

(NON-CONFIDENTIAL)



**Government of Pakistan
National Tariff Commission**

**Conclusion of Sunset Review and Termination of Definitive
Anti-dumping Duty Imposed on Imports of Phthalic Anhydride
Originating in and/or Imported from the Republic of India**

**A.D.C. No. 08/2005/NTC/PA /SR/2015
February 07, 2017**

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

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 duty imposed on dumped imports of Phthalic Anhydride (“PA”) imported from the Republic of India (“India”). In terms of Section 62(2) of the Act, a sunset review shall normally be completed within twelve months from its initiation.

4. The Commission initiated this sunset review on February 12, 2016 following receipt of an application from the domestic industry manufacturing PA. Therefore, the Commission is required to conclude this review latest by February 11, 2016

B. BACKGROUND

5. Definitive Anti-dumping Duty Imposed on Imports of PA from India

The Commission imposed definitive anti-dumping duty @ 10.94% *ad valorem*. on dumped imports of PA originating in and/or exported from India for a period of five years effective from February 13, 2011.

6. Background of the Anti-dumping Duty Imposed on Imports of PA from India

6.1 The Commission conducted an investigation on dumped imports of PA from India during 2005-06 and imposed definitive antidumping duty @ 10.94 percent *ad valorem* for a period of five years effective from February 13, 2006.

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

6.2 The Commission conducted a sunset review (1st sunset review) of the antidumping duty imposed on imports of PA from India during the year 2011 under the Anti-Dumping Duties Ordinance 2000 (now the Act) and decided on December 10, 2011 to continue the imposition of definitive antidumping duty @ 10.94 percent *ad valorem* for another period of five years effective from February 13, 2011.

C. PROCEDURE

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

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

The Commission published a notice of impending expiry of the anti-dumping duty in this case on November 10, 2015 in Official Gazette¹ and national press² in accordance with Section 58(2) of the Act.

8. **Receipt of Application**

The Commission received a written application on January 01, 2016 from the domestic producer, of PA namely M/s Nimir Chemicals Pakistan Limited, Lahore (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 duty. The Applicant alleged that expiry of anti-dumping duty on PA would likely to lead to recurrence of dumping of PA from India and injury to the domestic industry producing PA.

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

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 PA from India 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.”

¹ The official Gazette of Pakistan (Extraordinary) dated May 12, 2015

² The ‘News’ and the ‘Daily Dunya’ dated May 12, 2015

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

10.2 The domestic PA manufacturing industry comprises of only one unit namely M/s Nimir Chemicals Pakistan Ltd. Lahore, the Applicant.

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 duty 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 the Applicant is the only producer of PA in the country, therefore it represents 100 percent of the domestic production of PA. Thus, the application fulfills the requirements of Section 24 of the Act as it is filled by the domestic industry representing 100 percent of domestic production of the domestic like product.

12. Applicant's Views

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

- i. After imposition of antidumping duty in February 2006, the domestic industry witnessed a significant turnaround. The sales of the Applicant in the domestic market continuously increased after imposition of antidumping duty in original investigation. However, the sales volume decreased in the year 2008 due to dumping from other sources including Brazil, Indonesia, South Korea, China and Taiwan and after imposition of antidumping duties on other sources on September 30, 2010, the domestic industry again increased its share in the domestic market.
- ii. The domestic industry suffered material injury on account of dumped imports from Iran, Italy and Thailand in the year 2011, however after imposition of antidumping duties on these sources by the Commission on

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

August 05, 2013 the domestic industry is back on the track as is evident from its sales record.

- iii. At present there are no imports from India due to continuation of antidumping duties. At this point in time if antidumping duties are removed on dumped imports from India, the Indian exporters will start dumping PA into Pakistan and the domestic industry will suffer material injury due to these imports.
- iv. Imposition of antidumping duties have a very positive affect on the state of affairs of the domestic industry. It enabled the domestic industry not only to recover from injury sustained during the original POI but also enabled the domestic industry to increase its capacities. Further, domestic industry's market share has also increased after imposition of antidumping duties.
- v. "Every time, the domestic industry got protection against unfair competition in the shape of imposition of antidumping duties against one source, dumping from the other source emerged. That is why the domestic industry filed different antidumping applications against various sources from time to time. This fact makes the continuation of antidumping duties against India even more important because if antidumping duties against India are removed, it will not only regain its own share held during the original POI but would also grab the share of other dumped sources on which the antidumping duty is currently applicable. If this fact is seen in the context of increased capacities and increased exports of the Indian producers, there remains no doubt that all the protection extended to the domestic industry against various other sources will go in vain."

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 February 12, 2016 to determine whether expiry of the anti-dumping duty imposed on PA 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 Gazette³ and two⁴ widely circulated national newspapers (one in English language and one in Urdu Language) on February 12, 2016.

³ The official Gazette of Pakistan (Extraordinary) dated February 12, 2016

⁴ The 'Dawn' and the 'Ausaf' dated February 12, 2016

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

13.3 The Commission notified the High Commission of India in Pakistan, by sending a copy of the notice of initiation of review on February 12, 2016. Copies of notice of initiation were also sent to the exporters, importers, domestic producers and the Applicant on February 16, 2016, in accordance with the requirements of Section 27 of the Act.

13.4 In accordance with Section 28 of the Act, on February 16, 2016, the Commission also sent copy of full text of the written application (non-confidential version) to the known exporters and the Government of India.

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 a Phthalic Anhydride (“PA”) imported from India. It is classified under HS Code No. 2917.3500. Thus, the product under review is the same as was defined in the original investigation i.e. the Phthalic Anhydride (“PA”) imported from India.

14.1.2 PA is in the form of white flakes, with mild odour, slightly soluble in ether and hot water. The primary use of the product under review is in the production of plasticizer which are used in production of flexible PVC products. PA is also used in manufacturing of alkyd resins (Glyptal) and to modify physical properties of synthetic resins.

14.1.3 Following table shows tariff structure of the PA during last three years:

**Table-I
Tariff Structure**

Year/ Period	Customs Duty	Sales Tax
2014-15	15%	17%
2015-16	15%	17%
2016-17	11%	17%

14.2 Domestic like product

The domestic like product is Phthalic Anhydride (“PA”) produced by the domestic industry. It is classified under Pakistan Customs Tariff⁵ (“PCT”) Heading No. 2917.3500. Domestic like product is also used for the same purposes as the product under review is used.

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

Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed on Dumped Imports of Phthalic Anhydride from the Republic of India

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
- v. both the products are classified under the same PCT/HS code No. 2917.3500

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. Other Antidumping Duties Imposed on PA

16.1 On request of the Applicant the Commission conducted investigations on imports of PA from Brazil, China, Indonesia, South Korea and Chinese Taipei (Taiwan), and imposed following definitive antidumping duties for a period of five years effective from 30 September 2010:

**Table-II
Antidumping Duties**

S. No	Exporting Countries	Antidumping Duty Rates
i.	Brazil	6.17%
ii.	China	11.84%
iv.	Indonesia (i) PT Petrowidada (ii) All Other Rate	5.87%
v.	South Korea	7.36%
vi.	Taiwan	27.28%

16.2 On request of the Applicant, sunset review of the above mentioned antidumping duties is also being conducted under the Act.

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

16.3 On request of the Applicant the Commission also conducted investigations on imports of PA from Italy, Iran and Thailand, and imposed following definitive antidumping duties were imposed for a period of three years effective from August 5, 2013:

**Table-III
Antidumping Duty Rates**

Exporting Countries	Antidumping Duty (%)
Italy	12.91
Iran	7.62
Thailand	9.78

16.4 The Applicant requested for continuation of above mentioned antidumping duties and initiation of a sunset review in this regard, however, the Commission has not initiated sunset review in this case. Therefore, antidumping duties imposed on imports of PA from Italy, Iran and Thailand have been expired with effect from August 5, 2016.

17. **Antidumping Investigation on PA Imported from Russia**

On request of the Applicant the Commission has initiated on December 03, 2016 an investigation on alleged dumped imports of PA into Pakistan from Russian Federation, which is being conducted.

18. **Period of Review (“POR”)**

The Commission sought information of three years i.e. from October 01, 2012 to September 30, 2015 from the Applicant, domestic producers and exporters/foreign producers of India. Therefore, likely continuation or recurrence of dumping and injury is determined on the basis of the three years data/ information.

19. **Interested Parties**

19.1 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. Berger Paints Pakistan Ltd.
- ii. Descon Chemicals Ltd.

19.2 Both the above-mentioned parties have also furnished comments to the Commission which, were placed in public file to make available to other interested parties for review and copying.

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

20. Information/Data Gathering

20.1 The Commission sent questionnaires on February 16, 2016 to all known exporters/ foreign producers of the product under review and domestic importers asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent copies of the questionnaires to the High Commission of India in Islamabad on February 16, 2016 with a request to forward it to exporters/producers of PA in India. The Commission sent reminder/ final notice on March 28, 2016 to known exporters with the request to furnish data within 15 days of the issuance of the letter, otherwise the Commission will be constrained to make determination of likelihood of dumping of investigated product in this case on the basis of “Best Information Available” in terms of Section 32 of the Act and Article 6.8 of the WTO Agreement on Implementation of Article VI of GATT 1994, including those contained in the application submitted by the domestic industry. However, none of the exporters/ foreign producers furnished data/ information to the Commission.

20.2 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.

20.3 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 PA 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.

21. 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.

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

22. Confidentiality

22.1 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.

22.2 The Applicant has requested to keep confidential certain 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.

22.3 On the basis of requests made by the Applicant 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, were placed in public file for review and copying of the interested parties.

23. Hearing

23.1 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.

23.2 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

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 January 02, 2017 to the all interested parties.

24.2 Under Rule 14(9) of the Rules, the interested parties were required to submit comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

such disclosure. The comments received on essential facts have been considered in conclusion of the sunset review.

**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, PRAL, and different websites etc.

- i. Whether exporters/foreign producers of India stopped or continued exporting to Pakistan the product under review after imposition of antidumping duties;
- ii. Whether exporters of India have developed other export markets after imposition of antidumping duties;
- iii. Whether India has exportable surplus of the product under review; and
- iv. Whether exports of PA from India are subject to trade defense measures by any other country

26. Continuation or recurrence of dumping of the product under review is determined on the basis of the best information available obtained from different sources as the exporters/ foreign producers from India have not provided information.

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

27.1 The Commission has analyzed whether exporters from India continued or stopped exporting to Pakistan the product under review after imposition of anti-dumping duty. Information obtained from PRAL on imports of the PA is provided in the following table:

**Table-IV
Imports of PA (MT)**

Year/ Period	Imports		
	India	Others	Total
2004 (Original POI)	4,672	2,302	6,974
Oct 09- Sep10 (1 st POR)	-	992	992
Oct 12- Sep13	-	1,500	1,500
Oct 13- Sep 14	-	2,699	2,699
Oct 14- Sep 15	-	4,274	4,274

Source: PRAL

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

27.2 The above table shows that the dumped imports of the product under review from India stopped after imposition of antidumping duty in the year 2006. Share of dumped imports of the product under review, which was 66.99 percent of total imports of PA during the original POI reached to Nil.

27.3 The table above also shows that the volume of total imports of PA dropped drastically by 86 percent. This decline in imports was a result of imposition of antidumping duties on almost all sources of imports (paragraph 16 supra). However, imports of PA have increased considerably during the POR to the level of 4274 MT.

27.4 Information obtained from a report namely “Chemicals & Petrochemicals Statistics at a Glance: 2015” issued by the Ministry of Chemicals & Fertilizers, Government of India, (obtained from www.chemicals.gov.in) shows that the India is net importer of PA. Information on India’s production and consumption of PA during the POR is provided in the following table:

Table-V
India’s Production and Consumption of PA (MT)

Year	Production	Consumption
2012-13	254,000	286,000
2013-14	264,000	296,000
2014-15	292,000	305,000

Source: www.chemicals.gov.in

28. Whether Exporters of India have Developed Other Export Markets after Imposition of Antidumping Duties

28.1 To assess whether there is change in pattern of exports, the trend of exports of India is analysed. The information on exports of PA from India is obtained from the report titled “Chemicals & Petrochemicals Statistics At a Glance: 2015” issued by the Ministry of Chemicals & Fertilizers, Government of India, and Indian Ministry of Commerce, www.commerce.gov.in, which is in the table below:

Table-VI
India’s Major Export Markets of PA

2003-2004		2014-2015	
Importing Country	Qty. (MT)	Importing Country	Qty. (MT)
China	7,016	KSA	19,134
Iran	6,233	UAE	10,656
Malaysia	3,428	Egypt	3,500
Indonesia	2,519	Kenya	1,008
Egypt	1,694	Korea RP	847
Total exports	57,703	Total exports	38,634

www.commerce.gov.in

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

28.2 The above table shows that export destinations of India have changed and has captured new markets in during last 10 years after imposition of anti-dumping duty. Further, quantum of exports also decreased which indicates that India has not much surplus for exports as its production is less than its consumption of PA (paragraph 27.4, Table-V)

29. **Whether India has exportable surplus of the product under review:**

29.1 As per the information obtained from the report on “Chemicals & Petrochemicals Statistics at a Glance: 2015” India is a net importer of PA. However, it has installed capacity more than its consumption. Information on India’s installed capacity, production, consumption is provided in the following table:

**Table-VII
India’s Capacity, Production and Consumption of PA**

Year	Installed Capacity (MT)	Production (MT)	Consumption (MT)
2012-13	309,046	254,000	286,000
2013-14	362,046	264,000	296,000
2014-15	349,046	292,000	305,000

www.commerce.gov.in

29.2 The Table above shows despite the fact India has excess installed production capacity, its production remained lower than its consumption during the POR.

30. **Whether India’s Export Price of PA is in Competition with Import Price of PA in Pakistan**

30.1 As stated earlier (paragraph 27 supra) the there are no imports of PA from India into Pakistan, therefore, India’s likely export price to Pakistan is not available. To assess whether India’s export price of PA will be in competition with Pakistan’s import price of PA, the India’s export price to the world is compared with import price of PA in Pakistan. Information on India’s export volume and value is obtained from the report on “Chemicals & Petrochemicals Statistics at a Glance: 2015” and imports of PA into Pakistan is obtained from PRAL, which is provided in the following table:

**Table-VIII
India’s Exports Price and Pakistan’s Imports of PA**

Year	India’s export Price (US\$/MT)	Pakistan’s C&F import Price (US\$/MT)
2012-13	1649.11	1502.49
2013-14	1444.28	1335.32
2014-15	1132.14	995.54

www.commerce.gov.in and PRAL

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

30.2 Above table shows that the import price of PA in Pakistan was considerably lower than the India's export price of PA during the POR. Therefore, likely imports of PA will only be possible in case its export price is in competition with prices of imports of other sources.

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 no likelihood of continuation or recurrence of dumped imports of the product under review if antidumping duty imposed on it is removed because:

- i. India is a net importer of PA, therefore, it has no export surplus;
- ii. India has developed other export markets during last 10 years, therefore, there is no likelihood of recurrence of dumped imports; and
- iii. India's export price is more than the Pakistan's import price.

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

32. 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.

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

33. Likely Volume of Dumped Imports and Domestic Production

33.1 The information obtained from PRAL shows that imports of PA from India stopped after imposition of anti-dumping duties. Following table shows quantity of the PA imports from India and other sources:

**Table- IX
Imports & Domestic Production of PA (MT)**

Year/ Period	Imports from:			Domestic production
	India	Others	Total	
2004 (Original POI)	4,672	2,302	6,974	9,792
Oct 09- Sep10 (1 st POR)	-	992	992	19,667
Oct 12- Sep13	-	1,500	1,500	18,413
Oct 13- Sep 14	-	2,699	2,699	19,521
Oct 14- Sep 15	-	4,274	4,274	18,723

Sources: PRAL and the Applicant

33.2 The above table shows that the import of PA from India stopped after imposition of antidumping duty. Imports from other sources also declined due to imposition of antidumping duties on other sources (paragraph 16 supra). However, imports from other sources have increased significantly during the POR.

33.3 Production of the domestic like product significantly increased after imposition of antidumping duty following the original investigation. However, since first review, production of the domestic like product remained in the same range, whereas imports from other sources has significantly increased. Thus, extension of antidumping duty on the product under review after first sunset review did not affect positively on production of the domestic industry rather imports from other sources apparently benefitted from imposition of antidumping duty on the product under review.

33.4 As stated earlier (paragraphs 27 to 30) India is net importer of PA and its export prices are more than the C&F import price of PA in Pakistan, therefore, there is no likelihood of recurrence of imports of the product under review in case antidumping duty is terminated.

34. Likely Price Effects

34.1 There were no imports of PA from India during last five years, therefore, India's likely export price to Pakistan is not available. To assess whether India's export price of PA will be in competition with price of the domestic like product, India's export price to the world is compared with the domestic industry's ex-factory price and landed cost of imports of PA in Pakistan from other sources. Information on India's export price is obtained from the report on "Chemicals & Petrochemicals Statistics at a Glance: 2015"

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

and imports of PA into Pakistan is obtained from PRAL, which are provided in the following table:

**Table-X
Landed cost of Imported PA and Domestic Industry's Price**

Year	Landed cost of:		Domestic industry's price
	Other imports	Indian imports#	
2012-13	99.80	109.54	100.00
2013-14	94.32	102.02	96.15
2014-15	69.25	78.75	68.30

www.commerce.gov.in, PRAL and the Applicant

Indian price is based on its exports to the world

Note: To maintain confidentiality actual figures have been indexed with reference to domestic industry's price in 2012-13 by taking it equal to 100

34.2 Above table shows that the likely landed cost of PA (without antidumping duty) from India was well above than the landed cost of imports of PA in Pakistan as well as domestic industry's ex-factory price during the POI. Therefore, it is concluded that there are no likely adverse effects on prices of the domestic like product if antidumping duty imposed on product under review is terminated.

35. Consequential likely Effects on Other Injury Factors

As it is concluded that there are no likely recurrence of dumped imports and there are no likely adverse effects on prices of the domestic like product if antidumping duty imposed on the product under review is terminated, therefore, there would be no consequential adverse effects on other injury factors such as production, sales, market share, profits, output, productivity, return on investment, capacity utilization, cash flow, inventories, employment, wages, growth, ability to raise capital or investments etc.

36. Summing up Likelihood of Recurrence or Continuation of Injury to the Domestic Industry

On the basis of the information, analysis and findings in the foregoing paragraphs the Commission has reached the conclusion that there is no likelihood of recurrence or continuation of injury to the domestic industry in case of antidumping duty imposed on the product under review is terminated.

F. CONCLUSIONS

37. 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 duty imposed on dumped imports of the product under review

**Conclusion of Sunset Review and Termination of Anti-dumping Duty Imposed
on Dumped Imports of Phthalic Anhydride from the Republic of India**

from India 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 no likelihood of recurrence of dumped imports of the product under review from India as well as there is no likelihood of continuation and/or continuation of injury to the domestic industry if antidumping duty imposed on the product under review is terminated.

F TERMINATION OF DEFINITIVE ANTIDUMPING DUTIES

38. 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 to the continuation or recurrence of dumping of the product under review and material injury to the domestic industry. As the Commission has determined in this review that there is no likelihood of recurrence of imports of the product under review and material injury to the domestic industry if antidumping duty imposed on imports of the product under review is terminated. Therefore, the antidumping duty imposed on imports of the PA from India is terminated with effect February 09, 2017.

-sd-
(Tipu Sultan)
Member
January 07, 2017

-sd-
(Robina Ather)
Member
January 07, 2017

-sd-
(Abdul Khaliq)
Member
January 07, 2017

-sd-
(Qasim M. Niaz)
Chairman
January 07, 2017