

(NON-CONFIDENTIAL)



**Government of Pakistan  
National Tariff Commission**

**Conclusion of Sunset Review and Continuation of  
Anti-dumping Duties Imposed on Dumped Imports  
of Biaxially Oriented Polypropylene (BOPP) Film  
Imported from China, Oman, KSA and UAE**

**A.D.C. No. 16/2008/NTC/BOPP FILM/SR/14  
November 28, 2016**

**A. INTRODUCTION**

The National Tariff Commission (the “Commission”) having regard to the Anti-Dumping Duties Act, 2015 (the “Act”) and the Anti-Dumping Duties Rules, 2001 (the “Rules”) relating to the investigation and determination of dumping of goods into the Islamic Republic of Pakistan (“Pakistan”), material injury to the domestic industry caused by such imports, and imposition of antidumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof. Section 58 of the Act relates to review of antidumping duties imposed on dumped imports of the investigated products.

2. Having regard to the Section 58(1) of the Act, any definitive anti-dumping duty imposed by the Commission shall be terminated on a date not later than five years from the date of its imposition, however, as per Section 58(3) of the Act, a definitive anti-dumping duty shall not expire if the Commission determines in a review that the expiry of such anti-dumping duty would likely lead to continuation or recurrence of dumping and injury.

3. The Commission has conducted a sunset review of the definitive anti-dumping duties imposed on dumped imports of Biaxially Oriented Polypropylene (“BOPP”) Film imported from the People’s Republic of China, Sultanates of Oman, Kingdom of Saudi Arabia and the United Arab Emirates (the “Exporting Countries”). In terms of Section 62(2) of the Act, a sunset review shall normally be completed within twelve months from its initiation. The Commission initiated this sunset review on August 04, 2015 following receipt of an application from the domestic industry manufacturing BOPP Film. Therefore, the Commission was required to conclude this review latest by August 03, 2016, however, on March 15, 2016 the honourable Lahore High Court, Lahore (“LHC”) in writ petition No. 4735/2016 held 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.”*

4. Keeping in view the above decision of the LHC, 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. Therefore, the time period during which the Commission was not functional is considered as injunction period for the purposes of this sunset review. As the Commission has become functional with effect from September 5, 2016 in terms of Sections 3 and 5 of the NTC Act 2015, therefore, the Commission is required to conclude this sunset review latest by January 20, 2017.

**B. BACKGROUND**

**5. Definitive Anti-dumping Duties In place**

The Commission imposed following definitive anti-dumping duties on dumped imports of BOPP Film originating in and/or exported from the Exporting Countries for a period of three years effective August 15, 2012:

**Table-I  
Definitive Antidumping Duties**

<b>Exporting Country</b>	<b>Exporter Name</b>	<b>Definitive Antidumping Duty</b>
UAE	Taghleef LLC	29.70%
	All other exporters	57.09%
Oman	Taghleef SAOC	22.95%
	All other exporters	22.95%
China	All exporters	56.80%
Saudi Arabia	All exporters	26.91%

**C. PROCEDURE**

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

**7. Notice of Impending Expiry of the Definitive Anti-dumping Duties**

The Commission published a notice of impending expiry of anti-dumping duties in this case on May 12, 2015 in official Gazette<sup>1</sup> and national press<sup>2</sup> in accordance with Section 58(2) of the Act.

**8. Receipt of Application**

On June 24, 2015 the Commission received a written application from the domestic producer, of BOPP film namely M/s Tri-pack Films Ltd, Karachi (the "Applicant"), under Section 58(3) of the Act. This application was filed in response to the Commission's notice of impending expiry of the anti-dumping duties. The Applicant alleged that expiry of anti-dumping duties on BOPP film would likely to lead to recurrence of dumping of BOPP Film from the Exporting Countries and injury to the domestic industry producing BOPP Film.

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

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<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated May 12, 2015

<sup>2</sup> The 'News' and the 'Daily Dunya' dated May 12, 2015

The examination of the application showed that it met the requirements of Section 58(3) of the Act as it, *prima facie*, contained sufficient evidence of likelihood of recurrence of dumping of the BOPP Film from the Exporting Countries and injury to the domestic industry.

## **10. The Domestic Industry**

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

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

10.2 The domestic BOPP Film manufacturing industry comprises of following four units:

<u>S.No</u>	<u>Unit Name</u>
i.	Tri Pack Films Limited, Karachi
ii.	Mac-pac Films Limited, Karachi
iii.	Plastiflex Films, Karachi
iv.	Tuff Poly Limited

## **11. Standing of the Application**

11.1 Relevant provisions of Section 24 of the Act have been considered in order to determine whether the application for review of the anti-dumping duties was made by or on behalf of domestic industry. In terms of Section 24(1) of the Act, an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing opinion either support for or opposition to the application.

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

11.3 As stated above (paragraph 10.2 supra) the domestic BOPP Film manufacturing industry comprises of four units. To determine standing of the application their production during the period of review (from April 1, 2014 to March 31, 2015) and status with regard to the application are given below:

**Table-II  
Domestic Production**

S No.	Name	Production:		Status
		absolute	(%)	
1	Tri Pack Films Ltd.	100.00	75.13%	Applicant
2	Mac-pac Films Limited, Karachi	19.38	14.56%	Indifferent
3	Plastiflex Films, Karachi	9.69	7.28%	Indifferent
4	Tuff Poly Limited	4.04	3.03%	Indifferent
Total		133.11	100.00%	75.13%

Note: To maintain confidentiality actual figures have been indexed with reference to Applicant's production by taking it equal to 100.

11.4 On the basis of the above information the Commission has determined that the application was made by the domestic industry as the Applicant represents seventy-five percent of the domestic production of BOPP Film.

## **12. Applicant's Views**

In application, the Applicant has submitted, *inter alia*, the following regarding likelihood of recurrence of dumping of BOPP Film and injury to the domestic industry caused there from:

- i. After imposition of antidumping duties on dumped imports of the investigated product, the volume of dumped imports from the Exporting Countries have reduced by 93% (from 4,573 MT during original POI to 331 MT during the last year of the POR). This decrease in dumped imports is the effect of antidumping duties, which shows that the exporters of the Exporting Countries are dumping BOPP Film into Pakistan. Thus, there is likelihood of recurrence of dumping of the investigated product if antidumping duties are terminated.
- ii. Installed production capacities of the exporters/ foreign producers based in UAE, Oman and Saudi Arabia have increased considerably. Thus, there is likelihood of recurrence of dumping of the investigated product if antidumping duties are terminated as the exporters based in the Exporting Countries have more capacities to export.
- iii. Malaysia has imposed antidumping duty on BOPP Film originating in and or exported from China and Saudi Arabia. Turkey has initiated an antidumping investigation on Saudi Arabian exports of BOPP Film in October 2014. Therefore, exporters of these countries have to divert their exports to other countries, which show likelihood of recurrence of dumping of the investigated product from these countries if antidumping duties are terminated.
- iv. Imposition of antidumping duties on dumped imports of the investigated product have not only provided a level playing field to the domestic industry to capture the expanded domestic market but also encouraged for huge

expansion in its installed capacity. Resultantly the Applicant has increased its installed capacity by 124 percent, which is now much more than the domestic demand of BOPP Film.

- v. After imposition of antidumping duties the Applicant has been able to increase its exports by 180 percent during the POR.
- vi. Production, capacity utilization, sales, market share, cash flows, employment etc. of the domestic industry have increased as a result of imposition of antidumping duties on dumped imports of the BOPP Film. In case antidumping duties are terminated, the above mentioned factors will be affected adversely with increase in dumped imports, resultantly the domestic industry will likely suffer material injury.

### **13. Initiation of the Sunset Review**

13.1 Upon examination of the application, the Commission established that it met requirements of Section 58(3) of the Act. Therefore, the Commission initiated this review on August 04, 2015 to determine whether expiry of the anti-dumping duties imposed on BOPP Film would likely to lead continuation or recurrence of the dumping of the product under review and injury to the domestic industry.

13.2 In terms of Section 27 of the Act, the Commission issued a notice of initiation of the review, which was published in the Official Gazette<sup>3</sup> and two<sup>4</sup> widely circulated national newspapers (one in English language and one in Urdu Language) on August 04, 2015.

13.3 The Commission notified the Embassies of the Exporting Countries in Pakistan, by sending a copy of the notice of initiation of review on August 05, 2015. Copies of notice of initiation were also sent to the exporters, importers, domestic producers and the Applicant on August 05, 2015, in accordance with the requirements of Section 27 of the Act.

13.4 In accordance with Section 28 of the Act, on August 05, 2015, the Commission also sent copy of full text of the written application (non-confidential version) to the known exporters and the governments of the Exporting Countries.

### **14. The Product under Review and the Domestic Like Product**

#### **14.1 The Product under Review**

14.1.1 The investigated product in the original investigation was defined as Bixially Oriented Poly Propylene Films ("BOPP Film") imported from the Exporting Countries. It is classified under HS Code Nos. 3920.2010 (BOPP Film, plain) and

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<sup>3</sup> The official Gazette of Pakistan (Extraordinary) dated August 04, 2015

<sup>4</sup> The 'News' and the 'Daily Dunya' dated August 04,2015

3920.2030 (BOPP Film, metallized). The Commission also determined during original investigation that the BOPP Film of capacitor grade and thickness up to 7 microns are not being produced by the domestic industry. Therefore, these grades of BOPP Film were excluded from scope of the original investigation. Thus, the product under review is the same as was defined in the original investigation i.e. the BOPP Film imported from the Exporting Countries of thickness 8 or above microns excluding capacitor grade BOPP Film.

14.1.2 The product under review has large number of end-use applications for the purpose of packaging including confectionery, biscuits, soap, processed food items, tobacco, ice bars, candies, tea, garments and gift wrappers etc.

#### **14.2 Domestic like product**

The domestic like product is BOPP Film of thickness 8 or above microns, excluding capacitor grade BOPP Film, produced by the domestic industry. It is classified under Pakistan Customs Tariff<sup>5</sup> ("PCT") Heading Nos. 3920.2010, 3920.2030. Domestic like product is also used for the same purposes as the product under review is used.

### **15. The Like Products**

15.1 The Commission in its original investigation had determined that the investigated product and the domestic like product are like products. In order to establish whether the product under review and the domestic like product are like products, as contended by the Applicant, the Commission has reviewed all the relevant information received/obtained from various sources including the Applicant in following terms:

- i. the basic raw materials used in the production of the product under review and the domestic like product are the same;
- ii. both the products (the product under review and the domestic like product) are produced with a similar manufacturing process;
- iii. both the products have similar appearance;
- iv. both the products are used for same purposes as they are mainly used for packaging of confectionery, biscuits, soap, processed food items, tobacco, ice bars, candies, tea, garments and gift wrappers etc.
- v. both the products are classified under the same PCT/HS code No. 3920.2010, 3920.2030

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<sup>5</sup> PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level

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

16. **Period of Review (“POR”)**

The Commission sought information of last three years i.e. from April 1, 2012 to March 31, 2015 from the Applicant, domestic producers and exporters/foreign producers of the Exporting Countries. Therefore, likely continuation or recurrence of dumping and injury is determined on the basis of the three years data/ information.

17. **Interested Parties**

The Commission gave an opportunity (through notice of initiation) to all interested parties to participate in this review and register themselves as an interested party with the Commission. Following parties registered themselves as interested parties:

- i. Khyber Match Factory (Pvt) Ltd., Peshawar
- ii. Khawaja Electronics (Pvt) Ltd., Lahore
- iii. Gulf Packaging Industries Ltd., Jubail, Saudi Arabia

18. **Information/Data Gathering**

18.1 The Commission sent questionnaires on August 05, 2015 to all known exporters of the product under review and domestic producers asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent copies of the questionnaires to the embassies of Exporting Countries in Islamabad on August 05, 2015 with a request to forward it to exporters/producers of BOPP Film in their countries. Only two exporters/foreign producers namely Taghleef Industries, UAE and Taghleef Industries, Oman responded to the Commission's request and supplied information on the exporter questionnaire (refer paragraph 19 infra).

18.2 The Commission has an access to the import statistics of Pakistan Revenue Automation Limited (“PRAL”), the data processing arm of the Federal Board of Revenue, Government of Pakistan. The Commission also obtained information/data which is publicly available from different sources. For the purpose of this sunset review the Commission has used import data obtained from PRAL's database in addition to the information provided by the Applicant, above mentioned exporters and other sources.

18.3 Thus the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of determination of likelihood of continuation or recurrence of dumping of BOPP Film and injury to the domestic industry. In terms of Rule 12 of the Rules, during the course of this sunset review,

the Commission satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

19. **Questionnaire(s) Response by the Exporters**

19.1 The Commission sent questionnaires to all known exporter in the Exporting Countries on August 05, 2015, asking them to respond within 37 days of the dispatch of questionnaires. The Commission also sent a copy of the questionnaire to the embassies of the Exporting Countries in Islamabad on August 05, 2015 with a request to forward it to exporters/producers of BOPP Film in their countries.

19.2 Only two exporters/foreign producers namely Taghleef Industries LLC, Dubai and Taghleef Industries SAOC, Oman responded to the questionnaire. However, responses received from these exporters were deficient. Therefore, data deficiencies were conveyed to them on October 21, 2015. Responses from these companies received on November 4, 2015.

19.3 Another exporter M/S Gulf Packaging Industries Ltd, Saudi Arabia requested on November 05, 2015 to extend the period up till December 05, 2015 to submit requisite information on the questionnaire. The Commission granted extension up to November 25, 2015, but no response was received from Gulf Packaging Industries Ltd, KSA.

19.4 On November 23, 2015 another exporter M/S SBU-Plastics Dammam, Saudi Arabia submitted that *"We have checked our records over the last 3 years and advise that the volumes we had sold to Pakistan are so extremely small that they are not even worth contesting on this matter"*.

19.5 On expiry of the time period given to the exporters to respond the questionnaire, a letter was sent to them on September 17, 2015 explaining that in case of non-response, the Commission would be constrained to make determination of likelihood of recurrence or continuation of dumping on the basis of 'Best Information Available' including those contained in the application submitted by the domestic industry, in accordance with Section 32 of the Act and Article 6.8 of the Agreement on Antidumping.

20. **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 this sunset review. This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices,

on-the-spot investigation report, correspondence, and other documents for disclosure to the interested parties.

21. **Confidentiality**

21.1 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.

21.2 The Applicant and the foreign producers/exporters who have provided information in response to the questionnaire have requested to keep confidential the information, 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.

21.3 On the basis of requests made by the interested parties and keeping in view the provisions of Section 31 of the Act, the Commission has determined the confidentiality 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 and the Commission has determined it as 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 for review and copying of the interested parties.

22. **Hearing**

22.1 In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party, hold a hearing at which all interested parties may present information and arguments.

22.2 In this review, interested parties were required to make a request for hearing not later than forty-five days after publication of the notice of initiation. However, no request for hearing was received from any interested party in this sunset review. Therefore, no hearing was held in this sunset review

23. **Written Submissions by the Interested Parties**

All interested parties were invited to make their views/comments and to submit information and documents (if any) not later than 45 days of the date of

publication of notice of initiation of the review. No comments/views were received from any interested party on this sunset review of the anti-dumping duties.

**24. Disclosure of Essential Facts**

24.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of the Agreement on Anti-dumping, the Commission disclosed essential facts to the interested parties, and in this context circulated a statement of essential facts (“SEF”) on March 24, 2016 to the all interested parties.

24.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Applicant and Taghleef Group have submitted views/comments on essential facts, which have been taken into account while making determination of this sunset review. The comments germane to this investigation and response of the Commission is attached at Annex-I.

**D. DETERMINATION OF LIKELY CONTINUATION OR RECURRENCE OF DUMPING**

25 To determine likelihood of recurrence or continuation of dumping of the product under review, the Commission has considered following factors. Information on these factors has been gathered/obtained from different sources including the Applicant, the cooperating exporters, PRAL, and different websites etc.

- i. Whether exporters/foreign producers of the Exporting Countries stopped or continued exporting to Pakistan the product under review after imposition of antidumping duties;
- ii. Likelihood of dumping and calculation of likely dumping margins for exporters/ foreign producers of the Exporting Countries;
- iii. Whether exporters of the Exporting Countries have developed other export markets after imposition of antidumping duties; and
- iv. Whether Exporting Countries have exportable surplus of the product under review.

26 The Commission has received some information on domestic sales and cost of production etc. of the product under review from the two exporters/foreign producers, Taghleef LLC, Dubai, and Taghleef SAOC, Oman in response to the questionnaires. Continuation or recurrence of dumping of the product under review is determined on the basis of that information and the best information available obtained from other sources in accordance with Section 32 and Schedule to the Act as the exporters/foreign producers other than the above mentioned exporters have not provided information.

**27. Whether Exporters of the Exporting Countries Continued or Stopped Exporting to Pakistan the Product Under Review after Imposition of Duties:**

27.1 The Commission has analyzed whether exporters from the Exporting Countries continued or stopped exporting to Pakistan the product under review after imposition of anti-dumping duties. Investigation has revealed that the volume of imports of the product under review from the Exporting Countries to Pakistan declined significantly after imposition of antidumping duties as compared to the imports during the period of investigation (“POI”) of the original investigation. Following table shows the imports of BOPP Film before and after imposition of antidumping duties.

**Table-III  
Imports of BOPP Film**

Year/ Period	Imports from:		Domestic production	Dumped imports as % of:	
	Dumped sources	Other sources		Total imports	Domestic production
2009 (POI)	100.00	15.53	609.58	86.56%	16.40%
2012-13*	20.41	21.94	605.53	48.19%	3.37%
2013-14*	4.18	20.23	835.43	17.11%	0.50%
2014-15*	6.12	22.64	812.53	21.29%	0.75%

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March Sources: PRAL and the Applicant  
 Note: To maintain confidentiality, actual figures have been indexed with reference to dumped imports of 2009 by taking it equal to 100

27.2 The above table shows that share of dumped imports of the product under review from the Exporting Countries drastically declined after imposition of antidumping duties. Share of dumped imports of the product under review, which was 86.56 percent of total imports of BOPP Film during the original POI has reduced to 21.29 percent of total imports in the year 2014-15. The share of dumped imports of the product under review which was 16.40 percent of the domestic production during the POI, reduced to 0.75 percent in the year 2014-15. Imports of BOPP Film from other sources remained in the same range after imposition of antidumping duties on dumped imports.

27.3 On the basis of the above information and analysis, the Commission has reached the conclusion that the decline in dumped imports of the product under review is due to imposition of antidumping duties. In case antidumping duties are removed, the volume of dumped imports are likely to increase sharply.

**28. Determination of dumping and calculation of dumping margins for exporters/foreign producers of the Exporting Countries**

28.1 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”.*

## **28.2 Normal Value**

Section 5 of the Act defines normal value as *“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”*. However, Section 6(1) of the Act states as follows:

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

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

28.3 As stated earlier (paragraphs 26 supra) the exporters from the Exporting Countries did not respond to the Commission’s questionnaire and have not provided requisite information for the purposes of this review except two exporters from Dubai and Oman. Therefore, the Commission was constrained to use best information available in addition to the information provided by the cooperating exporters/ foreign producers to determine likely dumping margin of the product under review in accordance with Section 32 of the Act.

## **28.4 Normal Value of the Product Under Review:**

28.4.1 As stated above (paragraph 26) two exporters/foreign producers i.e. Taghleef LLC, Dubai, and Taghleef SAOC, Oman have provided information in response to the questionnaire, therefore, the Commission has determined likely normal value of the product under review for Oman, Saudi Arabia, and United Arab Emirates on the basis of information provided by these exporters/ producers. As almost similar business conditions are prevailing in these countries, further, all these countries are oil producing countries and have rich base for petrochemicals, which is the basic raw material for the product under review. Therefore, the Commission is of the view that any inference drawn from the information provided by the above-mentioned exporters are equally applicable and representative for Oman, Saudi Arabia, and United Arab Emirates

28.4.2 In view of the above, likely normal value for Oman, Saudi Arabia, and United Arab Emirates for the POR is constructed on the basis of cost to make and sell of Taghleef LLC, Dubai, and Taghleef SAOC, Oman, which they have provided

in response to the questionnaire. The constructed normal value works out US\$ \*\*\*\*/MT. Calculations of the normal value is attached at Annex-II.

28.4.3 Likely normal value for China is determined on the basis of the best information available under Section 32 of the Act. For this purpose the information provided by the Applicant for constructed normal value for China is used. The likely normal value for Chinese product under review is constructed on the following basis of the cost of production in China plus a reasonable amount for administrative, selling and general costs and profits in accordance with Section 6 of the Act. The construction of normal value is based on the following:

- i. As the technology used by the exporters to produce product under review is the same/similar to the technology used by the Applicant, therefore, the cost of raw materials/inputs of the Applicant is taken as the raw materials cost.
- ii. C&F prices of raw materials/inputs arrived at as per explanation at serial i. above are multiplied with the per unit consumption of the raw materials to arrive at raw material cost per unit. Consumption of raw material per unit is based on the yearly average of the Applicant.
- iii. Labor hours employed by the domestic industry to produce one MT of the domestic like product have been multiplied by labour rate applicable in China to arrive at salaries and wages cost for construction of normal value.
- iv. Per unit consumption of other overheads (electricity, fuel/gas etc.) of the Applicant is multiplied with electricity/fuel/gas rates prevailing in China to arrive at overheads cost in construction of normal value.
- v. Selling and admin expenses of the Applicant are taken same for construction of the normal value.
- vi. In construction of the normal value, financial charges are calculated by using actual financial charges of the Applicant and the same has been deflated by difference between interest rate of China and Pakistan.
- vii. Profit mark up of 10 percent has been applied on cost to make & sell to reach at constructed normal value for the investigated product.

28.4.4 The constructed normal value for the Chinese product under review on the above mentioned basis is worked out to be US\$ \*\*\*\*/MT. Calculations of the normal value for Chinese product under review are attached at Annex-III.

**28.5 Export Price of the Product Under Review:**

The export price of the product under review is determined on the basis of the information from PRAL. The information obtained from PRAL is reported at C&F level, therefore, ocean freight, inland freight and handling charges have been deducted from C&F price to reach at ex-works level for like to like comparison of the normal value and export price. The information on ocean freight, inland freight and handling cost is provided by the Applicant. Calculations of the export price is attached at Annex-IV.

**28.6 Likely Dumping Margins of the Product Under Review:**

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

28.6.2 Taking into account requirements of the Act likely dumping margins for the Exporting Countries works out as follows:

**Table-IV  
Dumping Margins**

Exporting Country	Normal Value	Export price	Dumping Margin	
			absolute	percentage
China	100.00	70.35	29.65	42.15%
KSA	95.87	72.43	23.44	32.37%
Oman	95.87	93.81	2.06	2.19%
UAE	95.87	73.49	22.38	30.45%

Note: To maintain confidentiality actual figures have been indexed with reference to the normal value of China by taking it equal to 100

28.7 On the basis of above information and analysis the Commission has reached the conclusion there is likelihood of continuation or recurrence of dumping of the product under review if antidumping duties imposed on it are terminated.

**29. Whether Exporters of the Exporting Countries have Developed Other Export Markets after Imposition of Antidumping Duties**

29.1 To assess impact of antidumping duties on the exporters and to assess whether there is change in pattern of exports, the trend of exports of the Exporting Countries is analysed. However, the information on exports of the product under review from the Exporting Countries is not available as it is very closely defined. The information available at International Trade Centre ([www.trademap.org](http://www.trademap.org)) is broadly categorized. However, to assess pattern of exports of the Exporting Countries the information on the products group which include the product under review is obtained from the International Trade Centre ([www.trademap.org](http://www.trademap.org)).

29.2 Following table shows exports of the Exporting Countries of Plates/sheets/film/foil/strip, of polymers of propylene, which also includes the

product under review. The information on exports of the Exporting Countries to has been obtained from International Trade Centre (www.trademap.org):

**Table-V  
Major Export Markets of the Exporting Countries**

Exporting Country	2012		2015	
	Importing country	Quantity (MT)	Importing country	Quantity (MT)
China	World	299,100.00	World	358763.13
	Korea, Republic of	10,852.83	Malaysia	13209.69
	Japan	8,964.00	Italy	11322.10
	Ukraine	6,935.70	USA	10924.16
	USA	2,803.13	Tiawan	5608.72
	Russian Federation	2,787.47	Turkey	4075.39
Oman	World	36568.93	World	44283.916
	UAE	3735.56	UAE	17199.499
	Mauritius	34.29	Mauritius	269.978
	Ukraine	25.08	Ukraine	25.083
	Ireland	10.51	Belgium	9
KSA	World	80375.08	World	84069.46
	Egypt	14712.35	UAE	43973.73
	Italy	2229.85	Egypt	12839.78
	Pakistan	1490.33	Italy	4051.99
	Turkey	1371.85	Turkey	2302.83
	Tunisia	1234.54	Spain	1523.52
UAE	World	58103.00	World	47,377.00
	Germany	13156.00	Germany	10447.00
	Egypt	9,022.00	South Africa	6,088.00
	South Africa	4,696.00	Oman	3,869.00
	Oman	3,394.00	Dominican Rep.	2,392.00

29.3 The above table shows that major export destinations of the exporting countries remained same/ similar after imposition of anti-dumping duties.

**30. Whether Exporting Countries have exportable surplus of the product under review:**

30.1 To asses likely continuation or recurrence of dumping of the product under review, the Commission asked (through sending questionnaires) exporters/ foreign producers of the product under review in the Exporting Countries for the information on their production, domestic and export sales, installed production capacities, and inventories etc. before and after imposition of antidumping duties and any potential change in future. Only two exporters/foreign producers have provided information in this sunset review, therefore, the Commission has relied on information provided by these exporters/foreign producers and best information available to assess exportable surplus of the exporting countries. For this purpose, the information

obtained from International Trade Centre ([www.trademap.org](http://www.trademap.org)) on exports of BOPP Film of the Exporting Countries in addition to the information provided by the cooperating exporters is also used.

30.2 As per the information submitted by the Taghleef Dubai and available at websites of the Taghleef Group of Industries its installed capacities have increased and it is one of the largest producer of the BOPP Films. Following is stated at its website:

*“Headquartered in Dubai, (U.A.E.), Taghleef Industries (Ti) is one of the largest global manufacturers of biaxially oriented polypropylene films (BoPP), cast polypropylene films (CPP), biaxially oriented polylactic acid and biodegradable films (BoPLA) offering a standard and speciality film manufacturing capacity of more than 410,000 tons.*

*“Since its inception, the Ti Group has grown by both acquiring in strategic manufacturing entities around the world and investing in new capacities for its organic growth strategy. Today, Ti has nine manufacturing facilities on five continents: 2 facilities in Asia/Middle East (Dubai, Oman), 3 in Europe (Italy, Hungary and Spain) and one each in Australia (Wodonga), Africa (Egypt), USA (Indiana), and Canada (Québec).”*

30.3 Similarly, Gulf Packaging Industries, Saudi Arabia has also increased its installed production capacity. Following is stated at its website:

***“Gulf Packaging Industries Ltd Has Launched Its Expansion Phase-3 At Jubail Industrial City.***

*“The Phase-3 will secure additional capacity of 47,500 MT/ year with total annual capacity of 118,000 MT of BOPP film. Gulf packaging is firmly responding to the increase demand of Local and Export market.*

*To cover the increasing demand of value added film, Gulf packaging is adding high performance widest Metallizer by increasing total metalized film production capacity to 22000 MT/ year.”*

30.4 Extract from another producer of BOPP Film in Saudi Arabia (Rowad Global Packaging Co Ltd) obtained from its website is quoted below:

*“Rowad Global Packaging Co Ltd is one of the leading manufacturers of Biaxial Oriented Polypropylene (BOPP) films in Middle East, headquartered in Saudi Arabia with 35,000 MT of BOPP film capacities with ongoing expansion to reach 70,000 MT per annum capacity by mid - 2014 along with future plan to install more four production lines within next 4-5 years to supply quality films to the world market.”*

30.5 As stated above (paragraph 29.1 supra) the information on exports of the product under review from the Exporting Countries is not available because it is very narrowly defined and the information available at International Trade Centre is broadly categorized. However, to assess pattern of exports of the Exporting Countries the information on the product group which include the product under review is obtained from the International Trade Centre ([www.trademap.org](http://www.trademap.org)).

Following table shows exports of the Exporting Countries before and after imposition of antidumping duties:

**Table-VIII**  
**Export of the Exporting Countries (MT)**

<b>Exporting Country</b>	<b>2012</b>	<b>2015</b>
<b>China</b>	299,100	358,763
<b>Oman</b>	36,569	44,284
<b>KSA</b>	80,375	84,069
<b>UAE</b>	58,103	47,377

Source: www.trademap.org

30. On the basis of fore-going information the Commission has reached the conclusion that the Exporting Countries have export surplus, which is an indication of likelihood of continuation or recurrence of dumping of the product under review if antidumping duties imposed on dumped imports of the BOPP Film from the Exporting Countries are terminated.

31. **Summing up of Likelihood of Continuation or Recurrence of Dumping of the Product Under Review**

On the basis of information and analysis at paragraphs from 25 to 30 supra the Commission has reached the conclusion that there is likelihood of continuation or recurrence of dumping of the product under review if antidumping duties imposed on it are removed.

**E. DETERMINATION OF LIKELIHOOD OF RECURRENCE OR CONTINUATION OF INJURY TO THE DOMESTIC INDUSTRY**

32. **Applicant's View Point**

In application the Applicant has submitted, *inter alia*, the following regarding likelihood of recurrence of dumping of the BOPP film and injury to the domestic industry caused there from;

- i. After imposition of antidumping duties, the volume of dumped imports reduced by 79.93%. This decrease in dumped imports is due to antidumping duties. Thus imposition of antidumping duties has not only provided opportunity to the domestic industry to capture the expanded domestic market but also encouraged for expansion in its installed capacity;

- ii. The fact that there are still some exports from the Exporting Countries implies that exporters of these countries are still maintaining their business contacts with the local importers. Therefore, if the antidumping duties are removed, the exporters will flood the domestic market with huge volume of dumped imports
- iii. Imposition of antidumping duties by Malaysia on Chinese and Saudi Arabian exports of the BOPP film have increased the volume of disposable inventories with the producers of these countries. In case of removal of antidumping duties, exporters from these countries would soon off load their increased inventories.
- iv. Installed capacities of the BOPP films in Sultanate of Oman, Saudi Arabia and UAE have increased in recent past. This also indicates likelihood of continuation and/or recurrence of dumping which will ultimately cause injury to the domestic industry if antidumping duties are removed on product under review.
- v. In case antidumping duties are removed at this point of time, the consequential material injury to the domestic industry is likely to be more severe because it has increased its installed capacity to more than double than the installed production capacity of the original POI.

**33. Analysis of the Likely Continuation or Recurrence of Injury:**

To determine likelihood of continuation or recurrence of injury to the domestic industry, the Commission has considered following factors:

- i. Likely change in volume of imports of the product under review if antidumping duties are terminated;
- ii. Likely impact of imports of the product under review on prices of the domestic like product with and without antidumping duties; and
- iii. Consequent likely impact on the Applicant, which includes likely and potential decline in: sales, profits, output, market share, productivity, return on investment, capacity utilization and likely negative effects on: cash flow, inventories, employment, wages, growth, ability to raise capital or investments.

**34. Likely Volume of Dumped Imports and Domestic Production**

34.1 The information obtained from PRAL shows that there was significant decline in imports of BOPP Film from the Exporting Countries after imposition of anti-dumping duties. Following table shows quantity of the BOPP Film imports from dumped and other sources:

**Table- VII**

**Imports of BOPP Film**

Year/ Period	Imports from:		Domestic production	Dumped imports as % of:	
	Dumped sources	Other sources		Total imports	Domestic production
2009 (POI)	100.00	15.53	609.58	86.56%	16.40%
2012-13*	20.41	21.94	605.53	48.19%	2.95%
2013-14*	4.18	20.23	835.43	17.11%	0.50%
2014-15*	6.12	22.64	812.53	21.29%	0.75%

\* Year is from April 1, to March 31.

Sources: PRAL and the Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to dumped imports in 2009 by taking it equal to 100

34.2 The above table shows that the import from dumped sources declined significantly after imposition of antidumping duties. The dumped imports declined from 100.00 during original POI (2009) to 20.41 in 2012-13, and continuously declined in year 2013-14 and 2014-15 to 4.18 and 6.12 respectively. The imports of BOPP Film from sources other than the dumped sources remained in the same range after imposition of antidumping duties on dumped imports.

34.3 Production of the domestic like product has significantly increased after imposition of antidumping duties on dumped imports of the product under review. The domestic production of the Applicant which was 609.58 during the original POI (2009) increased to 835.43 during the year 2013-14 and 812.53 during the year 2014-15 i.e. 37 percent and 33 percent increase on the production during the original POI.

34.4 On the basis of above information and analysis the Commission has concluded that the production of the domestic like product has increased significantly after imposition of antidumping duties on dumped imports of the product under review. Therefore, termination of antidumping duties will likely result an increase in imports of the product under review which will affect adversely to the production of the domestic like product.

**35. Likely Effects on Market Share**

35.1 The domestic market share in the original investigation and of the review period is given in the table below.

**Table- VIII  
Domestic Market of BOPP Film**

Year*	Domestic industry's sales	Imports from:		Total Domestic market
		Dumped Sources	Other sources	
2009 (Original POI)	83.93 (84%)	13.91 (14%)	2.16 (2%)	100.00
2012-13	92.04 (94%)	2.84 (3%)	3.05 (3%)	97.93
2013-14	102.88 (97%)	0.58 (1%)	2.81 (2%)	106.28
2014-15	103.75 (96%)	0.85 (1%)	3.15 (3%)	107.76

\* Year is from 1<sup>st</sup> April to 31 March. Sources: The Applicant and PRAL  
Note: To maintain confidentiality, actual figures have been indexed with reference to domestic industry's sales in 2009 by taking it equal to 100

35.2 The above table shows that the domestic market has increased about 8 percent as compared to the market size in the original POI.

35.3 The market share of the domestic industry has increased by 12 percent whereas market share of the dumped imports declined significantly after imposition of antidumping duties from 14 percent during the original POI to 1 percent during the POR. Market share of the imports from other sources remained in the same range after imposition of antidumping duties on dumped imports of the BOPP Film.

35.4 Based on the above information and analysis the Commission has concluded that the imposition of antidumping duties on dumped imports of the product under review has impacted positively and the market share of the domestic industry has increased significantly due to imposition of antidumping duties. Termination of antidumping duties will likely result an increase in imports of the product under review which will result an increased market share of the dumped imports. Therefore, termination of antidumping duties on dumped imports of the product under review will likely affect adversely to the market share of the domestic industry.

## 36. **Likely Price Effects**

During the original POI, the domestic industry faced price undercutting and price depression. Price effects of the product under review during the POR are assessed in the following paragraphs.

### 36.1 **Likely Price Undercutting**

36.1.1 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 POR. Landed cost of the product under review 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 under review during the POR is given in following table below.

Table-IX  
Price Under-cutting

Year*	Applicant's price	Landed Cost of dumped:		Price under-cutting	
		With anti-dumping Duty	Without anti-dumping duty	With anti-dumping Duty	Without anti-dumping duty
2009 (Original POI)	100.00	---	95.48	-	4.51%
2012-13	144.63	240.68	177.40	-	-
2013-14	158.19	285.31	202.82	-	-
2014-15	156.50	292.66	203.39	-	-

\* Year is from 1<sup>st</sup> April to 31 March.

Sources: The Applicant and PRAL

Note: To maintain confidentiality, actual figures have been indexed with reference to Applicant's price in 2009 by taking it equal to 100

36.1.2 The above table shows that during the POR landed cost of the product under review was above the price of the domestic like product even without incidence of the antidumping duties. However, as there is likelihood of increase in volume of dumped imports if antidumping duties are removed, therefore, there is likelihood of reduction in prices of dumped imports to get their share in the market. In this scenario, there is a likelihood of price undercutting of the domestic like product in the domestic market.

36.1.3 On the basis of the above information and analysis the Commission has concluded that there is a likelihood of price undercutting if antidumping duties imposed on imports of the product under review are terminated.

### 36.2 **Price Depression**

36.2.1 Weighted average ex-factory price of the domestic like product during the last three years is given in the table below:

Table-X  
Price Depression

Year*	Ex- factory price	Price Depression
2009 (Original POI)	100.00	---
2012-13	144.63	---
2013-14	158.19	---
2014-15	156.50	1.69

\* Year is from 1<sup>st</sup> April to 31 March. Source: The Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to the price in 2009 by taking it equal to 100

36.2.2 The above table shows that there is an overall decrease in the ex- factory price of domestic like product after imposition of antidumping duties on dumped imports of the product under review as there was/is no pressure on price of the domestic like product due to landed cost of the product under review because the landed cost of the dumped imports remained higher than the domestic price during the POR (paragraph 36.2 supra). However, as there is likelihood of increase in volume of dumped imports if antidumping duties are removed, therefore, there

would a pressure on the domestic industry to reduce price of the domestic like product to retain its market share

36.2.3 On the basis above information and analysis the Commission has concluded that there is a likelihood of price depression to the domestic industry if antidumping duties imposed on imports of the product under review are terminated.

**36.3 Likely Effect on Price Suppression**

36.3.1 Information regarding weighted average cost to make and sell and ex-factory price of domestic like product during the last three years is given in the following table:

Table-XI  
Price Suppression

Year*	Cost to make and sell	Ex-factory price	Price Suppression		
			Increase/ (decrease) in cost	Increase/ (decrease) in price	Price suppression
2012-13	96.88	100.00	-	-	-
2013-14	110.55	109.38	13.67	9.38	4.30
2014-15	112.11	108.20	1.56	-1.17	1.56

\* Year is from 1<sup>st</sup> April to 31 March.

Sources: The Applicant

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

36.3.2 The above table shows the domestic industry experienced increase in cost to make and sell during the POR and faced price suppression. However, analysis of the information has shown that this price suppression was not due to imports of the product under review as its landed cost was well above the cost to make and sell of the domestic like product during this year (paragraph 36.2 supra), therefore, price suppression faced by the domestic industry during the POR was due to other reasons.

36.3.3 Based on the above information and analysis, the Commission has concluded that there is no likelihood of price suppression if antidumping duties on imports of the product under review are terminated.

**37. Likely Effects on Production and Capacity Utilization**

37.1 The installed capacity, production and the capacity utilization of the domestic industry during the POR and the original POI are given in the table below:

Table-XII  
Production and Capacity Utilization

Year*	Installed Capacity	Production	Capacity Utilization (%):
2009 (Original POI)	100.00	100.25	100.25%
2012-13	110.79	113.66	102.59%
2013-14	163.19	137.40	84.20%
2014-15	240.29	133.63	55.61%

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to the installed capacity in 2009 by taking it equal to 100

37.2 It is evident from the above table that the installed production capacity of the domestic industry increased considerably by 140 percent above the original capacity after imposition of antidumping duties on dumped imports of the product under review. Currently the installed production capacity of domestic industry is much more than domestic demand of the BOPP Film (paragraph 35 supra).

37.3 Production of the domestic like product significantly increased after imposition of antidumping duties on the product under review, which enabled the domestic industry not only to cater almost entire domestic demand (as the domestic industry caters around 96 percent of the domestic market, please refer paragraph 35 supra) rather exports of the Applicant has also increased significantly during the POR. Following table shows exports of the BOPP Film by the Applicant during the POR:

Table-XIII  
Exports of the BOPP Film by the Applicant

Year	Exports
2009 (Original POI)	100.00
2012-13*	116.73
2013-14*	380.33
2014-15*	280.15

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to the exports in 2009 by taking it equal to 100

37.4 The domestic industry was utilizing 100% of its installed capacity during the original POI as its capacity was lower than the domestic demand. During the POR capacity utilization by the domestic industry declined, however, this decline was not due to decline in production rather it was due to increase in installed production capacity, which is much more (almost double) than the domestic demand. Thus, the entire capacity cannot be utilized in this scenario.

37.5 As termination of antidumping duties on the product under review will likely result an increase in its imports which will affect adversely to the sales and market share of the domestic industry, therefore, based on the above information and analysis the Commission has reached on the conclusion that as a result of increase in dumped imports of the product under review there is likelihood of decrease in production and capacity utilization of the domestic industry.

**38. Likely Effects on Profits**

38.1 The Profits/(loss) of the Applicant on production and sales of BOPP Film during original POI and POR are given in the table below:

Table-XIV  
Profits/Loss

Year*	Net Profit /(Loss)
2009 (Original POI)	100.00
2012-13	37.97
2013-14	(58.33)
2014-15	(84.74)

\* Year: from 1<sup>st</sup> April to 31<sup>st</sup> March Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to the profit in 2009 by taking it equal to 100

38.2 The above table shows that the domestic industry was earning profits till the year 2012-13, however, it incurred losses during the years 2013-14 and 2014-15. The Commission's investigation has revealed that the domestic industry was optimally utilizing its available production capacity till 2012-13 and was operating with economies of scale. During this period, sale of the domestic industry was 102 percent of its available capacity as the domestic demand was more than the installed production capacity of the domestic industry.

38.3 Keeping in view the market demand the Applicant has expanded its production capacity, which became operational in March 2013. The Applicant incurred losses during 2013-14 and 2014-15 as it has not achieved economies of scale so far and its financial costs are and depreciation are high in the initial years. Following table shows financial costs and depreciation cost of the Applicant before (2012-13) and after enhanced capacity:

Table-XV  
Financial Cost and Depreciation

Year*	Financial cost	Depreciation
2012-13	100.00	157.36
2013-14	323.15	359.38
2014-15	366.52	221.07

\* Year: from 1<sup>st</sup> April to 31<sup>st</sup> March Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to the financial cost in 2009 by taking it equal to 100

38.4 The above table shows that the Applicant's financial cost considerably increased by 223 percent and 259 percent during the years 2013-14 and 2014-15 due to new investment/ increased production capacity. Similarly, depreciation increased by 128 percent and 40 percent in the years 2013-14 and 2014-15 respectively over the depreciation on 2012-13.

38.5 Based on the above information and analysis the Commission has concluded as termination of antidumping duties on the product under review will likely result an increase in its imports which will affect adversely to the production and sales of the domestic industry. Therefore, as a result of increase in dumped imports of the product under review there is a likelihood of adverse effects on profits of the domestic industry.

**39. Likely Effects on Inventories**

39.1 The inventory position of the domestic industry during original POI and the POR was as follows:

**Table-XVI  
Inventories of the BOPP Film**

Year*	Opening Inventory	Production	Sales	Closing Inventory
2009 (POI)	100.00	5540.76	5484.10	156.66
2012-13	156.66	6281.71	6266.40	171.97
2013-14	171.97	7593.64	7545.33	220.28
2014-15	220.28	7385.49	7385.49	220.28

\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March. Source: The Applicant.

Note: To maintain confidentiality, actual figures have been indexed with reference to the opening inventory in 2009 by taking it equal to 100

39.2 The above table shows that the inventories of the Applicant declined during the POR as compared to the inventories of the original POI. As there is likelihood of increase in volume of dumped imports of the product under review if antidumping duties are terminated, therefore, the Commission has concluded that there will be negative effects on inventories of the domestic industry if antidumping duties imposed on imports of the product under review are terminated.

**40. Likely Effects on Employment, Productivity and Salaries & Wages**

40.1 The employment, production, salaries and wages and productivity of the Applicant are given in the Table below

**Table-XVII  
Employees, Productivity and Wages**

Period	No. of Employees	Productivity per worker	Salaries & wages
2009 (POI)	100.00	16.11	100.00
2012-13	69.23	26.37	168.74
2013-14	79.57	27.74	175.87

2014-15	76.20	28.17	211.06
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\* Year is from 1<sup>st</sup> April to 31<sup>st</sup> March. Source: The Applicant.

Note: To maintain confidentiality, actual figures have been indexed with reference to number of employees and wages in 2009 by taking them equal to 100

40.2 The above table shows that the number of employees have decreased while production of the domestic like product has increased significantly after imposition of antidumping duties on dumped imports of the product under review. Resultantly productivity per worker has also increased during the POR. This shows the domestic industry has become more efficient as compared to the original POI. Unit salaries and wages for production of the product under review have also increased during the POR due to increase in salaries & wages bill.

40.3 On the basis of the above information and analysis the Commission has reached on the conclusion that any likely decline in production due to likely increase in volume of dumped imports of the product under review as a result of termination of antidumping duties will adversely affect productivity of the domestic industry.

**41. Likely Effect on Cash Flows:**

41.1 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.

41.2 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.”*

41.3 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-XVIII  
Cash Flows

Period (Apr-Mar)	Net Cash flow
2009 (POI)	100.00
2012-13	30.95
2013-14	77.18
2014-15	107.41

Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with reference to cash flow in 2009 by taking them equal to 100

41.4 The above table shows that the cash flows of the Applicant deteriorated during 2012-13 and improved in the following years. Deterioration of cash flows in the year 2012-13 was due to new investment by the Applicant.

41.5 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.

**42. Likely Effect on Investment and Return on Investment**

42.1 As stated earlier (paragraph 37 supra) the Applicant has significantly increased its installed production capacity in recent past and its installed production capacity is much more than the total domestic demand of BOPP Films. Therefore, there is no likelihood of new investment in near future in this industry. Keeping in view this situation, the Commission is of the view there will be no effect of termination of antidumping duties on investment in the domestic industry.

42.2 As mentioned above (paragraph 41.1) the Applicant is a multiproduct company, therefore, return on investment for the domestic like product cannot be segregated and no likely effect of the termination of antidumping duties on return on investment for the product under review can be derived.

**43. Likely Effects on Growth**

As stated that earlier (paragraph 35 supra) the domestic market of BOPP Film has significantly increased during POR. Therefore, keeping in view growth in the domestic market the Applicant has made substantial investment and now its installed production capacity has become much above than the domestic demand. Thus, there is a considerable growth in the domestic industry during the POR. In view of the above the Commission has concluded that there is no likelihood of further growth in the domestic industry in near future. Thus, there is no likelihood of negative effects on growth of the domestic industry if antidumping duties imposed on imports of the product under review are terminated.

**F Summing up Likelihood of Recurrence or Continuation of Injury to the Domestic Industry**

44. On the basis of the information, analysis and findings in the foregoing paragraphs the Commission has reached the conclusion that termination of antidumping duties imposed on dumped imports of the product under review from the Exporting Countries will lead to likely recurrence of the material injury to the domestic industry due to dumped imports of the product under review because of the following:

- i. Production and sales of the domestic like product has significantly increased after imposition of antidumping duties on dumped imports of the product under review, which will be adversely affected if antidumping duties are terminated.
- ii. There will be likely adverse effects on market share, sales, production, capacity utilization, and productivity of the domestic industry due to dumped imports of the product under review if antidumping duties are terminated.

## **G. CONCLUSIONS**

45. After taking into account all information, analysis and findings, the Commission has reached the following conclusions:

- i. The domestic industry filed an application for sunset review of the antidumping duties imposed on dumped imports of the product under review from the Exporting Countries within prescribed time period in accordance with Section 58(3) of the Act in response to the notice of impending expiry of the antidumping duties. The application met requirements of Sections 24 and 58 of the Act.
- ii. There is likelihood of recurrence or continuation of dumping of the product under review from the Exporting Countries if antidumping duties imposed on dumped imports of the product under review are terminated. Termination of antidumping duties imposed on imports of the product under review from the Exporting Countries will lead likely increase in volume of dumped imports, thus there is likelihood of recurrence of injury to the domestic industry on accounts decline in domestic industry's production, capacity utilization, sales, market share, profits and productivity.

## **I CONTINUATION OF DEFINITIVE ANTIDUMPING DUTIES**

47. In terms of Section 58(3) of the Act, definitive anti-dumping duties shall not expire if the Commission determines in the review that the expiry of such antidumping duties would be likely to lead continuation or recurrence of dumping and injury.

48. In view of the information, analysis and conclusions in the forgoing paragraphs the Commission has decided to continue antidumping duties for a period of further period of five years effective from August 15, 2015 as per the following. The product under review (BOPP Films) is classified under Pakistan

Customs Tariff classification Nos. 3920.2010 (BOPP Film, plain) and 3920.2030 (BOPP Film, metallized):

Table-XIX  
Antidumping Duty Rates

Exporting Country	Exporter Name	Antidumping Duty Rate
UAE	Taghleef LLC	29.70%
	All other exporters	57.09%
Oman	Taghleef SAOC	22.95%
	All other exporters	22.95%
China	All exporters	56.80%
Saudi Arabia	All exporters	26.91%

49. BOPP Films of capacitor grade and up to 7 microns imported from the Exporting Countries (China, Oman, KSA and UAE) and all types of BOPP Films imported from sources other than the Exporting Countries shall not be subject to antidumping duties.

50. In accordance with Section 51 of the Act, the antidumping duties shall take the form of *ad valorem* duty and be held in a non-lapsable personal ledger account established and maintained by the Commission for the purpose. Release of the dumped imports of the product under review for free circulation in Pakistan shall be subject to imposition of such antidumping duties.

51. Definitive antidumping duties levied would be in addition to other taxes and duties leviable on import of the product under review under any other law.

52. The definitive antidumping duties would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in Commission's Non-lapsable PLD account No. 187 with Federal Treasury Office, Islamabad.

(Tipu Sultan)  
Member  
November 28, 2016

(Robina Ather)  
Member  
November 28, 2016

(Abdul Khaliq)  
Member  
November 28, 2016

(Qasim M Niaz)  
Chairman  
November 28, 2016



**Views/Comments of Taghleef Industries LLC Dubai and Taghleef Industries SAOC, Oman**

Para No	Views/Comments	Commission's Response
<b><u>PRELIMINARY OBJECTIONS TO THE APPLICATION</u></b>		
5	“The Exporters did not receive any letter from the Commission stating that the Commission will rely on Best Available Information in accordance with Section 32 of the Act.”	Letters for the use of best information available were sent to the exporters who did not respond to the Commission’s questionnaire. These letters were not meant for Taghleef Dubai and Taghleef Oman.
6	“The Applicant has wrongfully and maliciously withheld information, under the garb of ‘confidentiality’, from all interested parties and has failed to satisfy the conditions laid down in Section 31 of the Act. The Applicant has also failed to furnish non-confidential summaries of the information claimed confidential to effectuate a reasonable understanding of the information by other interested parties.”	The Commission has complied with requirements of Section 31 of the Act
8	“The Application submitted by the Applicant fails the very basic test laid down in Section 58(3) of the Act, which requires an Applicant to submit a ‘duly substantiated request’ to the Commission, upon which the Commission is required to initiate the review. The Application submitted by the Applicant is not duly substantiated and lacks evidentiary support in light of unsubstantiated claims of confidentiality and for sheer lack of factual and evidential basis.”	On receipt of the application it was analysed and the Commission determined that the application fulfills requirements of Section 58 of the Act. (paragraph 9 of the report)
9	“The Applicant has alleged, without providing any reasonable evidence, that the Exporter would recommence dumping if the anti-dumping duty is removed. Such allegations based on mere assumptions and not substantiated by evidence must not be entertained (reference Section 58(3) of the Act).”	The Commission has not relied on the information and evidence provided by the Applicant for determination of recurrence or continuation of dumping of the product under review. Please see Section D (paragraphs 25 to 31) of the report.
10	“The Applicant has snarled dumping and injury caused due to imports from other countries/exporters with imports from Finland. This is evident from the Applicant’s calculations for every injury factory and also the dumping calculations.”	In this review the Commission has reached the conclusion that there is a causal relationship between likely continuation and recurrence of dumping of the product under review and likely recurrence of the injury to the domestic industry.
<b><u>SUNSET REVIEW</u></b>		
20 21	“..... Article 11.3 requires the investigating authorities to carry out detailed analysis encompassing likelihood of dumping and injury, which is clearly distinct from the orthodox anti-dumping investigation where analysis of actual dumping and injury has to be carried out.” “An investigating authority may only continue levy of anti-dumping duties on a dumped product, if the aforementioned analysis concludes; (i) that the domestic industry performed better in the wake of imposition of anti-dumping duties; (ii) that the domestic industry has been able to recover substantially from the injury caused by dumped imports; (iii) that there exists a likelihood of continuation or recurrence of dumping; and (iv) that there exists a likelihood of consequent injury.”	The Commission has complied with the provisions of the Act and has conducted a detailed analysis on state of the domestic industry and likelihood of recurrence of injury to the domestic industry is determined on the basis of factual information. Please see sections E and F (paragraphs 32 to 44) of the report.
22	“.....In most of its review determinations, the Commission has continued anti-dumping duties where the exporters ceased to export the IP after imposition of anti-dumping duties and this is a ‘determinative’ factor at the time of the review that likelihood of continuation or recurrence of dumping exists. The reality is contrary; an exporter ceases exports after imposition of anti-dumping duties due to one reason alone, viability. The exports to Pakistan were not viable in the wake of imposition of unnecessary anti-dumping duties, as the Exporter was required to firstly export at a higher price; and secondly pay an added	The Commission determines likely continuation or recurrence of dumping of the product under review on number of factors. Analysis on whether exporters continued or stop exporting after imposition of antidumping duty is only one factor and it is not the only determinant factor. Please see Section D (paragraphs 25 to 31) of the report.

	amount of anti-dumping duties. No customer would be willing to buy a product at such high prices. Imposition of anti-dumping duties for a period of three to five years (mostly based on facts available) is ample penalty on the Exporter and, in fact the same provided ample protection to the domestic industry to uplift its status. However, it is clearly evident from the information submitted by the Applicant that this is not the case. The domestic industry did not benefit from the imposition of anti-dumping duties, which inevitably proves that injury caused during the original period of investigation was not due to exports from the Exporters.”	Likely recurrence of the injury to the domestic industry is determined on the basis of factual information (paragraphs 32 to 44 of the report).
27	“We expect that the Commission would conduct a detailed analysis and would not rely simply on the unfound allegations leveled by the Applicant against the Exporters. We also request the Commission to analyze all available facts and examine all factors listed below, in addition to other factors that the Commission may deem appropriate while conducting this Review.”	The Commission has conducted detailed analysis on the basis of information submitted by the cooperating exporters, the Applicant and gathered from other sources and continuation or recurrence of dumping and injury is determined on the basis of that information.
28	“The Exporters as a matter of policy encourage fair competition in both domestic as well as export markets and follow best business practices. This is evident from the fact that despite the imposition of exorbitant Anti-Dumping duties, the Exporters continued to export to Pakistan and followed a policy of transparency at all stages of the Investigation.”	Analysis of the information submitted by Taghleef Dubai and Taghleef Oman and obtained from PRAL has shown after imposition of antidumping duties the imports of the product under review from the Exporting Countries declined significantly, which shows the exporters were involved in dumping of the investigated product. Please refer paragraphs 27 and 34 of the report.
<b><u>DETERMINATION OF ‘LIKELIHOOD’</u></b>		
32	“The Applicant has, firstly, failed to put on record any documentary evidence that would enable the Commission to conduct a prospective determination and maintain an objective view. The evidence submitted by the Applicant merely puts forth concocted conclusions of existence of likelihood of continuation and recurrence of dumping and injury. The same evidence is based on matters not relevant to the instant review and the only argument that the Applicant has drawn is on the basis of the original investigation where dumping was determined. However, the requisites for conducting a ‘forward-looking’ determination have not been provided by the Applicant.”	The Commission has complied with requirements of the Act. The Commission has not only relied on the information and evidence provided by the Applicant for determination of recurrence or continuation of dumping of the product under review Please see Section D (paragraphs 25 to 31) of the report. and likely injury to the domestic industry. Please see sections E and F (paragraphs 32 to 44) of the report.
<b><u>Use of presumptions in a likelihood determination</u></b>		
34	“The Appellate Body has abundantly cautioned the investigating agencies not to rely on the ‘atypical’ and ‘simplistically’ dismissive presumptions made in an application by the domestic industries and the scrutiny of presumptions is to be carried out before the application of the same is undertaken. The presumptions made must have a proper evidentiary support in order for the scrutiny to be carried out; otherwise a mechanistic application of the presumptions may lead to an incorrect determination of likelihood resulting in a flawed and challengeable determination.”	
37	“The Commission cannot conduct the review based on a negative assumption that considers the exporters as guilty unless proven innocent. Similarly, the mere fact that an application for imposition of further duties is made, does not mandate the Commission to make this the basis for continuation of anti-dumping duties. The Commission must conduct an unbiased and objective examination of the facts in hand i.e., Taghleef Industries best business practice and the fact that Taghleef Industries continued to export to Pakistan upon imposition of unnecessary anti-dumping duty in the original investigation. Similarly, the Commission must also examine the fact that the domestic industry failed to benefit from the imposition of anti-dumping duties, as the reasons for injury even in the original investigation were not the allegedly dumped imports.”	Determination of the Commission on continuation or recurrence of dumping and injury is not based on presumptions made in the application. Rather the Commission has relied on the information and evidence provided by the exporters, the Applicant and the information gathered from other sources. Please see Sections D through F of the report.

38	<p>“The evidence submitted by the Applicant is tainted due to the unwarranted inclusion of import data and prices relating to other products and injury that may have been caused by exports of other countries. The Applicant has not brought forward any positive evidence to suggest that likelihood of continuation or recurrence of dumping and injury exists. Thus, in light of such a deficiency, the Commission is not in a position to make any assumptions to facilitate the analysis necessitated. The Commission cannot perform a forward-looking analysis and thus the required measures of likelihood cannot be proved.”</p>	<p>The Commission has not relied only on the information and evidence provided by the Applicant in application for determination of recurrence or continuation of dumping of the product under review and likely injury to the domestic industry. Please see Sections D through F of the report.</p>
<p><b>Determination of Likelihood of Dumping</b></p>		
39	<p>Determination of likelihood of dumping cannot be based on mere assumptions of a certain conduct on part of an exporter in the future. An investigative authority must base its calculations and projections on sufficient positive evidence. The importance of the need for sufficient positive evidence on which to base the determination of likelihood of continuation or recurrence of dumping has been greatly stressed upon both by the Panels and the Appellate Body. In order to determine likelihood, an investigating authority has been precluded from “<i>simply assuming that likelihood exists. In order to continue the imposition of the measure after the expiry of the five-year application period, it is clear that the investigating authority has to determine, on the basis of positive evidence that termination of the duty is likely to lead to continuation or recurrence of dumping.... An investigating authority must have a sufficient factual basis to allow it to draw reasoned and adequate conclusions concerning the likelihood of such continuation or recurrence.</i>”.....”</p>	<p>The Commission’s determination of likely continuation or recurrence of dumping of the product under review is not based on assumptions, rather it is based on the information and evidence submitted by the Taghleef Industries and gathered from other sources. Please see section D of the report (paragraphs 25 to 31 of the report)</p>
40	<p>“If seen in this context, Taghleef Industries (i) did not dump the product into Pakistan after imposition of anti-dumping duties (although Taghleef Industries is clearly of the view that it did not dump BOPP Film during the period of investigation of the original investigation); (ii) did not cause injury to the domestic industry producing domestic like product; (iii) always followed a policy of fair competition in the domestic as well as its export market of BOPP Film; and (v) has no intentions to dump BOPP Film in Pakistan. In addition, we would request the Commission not to assess in isolation the fact that just because the Commission reached a determination that Taghleef Industries allegedly dumped the Investigated Product, they are likely to do the same in the future. In the paragraphs to follow, we have identified other important parameters that traditional users such as European Community apply while determining likelihood and must be considered by the Commission while conducting this Review.”</p>	<p>In the original investigation individual dumping margins for Taghleef Dubai and Taghleef Oman were determined on the basis of the information submitted by them, which showed that both the exporters were involved in dumping of the investigated product during the POI. It is worth mentioning neither the Act nor the WTO Antidumping Agreement require to determine injury to the domestic industry on the basis of individual exporters exports of the investigated product.</p>
<p><b>Applicable Methodology for Determining Likelihood of Dumping</b></p>		
41	<p>“While we agree that Article 11.3 does not expressly suggest any specific methodology for investigating authorities to use in making a likelihood determination in a sunset review, it imposes an obligation on the investigating agencies to carry out an objective analysis rather than the orthodox subjective and restricted approach. The investigating authorities should therefore not restrict themselves to the normal confines of an anti-dumping investigation and are required to define parameters on a case-to-case basis and adhere to the intent of Article 11.3 i.e., mandatorily remove the duty unless determined necessary.”</p>	<p>The Commission has conducted an unbiased and objective examination of all known factors to determine likelihood of continuation or recurrence of dumping of the product under review and injury to the domestic industry.</p>
42	<p>“It can therefore be stated with absolute clarity that previous dumping margins are not conclusive indicators regarding the determination of likelihood of continuation or recurrence of dumping or injury and thus “<i>in a sunset review, dumping margins may well be relevant to, but they will not necessarily be conclusive of, whether the expiry of the duty would be likely to lead to continuation or recurrence of dumping.</i>”</p>	<p>The Commission has not relied only on the dumping margin to determine likelihood of continuation or recurrence of dumping of the product under review. Please see section D (paragraphs 25 to 31) of the report</p>

43	<p>The Commission must shun the practice of only considering the parameters highlighted by the Applicant and must adopt an ‘out of the box’ approach. The restricted parameters stated by the Applicant would undoubtedly evidence the existence of likelihood of continuation or recurrence of dumping and injury, however, a joint analysis of these factors with other most relevant factors would yield a more realistic conclusion i.e., the continuation of levy of anti-dumping duty is not justified and that there does not exist a likelihood of continuation or recurrence of dumping or injury.”</p>	<p>The Commission has not relied on the only information and factors provided/highlighted in the application.</p>
44	<p>“A few of the most relevant factors considered by investigative agencies world over, in particular the European Commission, that the Commission must analyze are as follows:</p> <p>a. <u>Status of the Domestic Industry</u> Whether the domestic industry has shown any improvement over the course of the five years for which the anti-dumping duties were in force.</p> <p>b. <u>Domestic Production vis-à-vis the Domestic Consumption</u> Whether the domestic production is actually capable of feeding the domestic demand.</p> <p>c. <u>Evolution of Exports of the Exporting Country</u> The evolution of exports is a very important factor that must be considered while determining the likelihood of dumping. It is indicative of any diversion of trade that might have occurred and would be indicative of any dumping that might have been undertaken by the Exporter in any other market. All in all an evidence of good (or bad) character of an exporter.</p> <p>d. <u>Economic Situation</u> Economic situation prevalent in the country would be an important determinative for likelihood of injury. The same would demonstrate whether the injury caused is due to the influence of imports or due to ancillary circumstances brought about by poor economic activity prevailing in the country.”</p>	<p>All the factors listed by the Taghleef Industries such as state of the domestic industry, domestic production and consumption etc. have been analysed in the report.</p>
<p><b>Determination of Likelihood of Recurrence or Continuation of Injury</b></p>		
48	<p>“The Commission is therefore requested to conduct a detailed examination of the entire situation based on facts rather than presumptions. Important aspect that the Commission must consider while analyzing likelihood of injury is whether the domestic industry improved its performance after imposition of anti-dumping duties and whether continuation of the anti-dumping duties would benefit them in future. Given the fact that the Applicant has not claimed injury on account of Price Effects, should reflect to the Commission that the Exporters did not export the Investigated Product at dumped prices and therefore do not reflect the propensity to dump the Investigated Product in the future.”</p>	<p>The Commission has determined likelihood of recurrence of the injury to the domestic industry on the basis of facts and not on presumptions. Detailed analysis on the likely injury to the domestic industry is provided at sections E and F (paragraphs 32 to 44) of the report.</p>
<p><b>Time-frame for likelihood of continuation or recurrence of injury</b></p>		
51	<p>“The Commission must shed the confines of a standard Period of Review and must consider each injury factor in its own time-frame. The determination yielded by such an analysis would be determinative of the factual position vis-à-vis likelihood of recurrence of injury. For example ‘economic instability’ of the country spans over a greater period of time and thus requires an analysis which would span a greater period. The economic instability would in itself result in the confirmation of the fact that the injury caused during the original investigation and the injury claimed in the present review have no nexus with dumping alleged at present and the likelihood of continuation or recurrence of injury on account of such alleged dumping does not exist.”</p>	<p>Neither the Act nor the WTO Antidumping Agreement specify any time frame for this purpose. However, the Commission has a consistent practice to conduct sunset review over the three years. Therefore, the same methodology is applied in this review.</p>
<p><b>Injury Claimed by the Applicant</b></p>		
52	<p>“Before commenting on the injury claimed by the Applicant, the Exporter takes this opportunity to highlight the fact that on account of limited disclosure in the Application as well as the SEF, we are constrained to limit our comments based on whatever information is available in the Application</p>	<p>The Commission has complied with the requirements of Section 31 of the Act. The non-confidential summaries submitted by the Applicant submitted for confidential information permits a</p>

	(with limited disclosure). Furthermore, the Exporters are unable to confirm the authenticity of the information provided in the Application, nevertheless, based on the limited information made available to us and the information that is otherwise publically available from various sources, we have endeavored in the following paragraphs to demonstrate that injury, if any, caused to the Applicant cannot be attributed to the imports of the IP, it was due to other factors that the Applicant was injured and those factors have deviously been concealed in the Application and that there does not exist a possibility of recurrence or continuation, of dumped exports let alone, of injury.”	reasonable understanding of the information submitted in confidence.
53	“The Applicant has claimed likely recurrence and continuation of material injury on numerous factors, mainly basing each upon dumped imports from sources other than Finland & Germany and attributing injury from exports of other products from Finland & Germany.”	After detailed examination the Commission has reached on the conclusion there is a likelihood of recurrence of injury due to dumed imports of the investigated product if antidumping duties are terminated. Please refer sections E through I (paragraphs 31 to 46) of the report.
54	<p>“The factors upon which the Applicant has claimed likely continuation or recurrence of material injury are as follows:</p> <ul style="list-style-type: none"> <li>• Volume of Imports</li> <li>• Sales &amp; Output</li> <li>• Profit &amp; Loss</li> <li>• Utilization of Production Capacity</li> <li>• Cash Flow</li> <li>• Employment &amp; Wages (all sources) (other concentrations)</li> <li>• Growth</li> <li>• Return on Investment</li> <li>• Decrease in Market Share</li> <li>• Increase in Inventory”</li> </ul>	The Commission has conducted an unbiased and objective examination of each injury factor claimed by the Applicant. Please refer section E (paragraphs 32 to 44) of the report.
55	“The Applicant has very effectively tainted the data/information relating to BOPP Film with its ordeal with imports from other countries and import of other products produced by the Exporter. The information/data, thus, submitted by the Applicant has misled the Commission to believe that there does exist a case to answer, thus, resulting in the initiation of the Review, which otherwise did not merit initiation.”	The Commission has not relied upon the import data submitted by the Applicant. Rather the import data is obtained from PRAL. Further, the analysis with regard to the import data is made only for the product under review.
<b>Price Effects</b>		
56	“The Applicant has not claimed Injury on account of Price Undercutting, Price Suppression and Price Depression. This is clearly reflective of the position of the Exporters, who did not wish to engage in corrupt and misguided practices of dumping and therefore continued to export the Investigated Product to Pakistan at non-dumped prices.”	After examination the Commission has reached the conclusion there is a likelihood of adverse effects on domestic prices in case antidumping duties on the product under review are terminated. Please refer paragraph 36 of the report.
57	“Even otherwise, likelihood of recurrence of material injury on account of price effects is a farfetched notion. As already stated above, the global demand of BOPP Film in the primary market of the Exporter is consistently increasing and the profit margins in domestic sales are better than the export markets. Thus, recurrence of ful fledged exports, let alone recurrence of alleged dumping, does not seem to be a possibility at the moment due to growing demands of BOPP Film in the primary market. Therefore, recurrence of injury on account of prices does not seem likely as well.”	
<b>Profit &amp; Loss</b>		
58	“The Applicant has continuously suffered losses during the entire POR for injury. This clearly depicts that the imposition of an Anti-Dumping duty is not the cure that the domestic industry is looking for, but rather it is the internal management decisions that confound the position of the domestic	A detailed analysis of the state of domestic industry has been conducted (please see section E of the report). Examination of the Commission has shown there will be likely adverse effects on profits of the

	industry and therefore continuation of a duty will only result in unfair prejudice to the Exporters who have sold the Investigated Product to consumers in Pakistan at non-dumped prices.”	domestic industry if antidumping duties are terminated on the product under review. Please refer paragraph 38 of the report.
59	“Further, the Exporter wishes to submit to the Commission that the Period of Review covers a time when the global economy was in a state of severe recession and was playing havoc upon the industries. Pakistan was hit by the recession coupled with the shortage of electricity, gas and other basic utilities and a sharp increase in prices of all the utilities and commodities. This resulted in closure of numerous manufacturing concerns operating in the subject industry. Decrease in demand of BOPP Film in the domestic market might account to being the sole cause of the decline in profitability of the Applicant.”	
60	“An exporter cannot be blamed and penalized for poor economic conditions of a country and should also not be penalized for its efficient and cost effective business policies. Taghleef Industries operates in countries with sound economics and is not faced with shortage of basic utilities, thus the industries are thriving and demand is growing. Diversion of trade from the Primary Market to Pakistan is not likely until such a time in the future when Taghleef Industries is able to undertake a substantial capacity expansion which exceeds the demand in the Primary Market and the demand of its sister concerns and its long standing loyal customers.”	
<b>Utilization of Production Capacity</b>		
61	“The imports are not to be blamed for underutilization of production capacity and the matter of low utilization of production capacity cannot be resolved by continuing with the unwarranted continuation of imposition of anti-dumping duties.”	After examination the Commission has reached the conclusion that there is likelihood of injury on account of production and capacity utilization in case antidumping duties are removed on the product under review. Please refer paragraph 37 of the report.
62	“Optimal and full utilization of the production capacity is only possible if the demand in the country is at a steady incline and the utilities are provided to the industrial units without any interruption. Pakistan has a shortage of electricity and gas, the utilities required to run a basic production facility. This injury factor has not been triggered by imports nor will it be positively affected by continuation of anti-dumping duties.”	
<b>Increase in Inventory</b>		
63	“Increase in inventories of the Applicant is attributable directly to the decrease in demand which is likely to prevail until the overall socio-economic condition of the country improves. Undue continuation of the anti-dumping duties on the Exporters are not likely to lead to decrease in inventories. As stated above, the Exporter does not consider Pakistan as a primary market for its exports and thus the likelihood of fulfilled exports of IP from Taghleef Industries are very bleak.”	The Commission has reached the conclusion that there is likelihood of injury on account of increase in inventories in case antidumping duties are terminated on the product under review. Please refer paragraph 39 of the report.

**Vies/Comments of the Applicant**

Para No	Views/Comments of the Applicant	Commission’s Response
1	“..... information submitted by the Applicant for three years of Period of Review (POR) proves that levy of antidumping duty has benefitted the Applicant. Capacity, production and sale of the Applicant increased substantially after the levy of the antidumping duties. All these	The Commission has conducted an unbiased and objective analysis of all relevant factors for determination of likelihood of continuation or recurrence of dumping of the product under

	<p>developments at the domestic level are clearly the fruits of imposition of antidumping duties against dumped imports. Had there been no antidumping duty in force, the position of the domestic industry would have been worse than that of the original POI.”</p> <p>The factors, including imposition of antidumping duties by other countries on the same dumped sources, increase of production capacities by the exporters in their respective countries and presence of the exporters in the domestic market clearly indicates that if the antidumping duties against dumped sources are not continued, dumped imports will increase manifold and consequently injury to the domestic industry would be more severe. The Applicant has provided sufficient evidences in support of its claims regarding increase in production capacities of the exporters and levy of antidumping duties by other countries against the same dumped sources. Hence, we hope that the Commission will continue the levy of antidumping duties to protect the domestic industry from likely recurrence or continuation of material injury.”</p>	<p>review and injury to the domestic industry. Please refer sections D and E of the report.</p>
<p align="center">2</p>	<p>‘.....despite of sufficient opportunity, the exporters did not provide the complete information in their questionnaire responses. This alone proves that the exporters have nothing to say with reference to their dumping and do not bother to completely respond to the Commission. The Commission has very rightly decided to use the best information available including the information submitted by the domestic industry in its application.’</p> <p>“Hence, it is again submitted that the Applicant has provided sufficient information in its application on increased capacities, piling up of disposable inventories due to blockage to other markets. We feel that in view of above mentioned facts, prima facie, there is no reason to deny that the exporters will increase their volumes of dumped exports to Pakistan, if antidumping duties levied against these sources is discontinued.’</p>	<p>The Commission has complied with provisions of the Act.</p>
<p align="center">3</p>	<p>“ i) Although the exports from the dumped sources have decreased, yet the exporters of those sources are maintaining their presence and business contacts in the domestic market of Pakistan. After levy of antidumping duties, exporters did not find it feasible to export at non-dumped prices (with the addition of antidumping duties) that is why the exports from dumped sources have decreased. In addition, small quantity of exports show that the exporters still have interest in the domestic market and are maintaining their business contact with the importers in Pakistan. Hence in case the antidumping duties are removed, the exporters will off load their increased inventories/ excess capacities with dumped prices.”</p> <p>“ ii) The exporters have preferred non-cooperation with the Commission and did not provide complete information, which could have been verified to determine their dumping margin. Therefore, dumping margin for the exporters may not be calculated from their data/ information.”</p> <p>“ iii) Not to speak of any new markets explored, even the current markets have been blocked by levy of antidumping duty by Turkey and Malaysia.”</p> <p>“ iv) The fact of blockage of Turkish and Malaysian markets and increased capacities make it clear that the said exporters have accumulated exportable surplus of the product under review and if the antidumping duties are let to lapse, they will definitely export this exportable surplus to Pakistan at dumped prices.”</p>	<p>The Commission has determined likelihood of continuation of dumping of the product under review on the basis of number of factors, which <i>inter alia</i> include quantities exported by the exporters after imposition of antidumping duties, trade remedy measures on the Exporting Countries by other countries, establishment of other markets by the exporters etc. Please refer section D (paragraphs 25 to 31) of the report.</p>
<p align="center">4</p>	<p>“.....the Applicant has made a considerable investment to the tune of US\$85m in last 3 years and significantly enhanced its installed capacity to cater the local demand and effective solutions to customers. This shows that the levy of antidumping duties have clearly benefitted the domestic industry that is why the Applicant has increased installed capacity,</p>	<p>The Commission has examined in detail the state of the domestic industry during the POI. Please refer section E (paragraphs 32 to 44) of the report.</p>

	<p>whereas production of the other domestic producer (M/s Mac-pac Films Limited and others) has increased production. If the antidumping duties are not continued, all the investment made by the domestic industry would go down to the drain.”</p>	
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**Annex-II**

**Constructed Normal Value for Oman, KSA and UAE  
(Based on Cost to Make & Sell of Taghleef Dubai and Taghleef during 2014)**

<b>Description</b>	<b>Taghleef Dubai Total in US\$</b>	<b>Taghleef Oman Total in US \$</b>	<b>Total in US\$</b>	<b>US\$/MT</b>
Quantity Sold (MT)	<b>Figures have been omitted to maintain confidentiality</b>			
Raw materials				
Packing material				
Wages and salaries				
Manufacturing overheads				
Total cost of production				
Selling expenses				
Administrative expenses				
Financial expenses				
Less other Income				
Cost to make and sell				
Profit				
Constructed Normal Value				

**Annex-III**

**Constructed Normal Value for Chinese Exports of the Product Under Review**

<b>Description</b>	<b>Cost (U\$/MT)</b>
Raw materials	<b>Figures have been omitted to maintain confidentiality</b>
Salaries and wages	
Factory overheads	
Operating expenses	
Profit (10%)	
Constructed Normal Value	

**Annex-IV**

**Calculation of Export Price of the Product Under Review**

<b>Country</b>	<b>C&amp;F price (US\$/MT)</b>	<b>Ocean Freight</b>	<b>Inland &amp; handling</b>	<b>Adjusted EP(\$/MT)</b>
China	<b>Figures have been omitted to maintain confidentiality</b>			
Saudi Arabia				
Oman				
UAE				