there was sufficient evidence of alleged dumping of galvanized and coloured steel coils/ sheets into Pakistan from China and consequent material injury to the domestic industry. Accordingly, the Commission issued a notice of initiation in accordance with Section 27 of the Act, 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 August 11, 2015. Investigation concerning alleged dumped imports of galvanized and coloured steel coils/ sheets into Pakistan (Classified under PCT³ No. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090, 7225.9200 and 7226.9900) originating in and/or exported from China was thus initiated on August 11, 2015.

12.2 In pursuance of Section 27 of the Act the Commission notified Embassy of China in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on August 12, 2015 with a request to forward it to all exporters/ producers involved in production, sales and export of galvanized and coloured steel coils/ sheets from China. Copy of the notice of initiation was also sent to Chinese exporters/producers (whose addresses were available with the Commission), Pakistani importers and the Applicant on August 12, 2015.

12.3 In accordance with Section 28 of the Act, on August 17, 2015 copies of full text of the written application (non-confidential version) were sent to all Chinese exporters/ producers, whose complete addresses were available with the Commission. On August

¹ The official Gazette of Pakistan (Extraordinary) dated August 11, 2015.

² The daily 'Dawn' and 'Dunya' of August 11, 2015 issues.

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.

12, 2015, copy of the full text of the written application was also sent to the Embassy of China in Islamabad with a request to forward it to all exporters/producers involved in production and/or export of galvanized coils/sheets.

13 Investigated Product, Domestic Like Product and Like Product

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

- i. **Investigated Product:**
“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.
- ii. **Domestic Like Product:**
“means a like product that is produced by the domestic industry”.
- iii. **Like Product:**
“a product which is alike in all respects to an investigated product or, in the absence of such a product , another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product”.

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

13.3 Investigated Product:

13.3.1 The investigated product is galvanized/colour coated products of steel imported from China. It is classified under Pakistan Customs Tariff (“PCT”) Heading Nos. 7210.4110 (flat-rolled products of iron or non-alloy steel of a width of 600 mm or more, of secondary quality), 7210.4190 (flat-rolled products of iron or non-alloy steel of a width of 600 mm or more, Others), 7210.4990 (flat rolled products of iron or non-alloy steel of a width of 600 mm or more, Other), 7212.3010 (flat rolled products of iron or non-alloy steel of a width of less than 600 mm, of secondary quality), 7212.3090 (flat rolled products of iron or non-alloy steel of a width of less than 600 mm, Other), 7225.9200 (flat rolled products of other alloy steel of a width of 600 mm or more, Otherwise plated or coated with zinc), 7226.9900 (flat rolled products of other alloy steel of a width of less than 600 mm, Other). Here in after called as “investigated product”.

13.3.2 Investigated product has large number of end-use applications. It is mainly used in cladding/sliding, roofing, building accessories, sliding shutters, doors, partitions, canopies, false ceilings, pre-fabricated buildings, sandwich panels, HVAC(heating, ventilation & air conducting), electrical home appliance (washing machines, deep freezers etc), water tanks, trunks, ducting, grain silos, packing containers, furniture, road

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

signs etc.

13.3.3 Current tariff structure applicable on import of Galvanized Coils/ Sheets is given in the following table:

**Table-I
Current Tariff Structure**

PCT No	Description	Customs Duty		Regulatory Duty	Sales Tax
		Statutory	FTA		
72.10	Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated - Otherwise plated or coated with zinc:				
7210.4110	Secondary quality	20%	CN 16% MY 10% SAFTA 5% LK 100%	5%	17%
7210.4190	Other	11%	CN 5% MY 10% SAFTA 5% LK 100%	5%	17%
7210.4990	Other	11%	do	5%	17%
72.12	Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, clad, plated or coated - Otherwise plated or coated with zinc:				
7212.3010	Secondary quality	20%	CN 16% MY 10% SAFTA 5% LK 100%	--	17%
7212.3090	Other	11%	CN 5% MY 10% SAFTA 5% LK 100%	--	17%
72.25	Flat- rolled products of other alloy steel, of a width of 600 mm or more.				
7225.9200	Otherwise plated or coated with zinc	11%	CN 0% MY 0% SAFTA 5% LK 100%	17.5%	17%
72.26	Flat- rolled products of other alloy steel, of a width of less than 600 mm				
7226.9900	Other	11%	CN 0% MY 0% SAFTA 5% LK 100%	17.5%	17%

Note: CN: Pak-China FTA, MY: Pak-Malaysia FTA, LK: Pak-Sri Lanka FTA

13.4 Domestic Like Product

The domestic like product is galvanized/colour coated products of iron and steel

produced by the domestic industry. It is classified under the same PCT numbers as the investigated product is classified. The domestic like product is also used for same purposes as the investigated product is used.

13.5 **Like Product:**

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

- i. basic raw materials used in the production of the investigated product, and the domestic like product are the same/similar;
- ii. the investigated product and the domestic like product are produced with a similar manufacturing process;
- iii. both the products have similar appearance. Further, physical properties, nature and quality of the investigated product and the domestic like product are similar;
- iv. both the products are used for similar purposes and are substitutable in use; and
- v. both the products are classified under the same PCT/HS heading numbers.

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

14 **Period of Investigation ("POI")**

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

- i. *"for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months."*
- ii. *"for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:
"Provided that the Commission may at its sole discretion, select a*

shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product’.

14.2 The POI selected for the purposes of this investigation for dumping and injury are, as follows:

For determination of dumping: From July 01, 2014 to June 30, 2015

For determination of injury: From July 01, 2012 to June 30, 2015

15 **Exporters/Foreign Producers Involved in Dumping of Galvanized and Coloured Steel Coils/ sheets**

The Applicant has identified 32 foreign producers and exporters involved in dumping of the investigated product from China. The Applicant has stated that there may be other exporters and foreign producers of the investigated product, which are not known to them. Therefore, the Applicant has requested for imposition of antidumping duty on all imports of the investigated product originating in and/or exported from China.

16 **Information/Data Gathering**

16.1 The Commission sent exporter’s questionnaire to 32 foreign producers/exporters based in China whose addresses were available to the Commission on August 17, 2015 for collection of data and information necessary for this investigation. The exporters/foreign producers were asked to respond within 37 days of dispatch of the Questionnaire.

16.2 On August 12, 2015 a copy of the questionnaire was also sent to the Embassy of China in Islamabad with a request to forward it to the all exporters/foreign producers of the investigated product in China.

16.3 The following eleven exporters/foreign producers responded to the Commission’s request for supplying information on the prescribed exporter’s questionnaire and requested for extension in time period (beyond 37 days) for submission of information:

- i. Hebei Iron & Steel Co. Ltd.
- ii. Benxi Iron & Steel Group.
- iii. Angang Steel Company.
- iv. Maanshan Iron & Steel Co. Ltd.

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

- v. Shandong Hwafone Steel Co. Ltd.
- vi. Sino World International Trading Co. Ltd.
- vii. Jinan Crown Steel Corporation.
- viii. Wuxi Xindazhong Steel Sheet Co. Ltd.
- ix. Shanghai Lunary Industrial Co. Ltd.
- x. Bengang Steel Plates Co. Ltd.
- xi. Shanghai Flame Steel Materials Co. Ltd.

16.4 After taking into account the due cause shown by these exporters/foreign 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 October 12, 2015. However, filled-in exporter's questionnaires were received from following four foreign producers/exporters.

- i. Maanshan Iron & Steel Company Limited;
- ii. Bengang Steel Plates Company Limited;
- iii. Angang Steel Company Limited; and
- iv. Hebei Iron & Steel Company Limited

16.5 Upon examination of the information received from these foreign producers/exporters 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 15 infra.

16.6 The Commission also sent Questionnaire on August 11, 2015 to Pakistani importers of galvanized coils sheets, requesting them to provide information within 37 days of the issuance of the questionnaire. None of the importer has provided the data/information on the prescribed questionnaire to the Commission.

16.7 The Commission has access to database of import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purposes of this preliminary determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicant and the foreign producers/ exporters.

16.8 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Following four interested parties have submitted views/comments, which have been taken into account while making this preliminary determination. The comments germane to this investigation and response of the Commission is attached at Annex-I:

- i. China Iron & Steel Association ("CISA"), China;
- ii. Pakistan Iron and Steel Merchants Association;
- iii. Pakistan National Steel Association; and
- iv. Karachi Iron and Steel Merchants Association

16.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of determination of dumping of the investigated product and injury to the domestic industry in this investigation.

17. Questionnaire(s) Response by the Foreign Producers/Exporters

17.1 Questionnaire Response by Angang Steel Company Limited.

17.1.1 The Commission sent exporter's questionnaire to Angang Steel Company Limited, Anshan, China ("Ansteel") on August 17, 2015. The Ansteel requested vide its letter dated September 17, 2015 for extension in time period for submission of response to questionnaire for thirty days i.e. till October 17, 2015. The Commission granted extension till October 12, 2015 vide letter dated September 22, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on October 10, 2015.

17.1.2. According to the information provided in response to the questionnaire, Ansteel is a private company incorporated under the Chinese company laws and is owned by the Angang Group of China. It has been engaged in the manufacture, sale and export of galvanized coils/ sheets to Pakistan as well as to other countries and in its domestic market during the POI.

17.1.3. The information submitted by Ansteel was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated October 30, 2015.

17.1.4. Ansteel was asked to provide the deficient information/data no later than 15 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Ansteel responded to the deficiencies vide its letter dated November 11, 2015. The information provided by the Ansteel in its response to the questionnaire has been accepted by the Commission for the purposes of this preliminary determination and its individual dumping margin is calculated on the basis of its verified information (paragraph 23 infra).

17.12 Questionnaire Response by Hebei Iron & Steel Company Limited.

17.2.1 The Commission sent exporter's questionnaire to Hebei Iron & Steel Company Limited, Handan, China ("HBIS") on August 17, 2015. HBIS through its letter dated September 16, 2015 to grant an extension in the date for submission of exporter questionnaire. The Commission granted the extension for till October 12, 2015 vide letter dated September 22, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on October 12, 2015.

17.2.2 According to the information provided in response to the questionnaire, HBIS is a limited Company incorporated under the Chinese company laws and is owned by the Government of China. It has been engaged in the manufacture, sale and export of galvanized coils/ sheets to Pakistan as well as to other countries and in its domestic market during the POI.

17.2.3 The information submitted by HBIS in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated October 30, 2015.

17.2.4 HBIS was asked to provide the deficient information/data no later than fifteen days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. HBIS responded to the deficiencies vide its letter dated November 13 2015. The information provided by the HBIS in its response to the questionnaire has been accepted by the Commission for the purposes of this preliminary determination and its individual dumping margin is calculated on the basis of its verified information (paragraph 25 infra).

17.3 Questionnaire Response by Bengang Steel Plates Company Limited

17.3.1. The Commission sent exporter's questionnaire to Bengang Steel Plates Company Limited, Benxi, China ("Bengang") on August 17, 2015. Bengang requested for extension in time period on September 02, 2015 for submission of response to questionnaire for twenty days i.e. till October 15, 2015. The Commission granted extension till October 12, 2015 vide letter dated September 22, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on October 30, 2015.

17.3.2. According to the information provided in response to the questionnaire, Bengang is a limited Company incorporated under the Chinese company laws and is owned by the Bengang Group of China. It has been engaged in the manufacture, sale and export of galvanized coils/ sheets to Pakistan as well as to other countries and in its domestic market during the POI.

17.3.3. The information submitted by Bengang was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were

communicated to it vide Commission's letter dated November 09, 2015.

17.3.4. Bengang was asked to provide the deficient information/data no later than November 13, 2015 so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Bengang responded to the deficiencies vide its letter dated November 13, 2015. The information provided by the Bengang in its response to the questionnaire has been accepted by the Commission for the purposes of this preliminary determination and its individual dumping margin is calculated on the basis of its verified information (paragraph 24 infra).

17.4 Questionnaire Response by Maanshan Iron & Steel Company Limited

17.4.1 The Commission sent exporter's questionnaire to Maanshan Iron & Steel Company Limited, Manshan City, China ("Ma Steel") on August 17, 2015. Ma Steel applied for extension of time period on September 17, 2015 for submission of response to questionnaire till October 19, 2015. The Commission granted extension till October 12, 2015 vide letter dated September 22, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on October 08, 2015.

17.4.2. According to the information provided in response to the questionnaire, Ma Steel is a limited liability company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of galvanized coils/ sheets to Pakistan as well as to other countries and in its domestic market during the POI.

17.4.3. The information submitted by Ma Steel was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated November 02, 2015.

17.4.4. Ma Steel was asked to provide the deficient information/data no later than 10 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Ma Steel responded to the deficiencies vide its letter dated November 12, 2015. The information provided by the Ma Steel in its response to the questionnaire has been accepted by the Commission for the purposes of this preliminary determination and its individual dumping margin is calculated on the basis of that information (paragraph 26 infra).

18. Verification of the Information

18.1 In terms of Sections 32(4) and 35 of the Act and Rule 12 of the Rules, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information during the course of an investigation, and for this purpose verify the information supplied by the interested parties. Accordingly the Commission has satisfied itself as to the accuracy and adequacy of information and evidence supplied by the

interested parties to the extent possible for the purposes of this preliminary determination.

18.2 In order to verify information/data provided by the Applicant and to obtain further information (if any), officers of the Commission conducted on-the-spot investigation at the office and plant of the Applicant from October 5-7, 2015.

18.3 On-the-spot investigations at the premises of the following three foreign producers/exporters in China was conducted from December 15 to 22, 2015:

- i. Angang Steel Company Ltd, Qianshan District, Anshan City, Liaoning Province, China.
- ii. Bengang Steel Plates Co. Ltd, Phingshan District, Benxi, Liaoning Province, China.
- iii. Hebei Iron & Steel Company Ltd, Handan City, Hebei Province, China.

19. Public File

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

20. Confidentiality

20.1 In terms of Section 31 of the Act, the Commission shall keep confidential any information submitted to it, which is by nature confidential, or determined by the Commission to be of confidential nature for any other reason, or provided as confidential by the interested parties upon good cause shown to be kept confidential.

20.2 The Applicant and the foreign producers/exporters who have provided information in response to the questionnaire have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, salaries & wages, number of employees and capacity etc.

20.3 On the basis of requests made by the interested parties, the Commission has determined the confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to a

competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. Therefore, the Commission kept all such information confidential for which the interested parties made a request to keep it confidential. However, in terms of Sub-Section (5) of the Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in public file.

B. DETERMINATION OF DUMPING

21. Dumping

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

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

22. Normal Value

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

“a comparable price paid or payable, in the ordinary course of trade, for sales of a like product when destined for consumption in an exporting country”.

Further, Section 6 of the Act states:

“(1) when there are no sales of like product in the ordinary course of trade in domestic market of an exporting country, or when such sales do not permit a proper comparison because of any particular market situation or low volume of the sales in the domestic market of the exporting country, the Commission shall establish normal value of an investigated product on the basis of either:

- “a) the comparable price of the like product when exported to an appropriate third country provided that this price is representative; or*
- “b) the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and 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.”.

22.2 Ordinary course of trade is defined in Section 7 of the Act as follows:

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

“(a) within an extended period of time which shall normally be a period of one year and in no case less than a period of six months;

“(b) in substantial quantities; and

“(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.

“(2) For the purposes of sub-clause (b) of sub-section (1), sales below per unit cost shall be deemed to be in substantial quantities if the Commission establishes that –

“(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or

“(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.

“(3) If prices which are below per unit cost at the time of sale are above the weighted average cost for the period of investigation, the Commission shall consider such prices as providing for recovery of costs within a reasonable period of time.”

23. Export Price

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

24. Dumping Determination

24.1 As stated earlier (paragraph 15 supra) the Applicant identified 32 foreign producers/exporters from China involved in dumping of the investigated product. For collection of data/information exporter's questionnaire were sent to all exporters/foreign producers whose addresses were available. Copy of the questionnaire was also provided to the Embassy of China in Islamabad with a request to forward it to all foreign producers/ exporters of the investigated product based in China to submit information to the Commission.

24.2 However, the Commission have received information in response to the questionnaire only from the following four foreign producers/exporters:

- i. Angang Steel Company Ltd, 1 Qianshan Road West, Qianshan District, Anshan City, Liaoning Province, China ("Ansteel).
- ii. Bengang Steel Plates Co. Ltd, Han-Bao Co, Ltd, 16, Renmin Road, Phingshan District, Benxi, Liaoning Province, China ("Bengang")
- iii. Hebei Iron & Steel Company Ltd, No. 232 Fuxing Road, Handan City, Hebei Province, China ("HBIS").
- iv. Maanshan Iron & Steel Co., Ltd. No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, China ("Ma Steel").

24.3 Individual dumping margins for the above mentioned four exporters have been determined on the basis of information provided by them. However, a residual dumping margin/duty rate for all others has been established on the basis of best information available. Details of determination of dumping margins are provided in the following paragraphs.

25. Determination of Normal Value and Export Price for Ansteel

25.1 Normal Value of Ansteel

25.1.1 Normal value for Ansteel has been determined on the basis of the information provided by it in response to the questionnaire.

25.1.2 During the POI, Ansteel sold ***** MT of different types of galvanized products in its domestic market. However, sales of the grade/type (SGCC grade with 40 grams of zinc weight), which was exported to Pakistan, were only *** MT during the POI, which is not a sufficient quantity to determine normal value in terms of Section 6(2) of the Act as these sales are only 3.58 percent of the exports of the investigated product. In accordance with Section 6(2) of the Act, Sales of the like product destined for consumption in the domestic market of the exporting country shall normally 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 the investigated product to Pakistan.

Therefore, normal value for Ansteel is established on the basis of its cost to make and sell and profits during the POI, which works out to be CNY ****/MT. Constructed normal value of Ansteel is attached at Annex-II.

25.2 Export Price of Ansteel

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

25.2.2 According to the information, Ansteel exported only SGCC type/grade with ** grams of zinc weight) of the investigated product to Pakistan during POI. Its exports of the investigated product during the POI were **** MT.

25.2.3 During POI it exported investigated product through its related company based in Hong Kong. It has provided information on its sales to the related company and related company's sales to unrelated party. However, the export price is determined on the basis of Ansteel's sales to its related company.

25.2.4 During POI, Ansteel exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, commission, finance cost and value added tax ("VAT") at the rate of 4 percent, which is not refunded on export sales. 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 FOB value of sales transactions, which works out to be CNY ****/MT (US\$ ***). Summary calculations of export price is placed at Annex-III.

26. Determination of Normal Value and Export Price for Bengang

26.1 Normal Value of Bengang

26.1.1 Normal value for Bengang has been determined on the basis of the information provided by it in response to the questionnaire.

26.1.2 During the POI, Bengang sold ***** MT of different types of galvanized products in its domestic market. However, sales of the grade/types (with spangle CS-B and with spangle SGCC), which were exported to Pakistan, were only *** MT during the POI, which is not a sufficient quantity to determine normal value in terms of Section 6(2) of the Act as these sales are only 1.48 percent of the exports of the investigated product. In accordance with Section 6(2) of the Act, Sales of the like product destined for consumption in the domestic market of the exporting country shall normally be

considered to be a sufficient quantity for the determination of normal value if such sales constitute 5 per cent or more of the sales of the investigated product to Pakistan. Therefore, normal value for Bengang is established on the basis of its cost to make and sell and profits of 'with spangle' product during the POI, which works out to be CNY ****/MT (***/MT). Constructed normal value of Bengang is attached at Annex-IV.

26.2 Export Price of Bengang

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

26.2.2 According to the information, Bengang exported only with spangle-CS-B and with spangle SGCC types/grades of the investigated product to Pakistan during the POI. Its total exports of the investigated product to Pakistan during the POI were ***** MT.

26.2.3 During the POI it exported investigated product through its related companies based in China and Hong Kong. It has provided information on its sales to the related companies and related company's sales to unrelated party. However, the export price is determined on the basis of Bengang's sales to its related companies.

26.2.4 During POI, Bengang exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, credit cost, value added tax ("VAT") at the rate of 4 percent(which is not refunded on export sales), bank charges and admn., selling and financial charges of the trading company. 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 FOB value of sales transactions, which works out to be CNY ****/MT (US\$ ***/MT). Summary calculations of export price is placed at Annex-V.

27. Determination of Normal Value and Export Price for HBIS

27.1 Normal Value of HBIS

27.1.1 Normal value for HBIS has been determined on the basis of the information provided by it in response to the questionnaire.

27.1.2 During the POI, HBIS sold ***** MT of different types of galvanized products in its domestic market. However, sales of the grade/types (cold plate SGCC, cold plate CS-B and hot plate SGHC grades), which were exported to Pakistan, were ***** MT during the POI.

27.1.3 These sales are in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the

investigated product exported by HBIS to Pakistan during POI.

27.1.4 HBIS sold like product to related and unrelated parties in its domestic market. However, sales to related parties were at arms' length. Therefore, the Commission has determined normal value for HBIS on the basis of its sales of the like product (comparable types/grades) in domestic market during POI.

27.1.5 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed that below costs sales of the like product were in substantial quantities in terms of Section 7(2) of the Act. Furthermore, below costs sales were in extended period of time and its prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value the Commission has disregarded sales, which were not in the ordinary course of trade in accordance with provisions of Section 7 of the Act.

27.1.6 During the POI HBIS sold like products in its domestic market on delivered basis. Therefore, to arrive at the ex-factory price of like product, HBIS has claimed adjustments on account of inland freight. The Commission has accepted this adjustment and the normal value at ex-factory level for the like product is worked out by deducting value of inland freight. Summary calculations of normal value is placed at Annex-VI.

27.2 Export Price of HBIS

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

27.2.3 According to the information, HBIS exported cold plate-CS-B, cold plate-SGCC and hot plate-SGHC types/grades of the investigated product to Pakistan during the POI. Its total exports of the investigated product to Pakistan during the POI were **** MT.

27.2.4 During the POI it exported investigated product through its related companies based in China, Hong Kong and Singapore. It has provided information on its sales to the related companies and related company's sales to unrelated party. However, the export price is determined on the basis of HBIS's sales to its related companies.

27.2.5 During POI, HBIS exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, credit cost and bank charges. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross FOB value of sales transactions. Summary calculations of export price is placed at Annex-VII.

28. Determination of Normal Value and Export Price for Ma Steel

28.1 Normal Value of Ma Steel

28.1.1 Normal value for Ma Steel has been determined on the basis of the information provided by it in response to the questionnaire.

28.1.2 During the POI, Ma Steel sold ***** MT of different types of galvanized products in its domestic market. Sales of the grades/types (DX51D+ZF and DX52D+ZF grades), which were exported to Pakistan, were ***** MT during the POI. However, Ma Steel's exports of the investigated product to Pakistan during the POI were only on July 10, 2014 and March 24, 2015. Its sales of the comparable grade in the domestic market on these dates were **** MT

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

28.1.4 Ma Steel sold comparable grades of the like product on these specific dates to unrelated parties in its domestic market. The Commission has determined normal value for Ma Steel on the basis of its sales of the like product (comparable types/grades) in domestic market made on specific dates on which exports were made.

28.1.5 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed that below costs sales of the like product were in substantial quantities in terms of Section 7(2) of the Act. Furthermore, below costs sales were in extended period of time and its prices did not provide for recovery of all costs within a reasonable period of time. Thus, in determination of normal value the Commission has disregarded sales, which were not in the ordinary course of trade in accordance with provisions of Section 7 of the Act.

28.1.6 During the POI Ma Steel sold like products in its domestic market on ex-works basis with payment in advance. Therefore, it has not claimed any adjustment to reach at ex-factory price. Weight average ex-factory price (normal value) of the comparable types works out CNY ****/MT (US\$ ***/MT). Summary calculation of normal value is placed at Annex-VIII.

28.2 Export Price of Ma Steel

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

28.2.2 According to the information, Ma Steel exported DX51D+ZF and DX52D+ZF grades types/grades of the investigated product to Pakistan during the POI. Its total

exports of the investigated product to Pakistan during the POI were *** MT, which were sold on July 10, 2014 and March 24, 2015.

28.2.3 During the POI it exported investigated product through a trading company Hong Kong. During POI, Ma Steel exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, bank charges and VAT at the rate of 4 percent (which is not refunded on export sales). 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 FOB value of sales transactions. Weighted average export price at ex-factory level works out to be CNY ****/MT (US\$ ***/MT). Summary calculations of export price is placed at Annex-IX.

29. Determination of Dumping for All Other Exporters from China.

A residual dumping margin/duty rate for all other exporters/foreign producers who have not provided information in this investigation has been determined, which is the highest individual dumping margin determined amongst the cooperating foreign producers/exporters. The Commission is of the view that this is the best representative dumping margin for the foreign producers/exporters who have not cooperated in this investigation in providing information for the purposes of determination of their individual dumping margin.

30. Dumping Margin

30.1 The Act 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 Act the Commission shall determine an individual dumping margin for each known exporter or producer of an investigated product. In this preliminary determination, the Commission has determined individual dumping margin for four exporters who cooperated with the Commission and supplied necessary information and the provisional antidumping duty rate for these exporters is established on the basis of individual dumping margin determined for each exporter. However, residual dumping margin/antidumping duty rate has been determined for non-cooperating exporters/foreign producers of the China.

30.2 Section 12 of the Act provides three methods for fair comparison of normal value and export price in order to establish dumping margin. The Commission has 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 the requirements of Section 11 of the Act which states that;

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

“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. Calculation of dumping margins are attached at Annex - X:

**Table II
Dumping Margin**

Exporter Name	Dumping margin as %	
	Export price	C & F price
Ansteel	46.89%	40.47%
Bengang	10.60%	9.13%
HBIS	14.22%	13.31%
Ma Steel	4.59%	4.05%
All others	46.89%	40.47%

31. De minimis Dumping Margin and Negligible Volume of Dumped Imports

31.1 In terms of Section 41(2) of the Act *“an investigation shall be immediately terminated if Commission determines that the dumping margin is negligible or that volume of dumped imports, actual or potential, or injury is negligible.”*

31.2 Section 41(3) of the Act states that the dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins set out in paragraph 28.4 supra, are well above the negligible (*de minimis*) level.

31.3 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product. The information/data on dumped imports of the investigated product and other imports of galvanized coils/sheets has been obtained from PRAL. Volume of dumped imports of the investigated product from dumped source and galvanized coils/sheets imported from other sources during the POI (July 01, 2014 to June 30, 2015) is given in the table below:

**Table-III
Volume of Imports during POI**

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

Country	Percentage share in total imports
China	91.59%
Other sources	8.41%
Total	100.00%

Source: PRAL

31.4 On the basis of above information, the Commission has preliminary determined that the volume of dumped imports of the investigated product from China was well above the negligible threshold during the POI.

C. INJURY TO THE DOMESTIC INDUSTRY

32. Determination of Injury

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

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

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

32.2 Section 15 of the Act further provides that:

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

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

32.4 As stated earlier (paragraph 7 supra) only the Applicant produced domestic like product during last three years, therefore, the Applicant is considered as the domestic industry in terms of Section 2(d) of the Act for the purposes of this investigation. Analysis of injury factors carried out in this preliminary determination in the following paragraphs is, therefore, based on the information submitted by Applicant.

33. Volume of Dumped Imports

Facts

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

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

**Table-IV
Volume of Dumped Imports**

Year	Imports from	
	China	Other sources
2012-13	100.00	19.50
2013-14	123.54	15.16
2014-15	218.02	20.01

Source: PRAL Year: July 1 to June

Note: To keep confidentiality actual figures have been indexed with reference to imports from China in the year 2012-13 by taking it equal to 100

Analysis

33.3 It appears from the above table that dumped imports of the investigated product increased significantly in absolute terms during the POI. Dumped imports which were increased by 24 percent in 2013-14 and further increased by 76 percent over previous year's imports during 2014-15 (the POI for dumping).

Conclusion

33.4 On the basis of the above information and analysis, the Commission has concluded that the dumped imports of the investigated product increased significantly in absolute terms during the POI.

34. Price Effects

34.1 Effect of dumped imports on sales price of the domestic like product in the domestic market has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product over time), or price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs:

34.2 Price undercutting

Facts

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

**Table-V
Price Undercutting**

Year	Domestic product's price	Landed cost of dumped imports	Price undercutting:	
			absolute	percentage
2012-13	100.00	91.67	8.33	9.08%
2013-14	102.21	91.87	10.34	11.25%
2014-15	92.87	86.95	5.92	6.81%

Sources: The Applicant & PRAL: Landed cost: C&Fprice+CD under FTA+RD +2% incidentals

Note: To keep confidentiality actual figures have been indexed with reference to the domestic price in the year 2012-13 by taking it equal to 100

Analysis

34.2.2 Analysis of the information provided in the above table shows that the weighted average landed cost of the investigated product declined by 5.36 percent during the POI for dumping. The weighted average landed cost of the investigated product remained lower than the weighted average ex-factory price of the domestic like product throughout the POI. The landed cost of the investigated product undercut prices of the domestic like product in the range of 6.81 percent to 11.25 percent during the POI.

Conclusion

34.2.3 On the basis of the above information and analysis the Commission has concluded that the dumped imports of the investigated product significantly undercut prices of the domestic like product in the domestic market during the POI.

34.3 Price Depression

Facts

34.3.1 Weighted average ex-factory prices of the domestic like product prevailed during POI are given in table below:

**Table – VI
Price Depression**

Year	Domestic	Price Depression
------	----------	------------------

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

	product's price	Absolute	Percentage
2012-13	100.00	--	--
2013-14	102.21	--	--
2014-15	92.87	9.34	9.14%

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the domestic price in the year 2012-13 by taking it equal to 100

Analysis

34.3.2 The table above shows that the price of the domestic like product increased by 2.21 percent in the year 2013-14. However, price of the domestic like product declined by 9.14 percent during the POI for dumping i.e. 2014-15.

Conclusion

34.3.3 On the basis of the above information the Commission has concluded that the dumped imports of the investigated product significantly depressed price of the domestic like product during the POI.

34.4 Price Suppression

Facts

34.4.1 Weighted average cost to make and sell and ex-factory prices of the domestic like product for the POI are given in the following table:

**Table - VII
Cost to Make and Sell and Ex-factory Price**

Year	Cost to make & sell	Ex-factory price	Increase/(decrease) in:		Price Suppression
			Cost to M&S	Price	
2012-13	100.00	105.98			--
2013-14	100.88	108.31	0.88	2.34	--
2014-15	94.91	98.42	(5.97)	(9.90)	--

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the cost to make & sell in the year 2012-13 by taking it equal to 100

Analysis

34.4.2 The above table shows that average cost to make and sell of the domestic like product increased by 1 percent in 2013-14 over the cost to make and sell in the year 2012-13, however, it decreased by 6 percent in 2014-15. The sales price of domestic like product increased by 2 percent in the year 2013-14 and decreased by 9 percent in the year 2014-15.

34.4.3 The investigation has revealed that decline in price of the domestic like product during the year 2014-15 was partially due to decline in its cost to make and sell and partially due to depressing effect of dumped imports of the investigated product, as cost to make and sell of the domestic like product declined by 6 percent in this year whereas its price declined by 9 percent.

Conclusion

34.4.4 On the basis of the above information and analysis, the Commission has concluded that the dumped imports of the investigated product prevented increase in price of the domestic like product in the domestic market which otherwise would have occurred during the POI.

35. Effects on Market Share

Facts

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

**Table – VIII
Market Share**

Year	Domestic Industry's sale		Imports from:				Total domestic market	
			China		Other Sources			
	absolute	%	absolute	%	absolute	%	absolute	increase
2012-13	52.85	53%	39.46	39%	7.70	8%	100.00	--
2013-14	56.30	51%	48.74	44%	5.98	5%	111.02	11%
2014-15	55.66	37%	86.02	58%	7.89	5%	149.57	35%

Sources: PRAL and the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the total domestic market in the year 2012-13 by taking it equal to 100

Analysis

35.2 The above table shows that the domestic market of Galvanized and coloured steel Coils/ sheets increased by 11 percent and 35 percent during the years 2013-14 and 2014-15 respectively.

35.3 The domestic industry's market share decreased from 53 percent in 2012-13 to 51 percent in 2013-14 and further decreased to 37 percent in 2014-15. Market share of the dumped imports increased from 39 percent in 2012-13 to 44 percent and 58 percent in the years 2013-14 and 2014-15 respectively. However, imports from other sources decreased from 8 percent in 2012-13 to 5 percent in 2014-15.

35.4 The investigation has revealed that the domestic industry was operating at full capacity during the POI (paragraph 37 infra). However, its installed production capacity was much less than the domestic demand during the POI. Therefore, market share of the domestic industry would have declined in the increased domestic market even if its entire production had been sold.

Conclusion

35.5 On the basis of above information and analysis, the Commission has concluded that the domestic industry did not suffer material injury on account of loss of market share due to dumped imports of the investigated product during POI.

36. Effects on Sales

Facts

36.1 The sales of the domestic like product during the POI are given below:

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

Year	Sales
2012-13	100.00
2013-14	106.52
2014-15	105.31

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the sales in the year 2012-13 by taking it equal to 100

Analysis

36.2 The above table shows that the domestic industry's sales of domestic like product increased by 6.52 percent in 2013-14 and decreased by 1 percent in 2014-15 despite significant increase in total domestic market during this period (paragraph 33.2 supra) and despite the fact that domestic industry was not able to sell its entire production during the POI for dumping. Resultantly, the domestic industry ended up with higher inventories of the domestic like product during the year 2014-15 (paragraph 38 infra).

Conclusion

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

37. Effects on Production and Capacity Utilization

Facts

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

**Table-X
Installed Capacity, Production and Capacity Utilization**

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

Year	Installed Capacity	Production	Capacity Utilization
2012-13	100.00	95.62	95.62%
2013-14	100.00	105.97	105.97%
2014-15	100.00	112.78	112.78%

Source: Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the installed capacity in the year 2012-13 by taking it equal to 100

Analysis

37.2 It may be noted from the above table that the quantity produced and capacity utilization of the Applicant increased during the POI. Capacity utilization increased from 96 percent in 2012-13 to 113 percent in 2014-15. Investigation has revealed that the Applicant's plant capacity is rated at 0.5 mm thickness whereas its major production and sales during the POI was of above 0.5 mm thickness. Therefore, quantity produced is more than the rated installed production capacity of the plant.

37.3 In view of the increasing domestic market/demand of galvanized coils/sheets (paragraph 33 supra) the Applicant has set up a new production line for production of the domestic like product, which has started commercial production on August 17, 2015. Therefore, current installed production capacity of the Applicant to produce galvanized coils/sheets is 400,000 MT per annum. Further, the Applicant has also installed a colour coating line of 84,000 MT per annum, which has become operational in February, 2015.

37.4 The installed production capacity of the Applicant to produce cold rolled products of iron and steel (the input for galvanized coils/sheets) was 250,000 MT per annum, which is also increased to 500,000 MT per annum with effect from September 2015.

Conclusion

37.5 Based on above facts 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.

38. Effects on Inventories

Facts

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

**Table-XI
Inventories of the Domestic Like Product**

Year	Opening inventory	Production	Domestic sales	Export sales	Closing inventory
------	-------------------	------------	----------------	--------------	-------------------

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

2012-13	100	1487	1232	188	166
2013-14	166	1648	1313	368	133
2014-15	133	1754	1298	291	297

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the opening inventory in the year 2012-13 by taking it equal to 100

Analysis

38.2 The above table shows that the closing inventory of the domestic like product has increased by 124 percent in the year 2014-15, the POI for dumping over the inventory level of the year 2013-14. Inventory of the domestic like product increased by 79 percent in the year 2014-15 over the inventory level of the year 2012-13.

Conclusion

38.3 On the basis of the above information and analysis the Commission has concluded that the domestic industry suffered material injury on account of level of inventory of the domestic like product during the POI.

39. Effects on Profit/Loss

Facts

39.1 As stated earlier (paragraph 35.4 supra) that the Applicant is also producer of cold rolled coils/sheets, however, the table below shows the profits and profitability of the production and sales of the galvanized and coloured steel coils/sheets (the domestic like product) only during the POI:

**Table -XII
Profits and Profitability of the Applicant**

Year	Total Profit	Profit as % of sales value
2012-13	100.00	5.44%
2013-14	125.04	5.68%
2014-15	58.98	3.09%

Source: Applicant:

Note: To keep confidentiality actual figures have been indexed with reference to the total profits in the year 2012-13 by taking it equal to 100

Analysis

39.2 The information provided in the above table shows that the profits and profitability of the Applicant declined during the POI. Profits of the domestic industry increased by 25 percent in the year 2013-14, however, its profits declined to 53 percent in the year 2014-15, which is the POI for dumping. This decline in profits was due to depressing and suppressing effects of the dumped imports of the investigated product (paragraphs 34.3 and 34.4 supra) on prices of the domestic like product. Similarly, profitability of the Applicant declined by 50 percent in the year 2014-15.

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 profits and profitability during the POI due to dumped imports of the investigated product.

40. Effects on Cash Flows

Facts

40.1 The Applicant is a multi-product company and the cash flows of its operations cannot be determined separately for different products, as number of factors are combine for all products.

40.2 As per Section 17(2) of the Act, *“the Commission shall assess effect of dumped imports in relation to production of a domestic like product in Pakistan when available data permit separate identification of that production on the basis of criteria of production process, producer’s sales and profits:*

Provided that if such separate identification of that production is not possible, the Commission shall assess effects of dumped imports by examination of the production of the narrowest group or range of products, which includes a domestic like product, for which necessary information can be provided.”

40.3 Keeping in view the above the cash flows are assessed for entire operations of the Applicant. The cash flows of the operating activities of the Applicant are given in the following table:

**Table-XIII
Net Cash Flow**

Period	Cash flow
2012-13	100.00
2013-14	0.20
2014-15	43.44

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the cash flow in the year 2012-13 by taking it equal to 100

Analysis

40.4 The above table shows that the Applicant’s net cash flow declined during the year 2013-14 and increased during the year 2014-15, however, this increased cash flow was less than the cash flow of the year 2012-13.

Conclusion

40.5 As it is stated above that cash flows for the domestic like product cannot be determined separately, therefore, no conclusion can be drawn on account of cash flows.

41. Effects on Employment, Productivity and Salaries & Wages

Facts

41.1 The data relating to the employment, salaries & Wages and productivity of the domestic like product during the POI is given in the following table:

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

Year	Number of Employees	Productivity per worker	Salaries & Wages Per MT
2012-13	100	192	316
2013-14	100	212	303
2014-15	125	182	344

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the number of employees in the year 2012-13 by taking it equal to 100

Analysis

41.2 The above table shows that the employment in the domestic industry increased by 25 percent during the year 2014-15, whereas the Applicant was operating at full capacity in the previous two years (2012-13 and 2013-14) (paragraph 37 supra) with 25 percent less employees. Therefore, there was no need for more employees to operate at full installed capacity of the POI. Probably, this increase in employees was due to enhanced production capacity, which has become operational after the POI (paragraph 37 supra). Thus, decrease in productivity and increase in salaries and wages was due to increase in number of employees which was not meant for the installed capacity during the POI.

Conclusion

41.3 Based on above facts and analysis the Commission has concluded that the domestic industry did not suffer material injury on account of productivity and salaries and wages during POI.

42. Effects on Return on Investment

Facts

42.1 As stated earlier that the Applicant is a multi-product company therefore the investment and return on investment cannot be determined separately for different products as investment (equity/loans) is made for entire company. Based on the total profits (before tax), long term finance, markup paid, debt and equity of the entire company the investment and return on investment is determined as follows:

**Table-XV
Return on Investment**

Year	ROI (%)
2012-13	18
2013-14	19
2014-15	10

Source: the Applicant

Analysis

42.2 The above table shows that the Applicant's return on investment declined during the POI from 19 percent in 2013-14 to 10 percent in 2014-15. However, as return on investment is determined entire company (all products), therefore no conclusion can be drawn for the domestic like product whether domestic industry suffered material injury on account of return on investment or not.

43. Effects on Growth and Investment

Facts/Analysis

43.1 As stated earlier that there was significant growth in domestic demand/market of galvanized and coloured steel coils/sheets in the country (paragraph 33 supra), therefore, keeping this aspect in view, the Applicant has made a considerable investment (about US\$ 30 million) and has installed another line of production of the domestic like product, which became operational in August 2015.

Conclusion

43.2 In view of the above information it is concluded that the domestic industry did not suffer material injury on account of growth and investment during the POI.

44. Ability to Raise Capital

Facts/Analysis

As stated above (paragraph 41 supra) that the Applicant has made a considerable investment in near past, therefore, it is concluded that the domestic industry did not suffer material injury on account of ability to raise capital during the POI.

45. Magnitude of Dumping Margins

Facts/Analysis

Dumping margins determined for imports of the investigated product are ranging between 4.59 percent to 46.89 percent (paragraph 28 supra), which are considered enough to cause material injury to the domestic industry. Further, injury factors discussed above show that domestic industry has suffered materially on account of profits, price depression, price suppression, price undercutting, sales and inventories of the investigated product due to dumped imports of the investigated product.

46. Summing up of Material Injury

Facts and analysis in the preceding paragraphs shows that the domestic industry has suffered material injury during POI on following accounts:

- i. Significant increase in volume of dumped imports;

- ii. Significant price undercutting by the dumped imports;
- iii. Significant price depression;
- iv. Significant price suppression;
- v. Increase in inventories;
- vi. Decline in sales;
- vii. Decline in profits and profitability; and
- viii. Significant magnitude of the dumping margin.

D. CAUSATION

47. Effect of Dumped Imports

47.1 From the foregoing analysis it appears that the volume of the dumped imports significantly increased during 2014-15 which, at the same time caused significant price undercutting, significant price depression, significant price suppression, decline in sales, decline in profits, and increase in inventories of the domestic like product.

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

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms;
- ii. Domestic industry experienced price undercutting, price suppression and price depression due to dumped imports of the investigated product;
- iii. Domestic industry experienced decline in sales, decline in profits/ profitability and increase in inventories of the domestic like product; and

48. Other Factors

48.1 In accordance with Section 18(2) and 18(3) of the Act, the Commission has examined following factors other than dumped imports 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 injury caused by dumped imports:

- i. Volume and price of imports not sold at dumping prices;

Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/ Sheets into Pakistan Originating in and/ or Exported from People's Republic of China

- ii. Contraction in demand or changes in the patterns of consumption;
- iii. Trade restrictive practices and competition between foreign and domestic producers;
- iv. Developments in technology; and
- iv. Export performance and productivity of domestic industry.

48.2 The Commission has preliminarily determined that the domestic industry did not suffer material injury due to other factors including imports of galvanized and coloured steel coils/sheets from sources other than the dumped source during the POI. Following table shows the landed cost from other sources and dumped source, and weighted average price of the domestic like product:

**Table-XVI
Landed Cost and Prices of Galvanized Coils/Sheets**

Year	Landed Cost of:		Domestic industry's price
	Other sources	Dumped Source	
2012-13	100.00	87.12	90.70
2013-14	99.48	87.22	92.70
2014-15	97.27	78.87	84.23

Sources: PRAL and the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the landed cost of other sources in the year 2012-13 by taking it equal to 100

48.3 The above table shows that, during the POI, the landed cost of the galvanized and coloured steel coils/ sheets imported from other sources was much above than the landed cost of the investigated product as well as the ex-factory price of the domestic like product. Therefore, imports of galvanized and coloured steel coils/sheets from other sources neither undercut prices of the domestic like product nor were cause of the price depression. On the other hand landed cost of the investigated product not only undercut price of the domestic like product (as it was lower than the ex-factory price), The decline in its landed cost also forced the domestic industry to reduce its prices (price depression) and prevent increase in its price which otherwise shall have occurred (price suppression). Please refer paragraph 34 supra.

48.4 Volume of imports from other sources, dumped source and sales by the domestic industry are provided in the following table to analyze whether imports from other sources were the cause of injury to the domestic industry and whether there was contraction in demand of galvanized and coloured steel coils/sheets or there were changes in its patterns of consumption in accordance with Section 18(3) of the Act:

**Table-XVII
Total Domestic Market of GC Coils/sheets**

Year	Domestic	Imports from:	Total
------	----------	---------------	-------

Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/ Sheets into Pakistan Originating in and/ or Exported from People's Republic of China

	Industry's sales	Dumped Source	Other Sources	market
2012-13	52.85	39.46	7.70	100.00
2013-14	56.30	48.74	5.98	111.02
2014-15	55.66	86.02	7.89	149.57

Sources: PRAL and the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the total market in the year 2012-13 by taking it equal to 100

48.5 The above table shows that the volume of imports from sources other than dumped source remained in the same range whereas volume of dumped imports of the investigated product increased significantly during POI, which shows volume of imports from other sources were not the cause of injury to the domestic industry. Rather it is the volume of dumped imports which have caused material injury to the domestic industry during the POI.

48.6 The above table further shows that the domestic market increased significantly, by 11 percent in the year 2013-14 and by 35 percent in the year 2014-15. Thus, there was no contraction in demand or there was no change in pattern of consumption of the galvanized and coloured steel coils/sheets during the POI.

48.7 The investigation has also shown that there was no significant change in export pattern of the domestic industry during POI. Quantity exported by the domestic industry during POI was as follows:

Table – XVIII
Applicant's Exports of Galvanized Coils/Sheets

Year	Exports
2012-13	100
2013-14	195
2014-15	154

Source: the Applicant

Note: To keep confidentiality actual figures have been indexed with reference to the exports in the year 2012-13 by taking it equal to 100

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

- i. There was no change in trade restrictive practices and competition between foreign producers other than producers from the dumped source and domestic producer; and
- ii. There was no considerable change in technology to produce galvanized coils/sheets during the POI;

48. Based on the above information and analysis the Commission has concluded that there was no other factor which has caused material injury to the domestic industry

during the POI except dumped imports of the investigated product.

49. Causal Relationship between Dumped Imports and Material Injury to the Domestic Industry

Examination of the volume of dumped imports and its prices show a causal relationship between dumped imports of the investigated product and material injury to the domestic industry during the POI, as volume of dumped imports increased significantly at dumped prices which simultaneously undercut, suppressed and depressed prices of the domestic like product and adversely affected, sales, profits/profitability, and inventories of the domestic like product. Following table shows simultaneous effect of dumped imports on domestic industry:

**Table – XIX
Causal Relationship**

S.No	Description	2012-13	2013-14	2014-15
i.	Increase in volume of dumped imports	--	24%	76%
	Increase/(decrease) in domestic sales	--	7%	(1%)
iii.	Increase/(decrease) in landed cost of IP	--	0.12%	(9.58%)
iv.	Increase/(decrease) in domestic price	--	2.21%	(9.14%)
vii.	Increase/(decrease) in profits	--	25%	(53%)
Viii	Increase/(decrease) in profitability	--	6%	(50%)
ix.	Increase/(decrease) inventories	--	(20%)	124%

E. CONCLUSIONS

50. After taking into account all considerations, evidences, information and analysis the Commission has reached the following conclusions for the purposes of this preliminary determination:

- i. the application was filed by the domestic industry as the Applicant represented 100 percent of the production of domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products in terms of the provisions of the Act;
- iii. during the POI, the investigated product was exported to Pakistan by the exporters/ foreign producers from China at prices below its normal value;

- iv. the volume of dumped imports of the investigated product and the dumping margins established for the foreign producers/ exporters of the investigated product are above the negligible and *de minimis* levels;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 4.59 percent to 46.89 percent;
- vi. during the POI the domestic industry suffered material injury on account of significant increase in volume of dumped imports, significant price undercutting, significant price depression, significant price suppression, decline in sales, decline in profits/profitability and increase in inventories in terms of Section 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury faced by the domestic industry.

F. PROVISIONAL ANTIDUMPING DUTY

51. Section 43(1) of the Act empowers the Commission to impose provisional anti-dumping duty and states as follows:

“The Commission may impose provisional measures if it makes an affirmative preliminary determination of dumping and injury, and determines that provisional measures are necessary to prevent injury being caused during the course of an investigation:

Provided that provisional measures shall not be applied sooner than sixty days from the date of initiation of the investigation:

Provided further that the amount of the provisional anti-dumping duty shall not exceed the margin of dumping as provisionally established, but it may be less than the margin if such lesser duty would be adequate to remove the injury to the Domestic Industry.”

52. In accordance with provisions of Section 43 of the Act and keeping in view the analysis of all relevant factors the Commission is of the view that the provisional measures are not needed in this case. Therefore, no provisional measures are imposed.

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

(Tipu Sultan)
Member
November 01, 2016

(Robina Ather)
Member
November 01, 2016

(Abdul Khaliq)
Member
November 01, 2016

(Qasim M. Niaz)
Chairman
November 01, 2016

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

Annex-I

Comments of China Iron & Steel Association (“CISA”)

Para No	Views/Comments	Commission's Response
II	Import of the investigated product	
5	<p>“<u>II.1 Import increase from China is due to market force</u> CISA notice that, the Applicant, International Steel Limited (“ISL”) is the sole producer of the domestic industry, which holds 100% of the production of the investigated product in Pakistan. It is showed that ISL is absolutely having monopoly position on Pakistan domestic market.”</p>	<p>The Applicant was the sole producer of the domestic like product during the POI, however, to check monopoly is responsibility of the Competition Commission of Pakistan. If any interested party has any complaint in this regard, it may approach Competition Commission of Pakistan</p>
6	<p>“the market demand of Pakistan is much higher than the output of the domestic steel industry, the supply of steel products including galvanized steel produced by ISL is not sufficient to meet the growing demand, a big gap between supply and demand incurred consequently.”</p>	<p>The installed capacity of the Applicant to produce domestic like product during the POI was less than the domestic demand, however, it has increased its installed capacity which has become operational with effect from August 2015 and now the installed production capacity of the domestic like product is more than the domestic demand. (Please refer paragraphs 9.3 of the report on preliminary determination)</p>
7	<p>“Based on the statistic of IISI, the crude steel production quantity in Pakistan is 850,000MT in 2012, export 31,000MT, import 1,953,000MT, the total steel consumption is 2,900,000MT. With the rapid development of Pakistan economy, especially the rapid development of large-scale manufacturing and construction industry, Pakistan's steel consumption has been driven to grow fast. It is estimated that Pakistan's steel consumption will achieve 4,000,000MT in 2017.”</p>	<p>This comment does not relate directly with this investigation. However, it may be noted that currently the installed production capacity of the domestic like product is more than the domestic demand. Therefore, the domestic industry is capable to meet domestic demand.</p>
8	<p>“Hence, imported steel products filled the gap and break the monopoly of ISL resulted in a normal market competition. From 2012 to 2015, the import of the investigated product increased gradually, especially the import from China in accordance with the petition.”</p>	<p>This investigation is being conducted to determine whether the investigated product was dumped during the POI. Therefore, no action will be taken on non-dumped imports. The investigation has revealed that the volume of the dumped imports of the investigated product has significantly increased during the POI. Please refer paragraph 33 of the report on preliminary determination</p>
10	<p>“Another best supporting evidence for the demand increase is from the Director's Report of 2015 of ISL, in which it is said that <i>consumption of Flat steel products have grown by 11.5% in Pakistan, of this Cold Rolled Coils and Galvanized Coils grew by 12.3% & 9.3% respectively.</i>”</p>	<p>The Commission's investigation has revealed that the domestic market increased by 11% and 35% during the years 2013-14 and 2014-15 respectively (paragraph 35 of the report on preliminary determination).</p>
11	<p><u>II.2 Import increase from China is reasonable and stable</u></p>	
12	<p>“..... The increase could be either in absolute terms or in relative terms compared to the production or consumption of the importing country. However, this increase has to be “significant” in accordance with the provisions of ADA and the Ordinance. However, in</p>	<p>The Commission's investigation has shown a significant (76%) increase in volume of dumped imports of the investigated product in absolute terms during the POI. (please see paragraph 33 of the report of preliminary determination).</p>

NON-CONFIDENTIAL

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

	accordance with the data provided in Appendix 1 attached to the petition, we find the trend of import increase from China is merely around 7% which is fairly reasonable, stable and almost parallel with C&F”	
14 15	“The Applicant alleged that <i>the forgoing analysis reveals that in absolute terms there was significant increase of 77.38% during the dumping POI over the last year of Apr 13 – Mar 14. During the dumping POI relative to domestic consumption and production, there is also significant increase of 32% and 68% respectively over the last year.</i> Unfortunately, we cannot find any supporting documents showing the relevant data alleged by the Applicant in the petition; rather, it is conflict with the data provided in Appendix 1.”	The Commission’s finding is not based on the information submitted by the Applicant in Appendix 1, rather the information on volume and prices of the investigated product is obtained from PRAL, the data processing arm of the Federal Board of Revenue.
III	Pakistan domestic industry	
18	“....., it is clearly to see that the production and capacity utilization are all increased continuously from 2013 to 2015 but no any signal on material injury or threat of material injury on it.”	The investigation has shown that the installed capacity of the domestic industry remained while production and capacity utilization has increased during the POI. Therefore, the Commission has concluded that the domestic industry did not suffer material injury on account of production and capacity utilization during the POI (paragraph 37 of the preliminary determination’s report)
19	“ <u>III.2 Production capacity expansion indicates the growth of the Applicant</u> “On the official website of the applicant, it is said that <i>Currently ISL has the capability of producing over 400,000MT of Galvanized products.</i> ”	Installed capacity of the domestic industry has considerably increased, which has become operational immediate after POI. Therefore, the Commission has concluded that the domestic industry did not suffer material injury on account of growth and investment during the POI (paragraph 43 of the preliminary determination’s report)
23 24	“ <u>III.3 Sales get increasing in the past three years</u> The Applicant alleged that <i>the domestic industry suffered material injury during the dumping POI on account of market share due to overwhelming increase of 77.38% in quantitative terms in market share of dumped imports during this period over the last year of Apr 2013 – Mar 2014.</i> ” “Although the market share of domestic industry, ISL, has decreased slightly from 52% in 2013 to 40% in 2015 that is due to the import increase breaking the monopoly status of ISL on domestic market of Pakistan and bringing market competition, the production and sales quantity of ISL are both increased during that period with same trend.”	The Commission has found that the domestic industry did not suffer material injury on account of market share during the POI. Please see paragraph 35 of the report on preliminary determination.
26 27	“It is also elaborated in the Director’s Report as follows: 2013 Director’s Report: <i>Building on the preceding year, our Galvanized Steel Products are increasingly treated as a benchmark in the Pakistan Commercial market. During 2012-13 the company sold 137,439 MT which is about 27% higher than the preceding year. Approx. 85% of the sales were made to the Commercial segment, while the balance went to the industrial segment or was exported.</i>	The investigation has revealed that the sales of the domestic industry declined during the POI despite the fact that the domestic market increased significantly during the POI whereas the domestic industry was not able to sell its entire production. Therefore, the Commission has reached on the conclusion that the domestic industry suffered material injury on account of decline in sales during the POI. Please see

NON-CONFIDENTIAL

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

	<p>2014 Director's Report: <i>During 2013-14, volume sales increased by 18% over the preceding financial year exceeding 270,000 MT which comprised of 162,000 MT of Galvanized, 95,000 MT of Cold Rolled and 13,000 MT of miscellaneous products.</i></p> <p>2015 Director's Report: <i>During 2014-15, sales volumes were lower by 7% over the preceding financial year primarily.</i> <i>The Galvanizing plant was commissioned in early July 2015 and has increased production gradually so that Insh Allah it will reach full capacity by the end of the month."</i></p> <p>"From the above-mentioned sales situation of ISL, the company only got a tiny decline with 7% during 2014 to 2015 due to certain non-attribution factors, which will be analyzed in the section of causal link afterwards. Except this, the sales of the investigated product produced by ISL are in a quite good status."</p>	<p>paragraph 36 of the preliminary determination report.</p>
28	<p>"Price undercutting, price depression and price suppression is based on deficient evidence</p> <p>Article 3.1 of ADA provides that "<i>A determination of injury... shall be based on positive evidence and involve an objective examination of ...</i>". This provision is the cornerstone of the whole article 3 and is the most important principle of injury analysis. "</p>	
29 30 31	<p>"We hold that for the purpose of evaluation of price effects of subject import, basic requirement is that the comparison of prices shall be made on a comparable level. Both ADA and the Ordinance require a fair price comparison and the PNC shall take into consideration the grades/types of the investigated product, the time of trade and the level of trade, etc. which may have influences on the comparability of prices.</p> <p>On the opposite, CISA noted that the Applicant, when comparing the prices, took all types of galvanized steel products as one single product without considering their differences, on grades/types or other characteristics, and failed to subdivide products into smaller groups to achieve the fair comparison. Since the prices of investigated product varies greatly in their materials, processing size (thickness), surface and purpose (e.g. for construction, for electronic appliance, for vehicles etc.), such undistinguished price comparison must led to an unsustainable result.</p> <p>It can also be substantiated by the fact that even for investigated product imported from China, there are of differences on steel grades, thickness and width and their prices vary significantly, the information of which has been requested to submit to the NTC in the anti-dumping questionnaire.</p> <p>In summary, CISA believes that any price comparison without considering product differences is not objective evidence under anti-dumping laws and regulations and shall not be adopted by the NTC."</p>	<p>The Commission has determined price effects by comparing landed cost of the investigated product and the price of domestic like product at the same/similar comparable level. Furthermore, the landed cost of the investigated product and price of the domestic like product are worked out on weighted average basis.</p> <p>On the above basis the Commission has reached on the conclusion that the dumped imports of the investigated product significantly undercut, depress and prevent price increase of the domestic like product during the POI. Therefore, the domestic industry suffered material injury on account of price undercutting, price depression and price suppression. Please see paragraph 34 of the preliminary determination report.</p>

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

<p>33 34</p>	<p><u>“III.5 Profit is kept at a reasonable level</u> Since ISL is a public listing steel company, all financial statements are accessible on its official website. When we make an inspection to the audit report of ISL for the last four years, only in 2012 there is a profit loss, but remains profitable in the subsequent years, i.e., from 2013 to 2015, and the profit are all kept at a reasonable level. In the petition, although the Applicant clamors that <i>if the volume of dumped imports continues to increase this way, coupled with adverse price effects, domestic industry will not be able to survive with continued reduction in profits</i>, the fact that the profit returned back to the normal level in 2015 as of 2013 after a sudden growth in 2014 is realistic and rational.”</p> <table border="1" data-bbox="289 500 1234 678"> <thead> <tr> <th>Year/Period</th> <th>Gross Profit</th> <th>Net Profit/(Loss)</th> </tr> </thead> <tbody> <tr> <td>Apr 12-Mar 13</td> <td>100</td> <td>32</td> </tr> <tr> <td>Apr 13-Mar 14</td> <td>141</td> <td>73</td> </tr> <tr> <td>Apr 14-Mar 15</td> <td>96</td> <td>16</td> </tr> </tbody> </table>	Year/Period	Gross Profit	Net Profit/(Loss)	Apr 12-Mar 13	100	32	Apr 13-Mar 14	141	73	Apr 14-Mar 15	96	16	<p>The investigation has revealed that the profits and profitability of the domestic industry on production and sales of the domestic like product have significantly declined during the POI for dumping (2014-15) due to price depression. Therefore, the domestic industry suffered material injury on account of profits and profitability during the POI. Please see paragraph 39 of the preliminary determination report.</p>
Year/Period	Gross Profit	Net Profit/(Loss)												
Apr 12-Mar 13	100	32												
Apr 13-Mar 14	141	73												
Apr 14-Mar 15	96	16												
<p>35</p>	<p><u>“III.6 The domestic industry performs well on certain other indicators</u> As stated above, many indicators of Pakistan industry show a good performance, besides production, sale, production utilization and profit, the employment, salaries & wages and productivity are all at a better level during the last three years, as well as the return on investment. For these indicators, there was no any material injury or threat of injury demonstrated.”</p>	<p>Please see paragraphs 36, 37, 39, 41 and 42 of the preliminary determination report for Commission's determination on these factors.</p>												
<p>IV</p>	<p>Causal link</p>													
<p>36</p>	<p><u>“IV.1 Other non-attribution factors impact on the domestic industry</u> IV.1 .1) China-Pakistan FTA In 2006, China and Pakistan signed Free Trade Agreement, in which a custom duty concession of 5% was made. China-Pak FTA clearly stipulates that it is to provide incentive for one country into the other country market provided the other country does not have that industry. Therefore, Chinese galvanized steel producers can export the investigated product to Pakistan with a 5% preferential duty (the non-favorable rate is 10%)”.</p>	<p>The investigation has revealed that there is a causal link between dumped imports of the investigated product and material injury to the domestic industry. Please see paragraphs 47 to 49 of the preliminary determination report.</p>												
<p>38 40</p>	<p><u>“IV.1 .2) Pakistan uses imported HRC as raw materials for galvanized steel</u> According to the Applicant's Director's Report 2015, ISL used imported HRC as the raw material of producing galvanized steel. However, Pakistan government raised the custom duty of HRC to 5%, lifting the manufacturing cost of CRC and galvanized steel. We can tell from the above statement that the price effect as claimed by the Applicant is in fact caused by the pressure on import of raw materials, rather than the alleged dumping imports.”</p>	<p>The investigation has shown that the cost to make and sell of the domestic like product has declined during the POI. Please see paragraph 34.4 of the preliminary determination report.</p>												
<p>41</p>	<p><u>“No causal link between import from China and injury of Pakistan domestic industry</u> Article 3.5 of ADA provides, it must be demonstrated that the dumped imports are,</p>	<p>The investigation has revealed that there is a causal link between dumped imports of the investigated product and</p>												

NON-CONFIDENTIAL

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

	<p>through the effects of dumping, as set forth in paragraphs 2 and 4, causing injury within the meaning of this Agreement. <u>The demonstration of a causal relationship between the dumped imports and the injury to the domestic industry shall be based on an examination of all relevant evidence before the authorities. The authorities shall also examine any known factors other than the dumped imports which at the same time are injuring the domestic industry, and the injuries caused by these other factors must not be attributed to the dumped imports.</u> Factors which may be relevant in this respect include, inter alia, the volume and prices of imports not sold at dumping prices, contraction in demand or changes in the patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry.”</p>	<p>material injury to the domestic industry. Please see paragraphs 47 to 49 of the preliminary determination report.</p>
V	Procedure issue	
44	<p>We noticed that the Applicant made almost all information in the petition confidential, with all the production, sales and inventory data indexed.</p>	
45	<p>Article 6.5.1 of the ADA provides that, <i>the authorities shall require interested parties providing confidential information to furnish non-confidential summaries thereof. These summaries shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. In exceptional circumstances, such parties may indicate that such information is not susceptible of summary. In such exceptional circumstances, a statement of the reasons why summarization is not possible must be provided.</i></p>	<p>The Commission has complied with the requirements of Section 31 of the Anti-Dumping Duties Act 2015. The non-confidential summaries of the confidential information have been provided by the Applicant, which permit a reasonable understanding of the confidential information. All non-confidential summaries/information is available in the public file (Please see paragraphs 19 and 20 of the preliminary determination report).</p>
46	<p>As a public listed company, the Applicant disclosed its sales data in its annual reports in detail. However, the data somehow were held confidential in the petition and had many discrepancies with those in the annual reports. The applicant neither provided a non-confidential summary, nor explained the reason why the summary is not available. We submit that the NTC shall request the Applicant to provide a non-confidential summary in accordance with article 6.5.1 and give a detailed explanation on the discrepancies between the data in the petition and that in the annual reports.</p>	<p>Further, the findings of the Commission with regard to the injury to the domestic industry are based on the verified information (Please see paragraph 18 of the preliminary determination report).</p>

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

C.	<p>any information at the time when such information is submitted to the Commission. The Applicant, in sections 7, 8 and 10 of the Application has merely stated that certain confidential information will be kept confidential under the garb of Section 31 of the Act, but has failed to provide any summary that would permit an interested party to reach a reasonable understanding of the same. The Applicant has merely provided citations without furnishing any proper reasons. Such unwarranted claim of confidentiality has deprived the Importers of its basic legal right to comment on the Application.</p> <p>It is pertinent to note that in the situation where confidentiality is claimed by the Applicant, the underlining principle of such non-disclosure would be that disclosure of the same would be of significant competitive advantage to a competitor or that the Applicant may be ominously affected by the supply of the same. It is submitted that neither scenario is present in this situation as the Applicant has even kept such matters confidential which are in the public domain. A mere unsubstantiated statement has been provided and effectively the Applicant has failed to provide any reason how the disclosure of such information would affect them. Therefore the Commission was under a duty placed by Section 23 and Section 31 of the Act to verify and check the accuracy and adequacy of any reasons provided, which the Commission has failed to do in this instance.”</p> <p>Product SCOPE</p> <p>“The Investigated Product as defined by the Applicant is Galvanized Coils and Sheets and has been given in seven PCT Heads No. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090, 7225.9200 and 7226.9900.”</p> <p>Imports UNDER THE IDENTIFIED PCT HEADS</p> <p>“As discussed above, the imports under the PCT Heads given in the Application include imports for seven different products which includes goods under the description of construction, home appliances, packing/drums, telecom towers, agriculture appliances, furniture & fixtures, billboards, sign-boards, hoardings, road signs and others. It is of prime and secondary quality, with a thickness of 0.25 – 2.00mm and a width of above 600mm, which is absolutely different to the imported product.</p> <p>“Since the volumes of allegedly dumped imports have been unfairly kept confidential, and the Applicant has merely provided percentages, it is assumed that the import figures would also include imports of items as specified in the preceding paragraph which do not form part of the investigated product.</p> <p>“In such situation, the Commission is duty bound in accordance with Section 35 of the Act and Rule 12 of the Rules to solicit, gather, verify or obtain any information that they require so that it may assist the Commission in reaching a judicious determination. The Commission could have done so by requisitioning the Applicant to bifurcate import data and the obtained data pertaining to the volume of allegedly dumped import, which should only be limited to the Investigated Product.</p>	<p>is available in the public file (Please see paragraphs 19 and 20 of the preliminary determination report). Further, the findings of the Commission with regard to the injury to the domestic industry are based on the verified information (Please see paragraph 18 of the preliminary determination report).</p> <p>The investigated product is clearly defined in the notice of initiation. Further, the Commission has determined likeness of the domestic like product and the investigated product on a number of factors, which <i>inter alia</i>, includes the PCT classification (please see paragraph 13 of preliminary determination report). As regards the volume of dumped imports, the Commission has not based its finding on the information submitted by the Applicant. The information on volume of imports of the investigated product is obtained from PRAL</p>
D.		

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

E.	<p>“In the Non-Confidential Application (section 3), the description, sizes and scope of GSC provided do not co-relate with the product under investigation and the Commission has incorrectly accepted the blemished and distorted information that the Applicant has provided. “It is pertinent to note that in order for the 7 PCT heads that have been claimed by the Applicant to be included in the product scope, the domestic like product that is being manufactured/processed by the Applicant must interchangeably have the ability to replace the Investigated product. The Applicant without any basis in law or fact have claimed that they are in the production of all 7 PCT heads of GCS, whereas, they have the capacity to produce a few. The statements provided in Section 3 of the Non-Confidential Application are empirically unsubstantiated and therefore must be rejected by the Commission.....”</p> <p>Requirement OF SECTION 20 OF THE ACT– SUFFICIENCY OF EVIDENCE</p> <p>“Section 20 of the Act requires the Application to include sufficient evidence of dumping and injury. Furthermore, the Application, under Rule 3 of the Rules, shall contain such information as is reasonably available to the Applicant on the following (among others): (i) information on prices of the investigated product both domestic and export; (ii) information on an evolution of volume of the allegedly dumped imports, (iii) the effect of such imports on prices of the domestic like product and the consequent impact of the imports on the domestic industry, as demonstrated by relevant factors and indices having a bearing on the state of the Pakistan industry, such as those listed in Section 15, 16, 17 and 18 of the Act. “The Applicant has failed to provide any of the relevant information that is required for an interested party to draw an intelligible conclusion of the substance of the information provided, as information relating to prices, information relating to volume of dumped products and effects of imports has been deliberately categorised as being confidential and the summaries provided of the same do not all any interested party to draw the conclusion that dumping and or injury has been caused by the import of GCS into the economy of Pakistan.”</p> <p>Requirements of Section 23 of the Act - Accuracy and Adequacy of the Information</p> <p>“Section 23 (1) of the Act requires the Commission to determine the adequacy and accuracy of the information provided in the Application and if so whether there is sufficient evidence to justify initiation of investigation. On the basis of the identified discrepancies in the information provided by the Applicant along with the ignorance of interested parties rights deprived due to the claimed confidentiality and the initiation of investigation, it appears that the Commission did not examine the accuracy and adequacy of the information provided in the Application. The obligation <i>vis-à-vis</i> determination of adequacy, accuracy and sufficiency of information has been discussion by various Panels in their findings.”</p>	<p>On receipt of the application, the Commission evaluated and examined it and found that the application met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of galvanized and coloured steel coils/sheets 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. Therefore, the Commission accepted the application.</p> <p>In accordance with Section 23 of the Act the Commission examined accuracy and adequacy of the evidence provided in the application and established that there was sufficient evidence of alleged dumping of galvanized and coloured steel coils/sheets into Pakistan from China and consequent material injury to the domestic industry. Therefore, the Commission decided to investigate this issue and issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette of Pakistan and in two widely circulated national newspapers (please see paragraph</p>
----	--	---

NON-CONFIDENTIAL

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

		12 of preliminary determination report).
5. EVIDENCE OF DUMPING		
	<p>Inadequate Evidence of Dumping</p> <p>“In Section 8A of the Non-Confidential Application, it is stated that the Normal Value is based on the constructed cost to make and sell which is confidential in nature. It is important to see that Section 6 of the Act states that:</p> <p><i>‘When there are no sales of a 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) a 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’.</i></p> <p>“The Commission is therefore under a duty placed by Section 6 of the Act that only in the circumstances that there is evidence that there are no sales of a like product in the ordinary course of trade in the domestic market or when such sales do not permit a proper comparison, the Commission shall establish normal value by taking the comparable price paid in an appropriate third country or construct the normal value.</p> <p>“The Applicant has not furnished any reasons as to why the methods provided Section 5 of the Act were not employed to establish Normal value and deliberately marked the calculations of normal value as confidential, therefore any interested party has to extinguish their rights as to respond to the accuracy of the same.</p> <p>“Further to the same as provided above, at Section 8.7 of the Non-Confidential Application, the Commission has stated that if not possible to provide the information in accordance with Section 5 of the Act by employing ‘reasonable efforts’, to please provide the information in the form the Applicant chooses. The Commission had the authority to ascertain that Normal value was established in accordance with Section 5 of the Act and in the event that the Applicant did not do so, the Commission could solicit further information in accordance with Section 35 of the Act and Rule 12 of the Rules. The Applicant has therefore, by reason of the omission of the Commission to solicit further information as required, not put in any reasonable effort to provide evidence of normal value in accordance with Section 5 of the Act and intentionally misguided the Commission, which has resulted in the situation that the Commission has initiated an investigation which should have been returned due to lack of having any evidentiary or factual backing.</p> <p>“In Table 1 of the Non-Confidential Application, the applicant has claimed confidentiality on the calculations of Export price in accordance with Section 31 (5) of the Act.</p> <p>“It is pertinent to note that no reasons have been provided by the Applicant as to why confidentiality has been claimed in the first place. It is common knowledge, that information that is available in the public domain, cannot be claimed confidential, as it by nature not confidential. The export price is calculated via information that is available on PRAL, which is already in the public</p>	<p>The Commission has determined normal value of the investigated product in this preliminary determination in accordance with Sections 5 to 8 of the Act on the basis of the information provided by the Chinese exporters (please see paragraphs 24 to 28 of the report).</p> <p>Before initiation of the investigation the applicant was asked to explain why normal value is not determined in accordance with Section 5 of the Act. The Applicant provided satisfactory answer to this query, which is available at the public file</p> <p>The Commission has determined export price of the investigated product and dumping margin in this preliminary determination in accordance with provisions of the Part IV of the Act on the basis of the information provided by the Chinese exporters (please see</p>

NON-CONFIDENTIAL

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

	<p>domain. “It is therefore to be noted that since the calculations of the dumping margin have been kept confidential, there is no positive evidence to substantiate that any significant or substantial margin of dumping has taken place.”</p>	paragraphs 24 to 30 of the report).
6. EVIDENCE OF INJURY		
	<p>Sales and Output “It is evident from Table -6 that domestic and export sales kept on increasing throughout the POI, firstly from 374 index points to 474 points, from 2012 to 2013, and then from 474 to 499 index points. The same trend is being reflected in the Profit and Loss Account on page 2 of the Annual Report of 2014, which depicts that net sales increased from 17,602,670 to 21,280,155. Then on Page 33 of the Annual Report of 2014, it is stated next to a graphical representation that Sales in tons increased from 161,149 in 2012 to 217,420 in 2013, and then in 2014 it further increased to 257,562 from 217,420 in 2013. The reasons attributable to such an expedient increase in Sales is that the applicant started producing excessive amounts of GCS as they installed a second galvanizing line, which means that they had the financials to install another line. The Annual Reports and the indexed figures reflecting Sales of the domestic like product, are manifestly clear on the point that the domestic industry did not suffer nor is under a threat of suffering material injury on account of Sales and Output.”</p> <p>Inventories “Table-6 provides the details of inventory and sales changes during the years varying from 2012 to 2015. In the first year, April 2012-2013, the opening inventory was 100, with production being at 379, out of which domestic sales were 331 and export sales were 43. The following year, April 2013 to March 2014, there was a significant decline in inventory which declined from 100 to 79 and production notably increased from 379 to 490. For the same year, domestic sales increased from 331 to 380 and export sales literally doubled from 43 to 94. In the final year of the POI, April 2014 to March 2015, inventory increased from 79 to 128, which is due to an increase in production from 490 to 518, which further results in an increase in Domestic Sales from 380 to 388 and an increase in Export sales from 94 to 111. “This goes on to show that the Applicant was in a great position with a minimal change in inventory. The reason why there has been an increase in inventory in the last year of the POI is because the Applicant was consistently increasing production but meanwhile there was a correspondent increase in sales as well. Page 33 of the Annual Report of 2014 shows that production in tons in 2012 which was 166,826 increased to 221,859 in 2013, which further</p>	<p>The Commission has determined injury to the domestic industry in accordance with provisions of the Part VI of the Act on the basis of verified information of the Applicant. Please see Part C, paragraphs 32 to 46 of the report. The investigation has revealed that the sales of the domestic like product declined during the POI despite the fact that the domestic market increased significantly whereas the domestic industry was not able to sell its entire production. Therefore, the Commission has reached on the conclusion that the domestic industry suffered material injury on account of decline in sales during the POI. Please see paragraph 36 of the preliminary determination report. It may be noted that the Applicant is a multi-product company and its annual report shows consolidated figures. Therefore, no inference can be derived for the domestic like product from the annual report of the Applicant.</p> <p>The investigation has revealed that the domestic industry suffered material injury on account of increase in inventory of the domestic like product. Please see paragraph 38 of the report.</p> <p>It may be noted that the Applicant is a multi-product company and its annual reports contain consolidated figures. Therefore, sales figures reported in the Applicant's annual reports cannot be taken as the sales figures of the domestic like product. The Commission has verified information provided by the Applicant for</p>

NON-CONFIDENTIAL

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

A	<p>increased to 281,772 in 2014. Therefore it is quite evident from the face of the record that the domestic industry did not face any material injury on account of inventories as the production and sales were increasing simultaneously. Given a situation where the production were to be constantly increasing with no sales, then the domestic industry would be facing a loss. But the fact that the Applicant have been increasing production excessively goes on to show that it was fulfilling the ongoing demand of GCS in the domestic market.”</p> <p>Price Effects:</p> <p>Price Undercutting: “Table – 7 of the non-confidential version of the application provided by the applicant reflects the percentage of price undertaking, which supposedly has taken place due to the fact that the landed cost of dumped imports remained significantly lower than the average ex-factory price of the Applicant throughout the POI. Referring back to Appendix-8, firstly, it is clear that the average cost of domestic production has been lower than the average sales price of the domestic product, which means that the applicant was able to cover its cost of production. Secondly, keeping in mind the fact that the Applicant adheres to meet the stringent requirements of overseas customers in South Africa when it comes to the product quality. This enables one to establish the fact that because the Applicant was forced to maintain such high standards of product quality, it resultantly increases its cost of production. Not to forget the fact that the applicant imports its sources for Hot Rolled raw material from Taiwan, China, Russia, South Africa and Japan and wants to establish its brand in countries including South Africa, West Indies, Sri Lanka, United Arab Emirates, Jordan, Saudi Arabia and Afghanistan. Hence, the reason why the applicant feels the existence of price undercutting is due to the fact that the applicants’ cost of production is a lot more when compared with the cost of production of dumped imports. Also, the Applicant recently invested Rs. 85 million in installing a 132 KV interconnection to replace the 11 KV so that they can overcome the frequent tripping and maintain the production of electricity. Since the Applicant has been investing in various outputs, it has undergone the need to increase the price of its product, eventually resulting in a loss of market share. Thus, it is safe to say that the Applicant did not suffer material injury on account of price undercutting during the POI due to dumped imports but because of its own failure to manage the financials of the company.”</p>	<p>the domestic like product including the production and sales of GCS from its records.</p> <p>The Commission has determined price effects in accordance with Section 15(3) of the Act. The price undercutting is determined by comparing landed cost of the investigated product with the price of domestic like product at the same/similar comparable level. Furthermore, the landed cost of the investigated product and price of the domestic like product are worked out on weighted average basis. On this basis the Commission has reached on the conclusion that the dumped imports of the investigated product significantly undercut, depress and prevent price increase of the domestic like product during the POI. Therefore, the domestic industry suffered material injury on account of price undercutting, price depression and price suppression. Please see paragraph 34 of the preliminary determination report.</p>
B	<p>Price Depression: “Table 9 indicates on a yearly basis the depressing prices and its effect on the profitability of the Applicant. “It is quite evident that the Applicant did not suffer any material injury on account of price depression as there was negative price depression in the POI from April 2014 to March 2015. The Applicant has handicapped the importers from analysing the effects of price depression, as they have failed to provide the calculations of as to how they have calculated Price depression. The</p>	<p>The Commission’s investigation has shown that the dumped imports of the investigated product depressed price of the domestic like product in the domestic market during the POI. Please see paragraph 34.3 of the report.</p>

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

<p>C</p> <p>D</p>	<p>penultimate percentage has been provided, without effectively providing the working. Therefore in order to fully comment on whether the Applicant has even marginally suffered on account of price depression, the Importers must be provided the calculations for it.</p> <p>“Even if the percentages provided in the Application are considered, the same only reflects a marginal price depression and that too only in the last quarter of the POI for dumping. This throughout the POI there was no price depression but for the last quarter which do not show a trend of depression.”</p> <p>Price Suppression:</p> <p>“Table – 11 reflects price suppression during the periods of Apr 12-Mar 13, Apr 13-Mar 14 and Apr 14-Mar 15. The Applicant claims to have suffered on account of price suppression of 5.80 only in the last year of the POI. This does not fully reflect the market position of the Applicant.</p> <p>“Price suppression was not as a result of dumped imports in the domestic market but is because of the fact that the Applicant has launched an expansion plan of USD 30 million to add a second galvanising line and has invested heavily in a 19.2 MW co-generation Power plant.”</p> <p>Gross and Net Profit:</p> <p>“The figures of gross and net profit for the injury POI are illustrated in table – 13 and 14. It is to be noted that the indexation provided for gross profit and loss does not allow the Importers to draw a reasonable understanding of the substance of the information that has been provided. Secondly, subject to Section 31 of the Act confidentiality has been claimed.</p> <p>“It is pertinent to note at this point that it is stated on Page 15 of the Annual Report of 2014 that in 2011, the Company was listed as a Public Company in the Karachi Stock Exchange, which effectively means that for the convenience of stakeholders and investors, the annual yearly and quarterly accounts of the Company, subject to the conditions placed by Securities and Exchange Commission of Pakistan (the “SECP”) are published online and are easily available in the public domain. Therefore any claim of confidentiality is unwarranted and prejudicial to the interests of the Importers.”</p> <p>“Subject to submissions made earlier, the annual accounts of the Company depict a different picture than the one drawn by the Applicant in the Application. On page 37 of the Annual Report of 2013, it is stated in the Profit and Loss Account that gross profit increased from 1,205,922,000 in 2012 to 1,603,420,000. Then on page 2 of the Annual Report of 2014, the Profit and Loss Account shows that in 2014, gross profit again exponentially increased from 1,603,420,000 to 2,236,716,000. Page 32 of the Annual Report of 2014 shows the same information provided in a graphical representation.</p> <p>“Therefore in light of the submissions provided above, it is abundantly clear that the gross and net profit of the Company continuously increased throughout the POI and the Applicants did not suffer any material injury nor were under any threat of suffering material injury on account of Profit and Loss.”</p>	<p>The Commission’s investigation has shown that the cost to make and sell of the domestic like product declined during the POI for dumping, however, decline in price was more than the decline in cost to make and sell due to the lower landed cost of the investigated product. Therefore, the Commission has concluded that the dumped imports of the investigated product prevented increase in price of the domestic like product in the domestic market during the POI. Please see paragraph 34.4 of the report.</p> <p>The investigation has revealed that the profits and profitability of the domestic industry on production and sales of the domestic like product have significantly declined during the POI for dumping (2014-15) due to price depression. Therefore, the domestic industry suffered material injury on account of profits and profitability during the POI. Please see paragraph 39 of the preliminary determination report.</p> <p>It may be noted that the Applicant is a multi-product company and its annual reports contain consolidated figures. Therefore, profits reported in the annual reports of the Applicant cannot be attributed to the domestic like product.</p> <p>The investigation has shown that the installed capacity of the domestic industry remained while production and</p>
-------------------	--	--

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

E	<p>Utilization of Production Capacity: “Capacity utilization of the domestic industry from 2012 to 2015 increased considerably as illustrated in table – 15. Table – 15 reflects that in April 2013 capacity utilization increased from 100 in April 2012 to 121 in 2013 and then remained constant in 2014 at 121..... “Therefore it is humbly submitted that on account of Capacity utilization, any claim forwarded by the Applicant that they have suffered or are under the threat of suffering material injury is unsubstantiated and flawed in fact and matter.”</p>	<p>capacity utilization has increased during the POI. Therefore, the Commission has concluded that the domestic industry did not suffer material injury on account of production and capacity utilization during the POI (paragraph 37 of the preliminary determination's report)</p>
F	<p>Employment, Salaries & Wages and Productivity: “Table – 16 is an illustration of the number of employees hired, their salaries and wages, domestic production and productivity per worker for the 3 years, varying from 2012 to 2015. The number of employees in the years varying from 2012 to 2015 had significantly increased, from being a 100 to 144, which means that 44 (indexed) new employees were hired by the applicants’. As for the salaries and wages, in the 1st year, Apr 12-Mar 13, it was 100, which then decreased by 16 index points in the 2nd year (Apr 13-Mar 14), and then in the following 3rd year, it increased by 17 index points. While we are unable to understand why salaries decreased, one possible reason could be that the employees were being hired extensively. Since the number of employees had increased so did the domestic production, which increased from a 100 to 137, seeing a change of 37 index points. Productivity per worker had increased from 100 to 130 in the 2nd year and then decreased to 94 in the 3rd year, which means that productivity did not face a grave change and the company was doing well enough. Through the trend that has been provided, it is quite evident that subject to an increase in wages and salaries in 2014, the productivity of the workers also increased. The fact that more employees were being hired means that production and sales of the Company was under no scrutiny and the Company was doing well enough in the market. Therefore in accordance with the analysis of the trend that is reflecting in Table 16 of the Application, it is quite evident that productivity of the workers is influenced by internal matters such as wages and incentives and not by the flow of imports of GCS in the domestic market. Therefore any claim of the Applicants that they are suffering or are likely to suffer material injury of account of Employment, Salaries & Wages and Productivity is dubious and unwarranted. “</p>	<p>The Commission has determined that employment in the domestic industry increased by 25 percent during the year 2014-15, whereas the Applicant operated at full capacity in the previous two years (2012-13 and 2013-14) with 25 percent less employees. Therefore, there was no need for more employees to operate at full installed capacity of the POI. Probably, this increase in employees was due to enhanced production capacity, which has become operational after the POI. Thus, decrease in productivity and increase in salaries and wages was due to increase in number of employees which was not meant for the installed capacity of the POI. Therefore, the Commission has concluded that the domestic industry did not suffer material injury on account of productivity and salaries and wages during POI (paragraph 43 of the report).</p>
G	<p>Growth: “Growth of the company in the last 3 years is mentioned in table – 17. In the last 3 years, the Applicant underwent a momentous amount of growth, ranging from negative 100 in 2013 to 855 in 2015, which reflects the fact that the business was doing extremely well to experience growth. The Applicant asserts that the rate at which China is dumping, they will be unable to experience growth, although the data provides a total distinctive picture showing that the Applicant has experienced exponential growth. “</p>	<p>The investigation has shown that the Applicant has made a considerable investment (about US\$ 30 million) and has installed another line of production of the domestic like product, which has become operational in August 2015. Therefore, it is concluded that the domestic industry did not suffer material injury on account of growth and investment during the POI (paragraph 43 of the report). As the Applicant is a multi -product company and the</p>

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

H	<p>Return on Investment: “Return on investment which is reflected in table – 18 of the Application which depicts that the return on total investment had variably changed in the last 3 years. From 12% in the April 12-March 13 year to 20% in the April 13-March 14 year and then to 12% in April 14-March 15. “It is pertinent to understand that during the entire POI for injury the Applicants never registered a negative return on investment which is quite common for public companies that are injecting heavy investment. The Applicant has recently invested Rs. 85 million in installing a 132 KV interconnection to replace the 11 KV and overcome the frequent tripping. Alongside this investment the Applicant has also invested USD 30 million to enhance its cold rolling capacity and to add a second galvanizing line. “Hence, any claim made by the Applicant that they have suffered material injury or are under threat of suffering material injury is unsubstantiated and liable to be rejected.”</p> <p>Cash Flow: “Table – 20 shows the yearly cash flow, where it can be seen that in April 2013-March 2014 cash flow decreased to (14), but in April 2014 to March 2015 it doubled and went to 16. A decrease in cash flow merely reflects the position of the Company utilizing its funds in capital investment, which is clearly seen in the Annual Reports of 2013 and 2014, which depict that the Applicant was heavily investing in the Company and therefore any decrease in cash flow is directly attributable to investment rather than the imports of the investigated product. Hence, any claim made by the Applicant that they have suffered material injury or are under threat of suffering material injury is unsupported and liable to be rejected.”</p>	<p>return on investment cannot be separated for different products, therefore, the Commission has not made a finding on return on investment (see paragraph 42 of the report).</p> <p>As the Applicant is a multi-product company and the cash flows cannot be separated for different products, therefore, the Commission has not made a finding on cash flows (see paragraph 40 of the report).</p>
---	--	---

7. OTHER INJURY FACTORS

	<p>Volume of Production “The following figures from the Annual Reports of the Applicant illustrate a strong growth in their production throughout the POI:</p> <table border="1" data-bbox="352 1079 1318 1144"><thead><tr><th></th><th>2014-2015</th><th>2013-2014</th><th>2012-2013</th></tr></thead><tbody><tr><td>GCS</td><td>280,000</td><td>221,000</td><td>166,000</td></tr></tbody></table> <p>“In 2014 the Applicant decided to install second galvanizing line and expand its capacity utilization by investing over 30 million in order to further increase its production capacity of GCS. “Any industrial enterprise that is suffering from a loss of market share, loss of profits or loss of demand for their product would not invest in expanding its production facilities by over a 100%. The fact that the Applicant has, by the end of the POI, taken a decision to expand its production facilities to such an extent illustrates the fact that it is performing at an optimal level and expects future growth. Hence, the Applicant’s claim is unsubstantiated that their production capacity is under-utilized due to dumped imports. “We would request that the Commission analyse the Applicant’s plans for expansion in the near</p>		2014-2015	2013-2014	2012-2013	GCS	280,000	221,000	166,000	<p>The Commission has analysed other factors in accordance with sub-sections 2 and 3 of the Section 18 of the Act. Please see paragraph 48 of the report</p>
	2014-2015	2013-2014	2012-2013							
GCS	280,000	221,000	166,000							

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

future and their capacity utilization during the POI in order to further affirm our view that no injury was suffered on account of imports from alleged dumped sources.”

Expansions and Restructuring of Debt

“It is an accepted industrial phenomenon that whenever a company undertakes a new or expansion project, the company suffers a loss in the initial years of production. This phenomenon is attributed to the costs of erecting the new galvanizing line and investment in equipment for producing color coated sheets, which attracts heavy financial costs and other costs for materials, labor, manpower, pre-cod expenses etc. In the time period when corporations are trying to recover from the global economic meltdown and recession, an expansion project would have severe effects on the profitability of the Company. The Applicant was hit by the same global recession phenomenon and even then has been able to profit over the POI, as expected, but has requisitioned the Commission to impose unfair measures.

“It is essential to note that when a company sets up new projects or expands existing facilities they are diverting their funds from profits to reinvestment into the company. Some losses would have been a direct result of high setup costs of new projects, especially during the ‘financial crunch’. These losses would resultantly have effects on the overall position of the company, including cash flow, inventories, return on investment, sales etc. It is therefore evidently clear that any loss that the Company has incurred is on account of expansion and capital restructuring of the Company.”

Increase in Costs:

“The Applicant on Page 27 of the Annual Reports of 2014 has stated that:

“In line with its plan during the year, the Company launched an expansion project at an approximate cost of Rs. 3 Billion, to enhance its rolled rolling capacity and add a second galvanizing line.”

“In relation to the aforementioned statement, capital restructuring of this magnitude, results in an exponential increase in costs via financial charges.

“Therefore any losses that the Company may have suffered might be on account of increase in costs. “

Security Situation:

“The Applicant on Page 24 of the Annual Reports of 2014 has stated that :

“The security situation in Karachi that houses ISL’s manufacturing facility remains tenuous and unpredictable.”

“Therefore it is evident from the extract provided above, that losses may be attributable to costs that the Company incurs to continue commercial operations in light of these fickle situations.”

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

Rupee Devaluation:

“The Applicant on Page 26 of the Annual Reports of 2014 has stated that :

“Foreign exchange losses arising owing to fluctuation in exchange rates and in-effective portion on forward cover amounted to Rs. 142 million.”

“It is therefore clear from the statement mentioned above that any losses that the Applicant may have suffered could be directly attributable to devaluation of the Pakistani Rupee and not to imports coming from the Exporting Country.”

Global Steel Scenario:

“The Applicant on Page 28 of the Annual Reports of 2014 states that:

“Although sentiments internationally have broadly improved, developed economies like EU are still facing the challenge of economic recovery and growth.

Prices within the global steel industry remain volatile. Steel prices are, be and large, dictated by iron ore, coking coal and various ferrous metal prices and subject to seasonality.”

“It is evident from the extract provided above, that any loss that the Company may have suffered during the POI for injury, is due to the volatile and instable prices of iron ore, coking coal and other metal prices which directly affect the price of raw material that the Company requires to process GCS. “

Annex – II

Constructed Normal Value of Ansteel

Description				
Total quantity of Sales (MT)				
Quantity produced (MT)				
Cost of Goods Sold	Total Cost (CNY)	(CNY/MT)		
Raw materials	Figures omitted to keep Confidentiality	Figures omitted to keep Confidentiality		
Wages and salaries				
Electricity				
Gas/energy				
Repair and maintenance				
Depreciation				
Other incidentals				
Total cost of production				
Add: opening inventory				
Available for sale				
Deduct: Closing inventory				
Deduct: internal consumption				
Cost of goods manufactured				
Selling expenses (including packing materials)				
Administrative expenses				
Financial expenses				
Cost to make and sell				
Profit				
Constructed Normal Value				

Annex – IIICalculation of Export Price of Ansteel

Description	(CNY/MT)
Quantity exported (MT)	Figures omitted to keep Confidentiality
C&F export Price (trading Co.)	
Producer's FOB price	
Commission	
Inland freight	
Handlig Cost	
Finance cost	
VAT (4% of FOB)	
Adjusted Export Price	

Annex – IV

**Normal Value of Bengang: Constructed on Cost to Make and
Sell of "With Spangle" Types of Galvanized Coils/Sheets**

Description		
Total Quantity sold		
Quantity produced (MT)		
Cost of Goods Sold	Total Cost (CNY)	(CNY/MT)
Raw and packing material	Figures omitted to keep Confidentiality	Figures omitted to keep Confidentiality
Auxiliary material		
Spare parts		
Fuel & power		
Less Recycled material		
Salaries and Wages		
Other overheads		
Total Cost of Production		
Plus opening stock		
Available for sale		
Less closing stock		
Cost of goods sold		
Selling expenses		
Administrative expenses		
Financial expenses		
Cost to make and sell		
Net Profit on sales		
Constructed Normal Value		

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

Annex – V

**Calculation of Export Price of Bengang
(CNY/MT)**

Description	Spangle- CS-B	Spangle SGCC	Total
Quantity (MT)	Figures omitted to keep Confidentiality		
C&F Price			
Gross FOB Price			
Credit Cost			
VAT			
Inland freight			
Handling cost			
Bank charge			
SG&A of Trading Cos.			
Adjusted export price			

Annex – VI

**Summary Calculation of Normal Value for HIBS
(Comparable Types of Galvanized Coils/Sheets)**

Product Type	Sales at loss		Sales at Profit		Total Sales	
	Qty (MT)	CNY/MT	Qty (MT)	CNY/MT	Qty (MT)	CNY/MT
Cold Plate-CS B	Figures omitted to keep Confidentiality					
Cold Plate-SGCC						
Hot Plate-SGHC						
Total						

Cold Plate-CS B at loss as % of total sales	Figures omitted to keep Confidentiality
Cold Plate-SGCC at loss as % of total sales	
Hot Plate-SGHC at loss as % of total sales	
Total at loss as % of total sales	

**Preliminary Determination on Dumped Imports of Galvanized and Coloured Steel Coils/
Sheets into Pakistan Originating in and/ or Exported from People's Republic of China**

Annex – VII

Calculation of Export Price of HIBS

Description	Cold CSB	Cold SGCC	Hot SGHC	Total
Quantity (MT)	Figures omitted to keep Confidentiality			
Gross FOB Price				
Credit Cost				
VAT				
Inland freight				
Handling cost				
Bank charge				
Adjusted export price				

Annex – VIII

Calculation of Normal Value for Ma Steel

Product	Sales at Loss		Profitable Sales		Total Sales		Sales at loss % of total
	Quantity (MT)	(CNY/MT)	Quantity (MT)	(CNY/MT)	Quantity (MT)	(CNY/MT)	
All types total	Figures omitted to keep Confidentiality						
DX51D+ZF Total							
DX52D+ZF Total							
DX51D+ZF on same date							
DX52D+ZF on same date							
Total same date							

Annex – IX

Calculation of Export Price of Masteel

(US\$/MT)

Quantity (MT)	Figures omitted to keep Confidentiality
C&F Price (CNY/MT)	
FOB price	
Inland freight	
Handling cost	
Bank charge	
VAT (4% of FOB)	
Adjusted export price (US\$)	
Adjusted export price (CNY)	

Annex – X

CALCULATIONS OF DUMPING MARGINS

Calculation of Dumping Margin of Ansteel

Constructed Normal Value	Figures omitted to keep Confidentiality
Quantity of exports (MT)	
Adjusted export price (CNY/MT)	
C&F export price (CNY/MT)	
Dumping margin:	
Absolute (CNY/MT)	
% of adjusted export price	46.89%
% of C&F export price	40.47%

Calculation of Dumping Margin of Bengang

Constructed Normal Value	Figures omitted to keep Confidentiality
Quantity of exports (MT)	
Adjusted export price (CNY/MT)	
C&F export price (CNY/MT)	
Dumping margin:	
Absolute (CNY/MT)	
% of adjusted export price	10.60%
% of C&F export price	9.13%

Calculation of Dumping Margin for HIBS

Product Description	Normal Value (CNY/MT)	Export		Dumping Margin	
		Quantity (MT)	Price (CNY/MT)	Absolute (CNY/MT)	Percentage
Cold CSB	Figures omitted to keep Confidentiality				****
Cold SGCC					****
Hot SGHC					****
Total/Weighted average					14.22%

Calculation of Dumping Margin of Ma Steel

Normal Value (of same types on same date)	Figures omitted to keep Confidentiality
Quantity of exports (MT)	
Adjusted export price (CNY/MT)	
C&F export price (CNY/MT)	
Dumping margin:	
Absolute (CNY/MT)	
% of adjusted export price	4.59%
% of C&F export price	4.05%