

(NON-CONFIDENTIAL)



**Government of Pakistan  
National Tariff Commission**

**REPORT**

**ON**

**FINAL DETERMINATION AND LEVY OF DEFINITIVE  
ANTIDUMPING DUTY ON DUMPED IMPORTS OF GALVANIZED  
STEEL COILS/SHEETS INTO PAKISTAN ORIGINATING IN  
AND/OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

**A.D.C No. 37/2015/NTC/GC  
February 07, 2017**

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

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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") is responsible to conduct anti-dumping investigations for imposition of anti-dumping duties to offset injurious impact of dumped imports on domestic industry and ensure fair competition thereof and to the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Agreement on Antidumping").

2. The Commission has conducted an investigation under the Act and the Rules on dumped imports of galvanized steel coils/sheets ("GCS") into Pakistan originating in and/or exported from the People's Republic of China ("China"). The Commission has made final determination in this investigation under Section 39 of the Act. This report on final determination has been issued in accordance with Section 39(5) of the Act and Article 12.2 of the Agreement on Antidumping.

3. In terms of Section 39(1) of the Act, the Commission shall normally make a final determination of dumping and injury within one hundred and eighty days of publication of a notice of preliminary determination in the Official Gazette. However, Section 29 of the Act provides that "the Commission shall, except in special circumstances, conclude an investigation within twelve months, and in no case more than eighteen months, after its initiation."

4. The Commission initiated this investigation against dumped imports of GCS into Pakistan originating in and/or exported from China on August 11, 2015. However, Karachi Iron and Steel Merchants Association challenged initiation of this investigation in the honourable Islamabad High Court, Islamabad (the "IHC") and the IHC passed an injunctive order on January 18, 2016 restraining the Commission from carrying on with the investigation. Therefore, the investigation was suspended. On May 13, 2016 the IHC dismissed the petition. On another writ petition, the honourable Lahore High Court Lahore ("LHC") stayed proceedings of this investigation on June 1, 2016. However, the LHC amended its decision on June 29, 2016 as follows:

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

5. The LHC has further amended its above-mentioned decision on January 11, 2017 and has allowed the Commission to make final determination in this investigation.

6. The LHC on March 15, 2016 held in a writ petition No. 4735/2016 as follows:

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*“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.”*

7. Keeping in view the above decision of the LHC, by applying same analogy, proceedings of the all investigations, including this investigation, were suspended till the time the Commission become functional in terms of Sections 3 and 5 of the NTC Act 2015. Thus, the time period during which the investigation was stayed by the superior Courts or the Commission was not functional is considered as injunction period for the purposes of this investigation and time lines for this investigation have been worked out by excluding the stay periods.

**A. PROCEDURE**

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

**9. Receipt of Application**

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

9.2 The Commission informed the Embassy of China in Islamabad through note verbal dated July 14, 2015, of the receipt of application in accordance with the requirements of Section 21 of the Act. In terms of Section 37 of the Act, the Commission has made a preliminary determination in this investigation on November 03, 2016.

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

The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of galvanized steel coils/sheets into Pakistan from China and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

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**11. The Domestic Industry**

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

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

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

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

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

11.2 The domestic industry producing galvanized steel coils/ sheets consists of following two units:

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

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

11.4 The investigation has shown that the Pakistan Steel Mills Ltd. has not produced any quantity of galvanized steel coils/sheets during last three years. The Applicant was the sole producer of galvanized coils and sheets in Pakistan during last three years. Further, The Applicant is neither related to importers and exporters of investigated product nor imported investigated product by itself.

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Therefore, it constitutes the domestic industry in accordance with Section 2(d) of the Act.

**12. Standing of the Application**

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

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

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

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

12.2 As stated above (paragraphs 11.3 and 11.4 supra) that only the Applicant produced galvanized steel coils/sheets during last three years. Therefore, the Applicant produced 100 percent of total domestic production of galvanized steel coils/ sheets during the period from July 1, 2014 to June 30, 2015. Thus, the Applicant represents 100 percent of the total domestic production by the domestic industry. Therefore, the standing requirements given in Section 24 of the Act are met and it is determined that the application is made by the domestic industry.

**13. Applicant's Views**

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

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

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- c. Increase in inventories of the domestic like product; and
- d. Decline in return on investment

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

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

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

**14. Initiation of Investigation**

14.1 The Commission, in accordance with Section 23 of the Act examined the accuracy and adequacy of the evidence provided in application, and established that there was sufficient evidence of alleged dumping of galvanized steel coils/ sheets into Pakistan from China and consequent material injury to the domestic industry. Accordingly, the Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one in English language and one in Urdu Language) on August 11, 2015. Investigation concerning alleged dumped imports of galvanized steel coils/ sheets into Pakistan (Classified under PCT<sup>3</sup> No. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090, 7225.9200 and 7226.9900) originating in and/or exported from China was thus initiated on August 11, 2015.

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

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

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<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated August 11, 2015.

<sup>2</sup> The daily 'Dawn' and 'Dunya' of August 11, 2015 issues.

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

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

**15. Investigated Product, Domestic Like Product and Like Products**

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

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

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

**15.3 Investigated Product:**

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

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

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

**Table-I  
Current Tariff Structure**

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

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

**15.4 Domestic Like Product**

The domestic like product is galvanized products of iron and steel produced by the domestic industry. It is classified under the same PCT numbers as the investigated product is classified. The domestic like product is also used for same purposes as the investigated product is used.



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**15.5 Like Product:**

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

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

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

**16. Exporters/Foreign Producers Involved in Dumping of Galvanized Steel Coils/ Sheets**

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

**17. Period of Investigation ("POI")**

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

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

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*“Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product”.*

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

For determination of dumping: From July 01, 2014 to June 30, 2015  
For determination of injury: From July 01, 2012 to June 30, 2015

**18. Information/Data Gathering**

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

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

18.3 The following eleven exporters/foreign producers responded and requested for extension in time period (beyond 37 days) for submission of information:

- i. Hebei Iron & Steel Co. Ltd.
- ii. Benxi Iron & Steel Group.
- iii. Angang Steel Company.
- iv. Maanshan Iron & Steel Co. Ltd.
- v. Shandong Hwafone Steel Co. Ltd.
- vi. Sino World International Trading Co. Ltd.
- vii. Jinan Crown Steel Corporation.
- viii. Wuxi Xindazhong Steel Sheet Co. Ltd.
- ix. Shanghai Lunary Industrial Co. Ltd.
- x. Bengang Steel Plates Co. Ltd.
- xi. Shanghai Flame Steel Materials Co. Ltd.

18.4 After taking into account the due cause shown by these exporters/foreign producers in their requests, the Commission acceded to the requests and granted extension in time period for submission of information on exporter's questionnaire till October 12, 2015. However, filled-in exporter's questionnaires were received from following four foreign producers/exporters.

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

18.5 Upon examination of the information received from these foreign producers/ exporters certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporters/ foreign producers and were requested to supply the deficient information.

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

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

18.8 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Following four interested parties submitted views/comments on initiation of the investigation, which were taken into account in preliminary determination:

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

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

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

**19.1 Questionnaire Response by Angang Steel Company Limited.**

19.1.1 The Commission sent exporter's questionnaire to Angang Steel Company Limited, Anshan, China ("Ansteel") on August 17, 2015. The Ansteel requested vide its letter dated September 17, 2015 for extension in time period

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for submission of response to questionnaire for thirty days i.e. till October 17, 2015. The Commission granted extension till October 12, 2015 vide letter dated September 22, 2015 after considering the reasons given in the request for extension. Its response was received in the Commission on October 10, 2015.

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

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

19.1.4. Ansteel was asked to provide the deficient information/data no later than 15 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Ansteel responded to the deficiencies vide its letter dated November 11, 2015. The information provided by the Ansteel in its response to the questionnaire has been accepted by the Commission for the purposes of this investigation and its individual dumping margin is calculated on the basis of its verified information (paragraph 32 infra).

**19.2 Questionnaire Response by Hebei Iron & Steel Company Limited.**

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

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

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

19.2.4 HBIS was asked to provide the deficient information/data no later than fifteen days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. HBIS

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responded to the deficiencies vide its letter dated November 13, 2015. The information provided by the HBIS in its response to the questionnaire has been accepted by the Commission for the purposes of this investigation and its individual dumping margin is calculated on the basis of its verified information (paragraph 34 infra).

**19.3 Questionnaire Response by Bengang Steel Plates Company Limited**

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

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

19.3.3. The information submitted by Bengang was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated November 09, 2015.

19.3.4. Bengang was asked to provide the deficient information/data no later than November 13, 2015 so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Bengang responded to the deficiencies vide its letter dated November 13, 2015. The information provided by the Bengang in its response to the questionnaire has been accepted by the Commission for the purposes of this investigation and its individual dumping margin is calculated on the basis of its verified information (paragraph 33 infra).

**19.4 Questionnaire Response by Maanshan Iron & Steel Company Ltd.**

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

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

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

19.4.4. Ma Steel was asked to provide the deficient information/data no later than 10 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Ma Steel responded to the deficiencies vide its letter dated November 12, 2015. The information provided by the Ma Steel in its response to the questionnaire has been accepted by the Commission for the purposes of this investigation and its individual dumping margin is calculated on the basis of that information (paragraph 35 infra).

**20. Verification of the Information**

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

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

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

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

**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 remained available to the interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours throughout the investigation (except public holidays). This file contains non-confidential versions of the application, response to the Questionnaires, submissions, notices, on-the-spot investigation reports, preliminary determination, record of hearing, comments of interested parties,

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statement of essential facts, correspondence, and other documents for disclosure to the interested parties.

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

22.3 On the basis of requests made by the interested parties, the Commission has determined the confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. Therefore, the Commission kept all such information confidential for which the interested parties made a request to keep it confidential. However, in terms of Sub-Section (5) of the Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in public file and were/are available to all interested parties throughout the investigation.

**23. Preliminary Determination**

23.1 The Commission has made preliminary determination in this investigation on November 03, 2016 in terms of Section 37 of the Act. The Commission issued a notice of preliminary determination, which was published on November 03, 2016 in official Gazette of Pakistan and in two widely circulated national newspapers (one English "The News" and one in Urdu language "Dunya") notifying preliminary determination. However, provisional antidumping duty was not imposed on investigated product in this case.

23.2 The Commission also sent copy of notice of preliminary determination to the Embassy of China in Islamabad, the exporters, the importers and the Applicant in accordance with the requirements of section 37(4) of the Act. Findings of the Commission in preliminary determination were as follows:

- i. Application was filed by the domestic industry as the Applicant represented 100 percent of production of the domestic like product during the POI;

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- ii. The investigated product and the domestic like product are like products in terms of the provisions of the Act;
- iii. The investigated product was exported to Pakistan by the exporters/ foreign producers from China at prices below its normal value during the POI;
- iv. Volume of dumped imports of the investigated product and the dumping margins established for the foreign producers/ exporters of the investigated product are above the negligible and de minimis levels;
- v. The domestic industry suffered material injury on account of significant increase in volume of dumped imports, significant price undercutting, significant price depression, significant price suppression, decline in sales, decline in profits/profitability and increase in inventories in terms of Section 15 and 17 of the Act during the POI; and
- vi. There is a causal relationship between dumped imports of the investigated product and the material injury faced by the domestic industry.

**24. Disclosure after Preliminary Determination**

24.1 In terms of Rules 11 of the Rules, the Commission, upon requests made by exporters/ producers within fifteen days of the publication of notice of preliminary determination, shall hold disclosure meetings with the producer or exporter to explain dumping calculation methodology applied for that producer/exporter. The Commission shall also provide an opportunity to producer or exporter or their legal representatives to examine and receive copies of the dumping calculations done by the Commission for their exports.

24.2 In terms of Rules 11 of the Rules following exporters/foreign producers requested for disclosure meetings after preliminary determination:

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

24.3 Disclosure meetings with the representatives of the above-mentioned exporters/ producers were held on November 23, 2016. In disclosure meetings, the dumping calculation methodology applied for determination of individual dumping margins was discussed and copies of the dumping calculations were provided to the representatives of the exporters/ foreign producers.



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24.4 All the three exporters/foreign producers have submitted comments on dumping calculations, which have been reviewed carefully for the purposes of calculation of their individual dumping margin.

**25. Hearing**

A hearing in this investigation was held at the Commission on December 21, 2016 under Rule 14 of the Rules. All interested parties were invited to attend the hearing. The information submitted by the participants during the hearing and record note of the hearing prepared by the Commission were made available to interested parties by placing them in the public file. The comments of the interested parties are taken into account while making this final determination.

**26. Disclosure of Essential Facts**

26.1 In terms of Rules 14(8) of the Rules and Article 6.9 of Agreement on Antidumping, the Commission disclosed essential facts of this case to all interested parties. In this context a Statement of Essential Facts ("SEF") was dispatched on January 06, 2017 to all interested parties including the known exporters/ producers, the Applicant, the known Pakistani importers, and to the Embassy of China in Islamabad.

26.2 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 Commission received comments from following interested parties:

- i. International Steel Limited (the Applicant);
- ii. M/s Hashim Lakhani & Sons, Karachi;
- iii. M/s WRSM Traders, Karachi;
- iv. M/s Safa Steel Limited, Karachi; and
- v. M/s Noble Steel, Karachi.

**27. Views/Comments of Interested Parties**

Written comments received from interested parties on preliminary determination, presented during the hearing and/or on essential facts have been considered in this final determination. The comments germane to this investigation and response of the Commission is attached at Annex-I.

**B. DETERMINATION OF DUMPING**

**28. Dumping**

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

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*“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”.*

**29. Normal Value**

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

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

Further, Section 6 of the Act states:

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

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

*“(2) Sales of a like product destined for consumption in domestic market of an exporting country or sales to an appropriate third country may be considered to be a sufficient quantity for the determination of normal value if such sales constitute five per cent or more of the sales of an investigated product to Pakistan.”*

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

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

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

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- “(b) in substantial quantities; and*
- “(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.*

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

- “(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or*
- “(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.*

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

**30. Export Price**

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

**31. Dumping Determination**

31.1 As stated earlier (paragraph 18 supra) for collection of data/information exporter's questionnaire were sent to all exporters/foreign producers whose addresses were available. Copy of the questionnaire was also provided to the Embassy of China in Islamabad with a request to forward it to all foreign producers/ exporters of the investigated product based in China to submit information to the Commission.

31.2 However, the Commission received information in response to the questionnaire from the following four foreign producers/exporters (paragraph 19 supra):

- i. Angang Steel Company Ltd, 1 Qianshan Road West, Qianshan District, Anshan City, Liaoning Province, China (“Ansteel”).
- ii. Bengang Steel Plates Co. Ltd, Han-Bao Co, Ltd, 16, Renmin Road, Phingshan District, Benxi, Liaoning Province, China (“Bengang”)
- iii. Hebei Iron & Steel Company Ltd, No. 232 Fuxing Road, Handan City, Hebei Province, China (“HBIS”).

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- iv. Maanshan Iron & Steel Co., Ltd. No. 8 Jiu Hua Xi Road, Maanshan City, Anhui Province, China (“Ma Steel”).

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

**32. Determination of Normal Value and Export Price for Ansteel**

**32.1 Normal Value of Ansteel**

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

32.1.2 Ansteel sold \*\*\*\*\* MT of different types of galvanized products in its domestic market during POI. However, sales of the grade/type (SGCC grade with 40 grams of zinc weight), which was exported to Pakistan, were only \*\*\* MT during the POI, which is not a sufficient quantity to determine normal value in terms of Section 6(2) of the Act as these sales are only 3.58 percent of the exports of the investigated product. In accordance with Section 6(2) of the Act, Sales of the like product destined for consumption in the domestic market of the exporting country shall normally be considered to be a sufficient quantity for the determination of normal value if such sales constitute five per cent or more of the sales of the investigated product to Pakistan. Therefore, normal value for Ansteel is established on the basis of its cost to make and sell and profits during the POI, which works out to be CNY \*\*\*\*/MT (US\$ \*\*\*/MT). Constructed normal value of Ansteel is attached at Annex-II.

**32.2 Export Price of Ansteel**

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

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

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

32.2.4 Ansteel exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, commission, finance cost and value added tax (“VAT”) at the rate of 4 percent,

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which is not refunded on export sales. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross FOB value of sales transactions, which works out to be CNY \*\*\*\*/MT (US\$ \*\*\*). Summary calculations of export price is placed at Annex-III.

**33. Determination of Normal Value and Export Price for Bengang**

**33.1 Normal Value of Bengang**

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

33.1.2 During the POI, Bengang sold \*\*\*\*\* MT of different types of galvanized products in its domestic market. However, sales of the grade/types (with spangle CS-B and with spangle SGCC), which were exported to Pakistan, were only \*\*\* MT during the POI, which is not a sufficient quantity to determine normal value in terms of Section 6(2) of the Act as these sales are only 1.48 percent of the exports of the investigated product. In accordance with Section 6(2) of the Act, Sales of the like product destined for consumption in the domestic market of the exporting country shall normally be considered to be a sufficient quantity for the determination of normal value if such sales constitute 5 per cent or more of the sales of the investigated product to Pakistan. Therefore, normal value for Bengang is established on the basis of its cost to make and sell and profits of 'with spangle' product during the POI, which works out to be CNY \*\*\*\*/MT (\*\*\* /MT). Constructed normal value of Bengang is attached at Annex-IV.

**33.2 Export Price of Bengang**

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

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

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

33.2.4 During POI, Bengang exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, credit cost, value added tax ("VAT") at the rate of 4 percent (which is not refunded on export sales), bank charges and admn., selling and financial charges of the trading company. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting

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values reported for these adjustments from the gross FOB value of sales transactions, which works out to be CNY \*\*\*\*/MT (US\$ \*\*\*/MT). Summary calculations of export price is placed at Annex-V.

**34. Determination of Normal Value and Export Price for HBIS**

**34.1 Normal Value of HBIS**

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

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

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

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

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

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

**34.2 Export Price of HBIS**

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

34.2.2 According to the information, HBIS exported cold plate-CS-B, cold plate-SGCC and hot plate-SGHC types/grades of the investigated product to Pakistan

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during the POI. Its total exports of the investigated product to Pakistan during the POI were \*\*\*\*MT.

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

34.2.4 During POI, HBIS exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, credit cost, VAT at the rate of 4 percent (which is not refunded on export sales) and bank charges. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross FOB value of sales transactions. Summary calculations of export price is placed at Annex-VII.

**35. Determination of Normal Value and Export Price for Ma Steel**

**35.1 Normal Value of Ma Steel**

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

35.1.2 During the POI, Ma Steel sold \*\*\*\*\* MT of different types of galvanized products in its domestic market. Total sales of the grades/types (DX51D+ZF and DX52D+ZF grades), which were exported to Pakistan, were \*\*\*\* MT during the POI. However, Ma Steel's exports of the investigated product to Pakistan during the POI were only on July 10, 2014 and March 24, 2015. Therefore, normal value for Ma Steel is determined on the basis of the sales made on the particular date.

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

35.1.4 During the POI Ma Steel sold like products in its domestic market on ex-works basis with payment in advance. Therefore, it has not claimed any adjustment to reach at ex-factory price. Ex-factory price (normal value) of specific sales transaction of DX51D+ZF and DX52D+ZF grades works out CNY \*\*\*\* and CNY \*\*\*\* respectively.

**35.2 Export Price of Ma Steel**

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

35.2.2 According to the information, Ma Steel exported DX51D+ZF and DX52D+ZF grades types/grades of the investigated product to Pakistan during the

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

35.2.3 During the POI it exported investigated product through a trading company based in Hong Kong. During POI, Ma Steel exported investigated product on FOB basis. To arrive at the ex-factory level it has reported adjustments on account of inland freight, handling cost, bank charges and VAT at the rate of 4 percent (which is not refunded on export sales). The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross FOB value of sales transactions. Weighted average export price of DX51D+ZF and DX52D+ZF grades at ex-factory level work out CNY \*\*\*\* and CNY \*\*\*\* respectively. Summary calculations of export price is placed at Annex-VIII.

**36. Determination of Dumping for All Other Exporters from China.**

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

**37. Dumping Margin**

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

37.2 Section 12 of the Act provides three methods for fair comparison of normal value and export price in order to establish dumping margin. The Commission has established dumping margin by comparing weighted average normal value with weighted average export and transactional export price with transactional normal value (in case of Ma Steel) price at ex-factory level.

37.3 The Commission has also complied with the requirements of Section 11 of the Act which states that;

*“the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade,*



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*time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place”.*

37.4 Taking into account all requirements set out above, the dumping margins have been determined as follows. Calculation of dumping margins are attached at Annex - IX:

**Table II  
Dumping Margin**

Exporter Name	Dumping margin as %	
	Export price	C & F price
Ansteel	46.89%	40.47%
Bengang	10.60%	9.13%
HBIS	14.22%	13.31%
Ma Steel	6.90%	6.09%
All others	46.89%	40.47%

**38. De minimis Dumping Margin and Negligible Volume of Dumped Imports**

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

38.2 Section 41(3) of the Act states that the dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins set out in paragraph 37.4 supra, are well above the negligible (*de minimis*) level.

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

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

Country	Imports in:	
	MT	Percentage
China	193,518	91.59%
Other Sources	17,760	8.41%
Total	211,278	100.00%

Source: PRAL

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

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**C. INJURY TO DOMESTIC INDUSTRY**

**39. Determination of Injury**

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

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

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

39.2 Section 15 of the Act further provides that:

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

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

39.4 As stated earlier (paragraphs 11.3 and 11.4 supra) only the Applicant produced domestic like product during last three years, therefore, the Applicant is considered as the domestic industry in terms of Section 2(d) of the Act for the purposes of this investigation. Analysis of injury factors carried out in this investigation in the following paragraphs is, therefore, based on the information submitted by Applicant.

**40. Volume of Dumped Imports**

**Facts**

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

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

**Final Determination against Dumped Imports of Galvanized Steel Coils/ Sheets into Pakistan Originating in and/or Exported from People's Republic of China****Table-IV  
Volume of Dumped Imports**

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

Source: PRAL Year: July to June

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

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

**Conclusion**

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

**41. Price Effects**

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

**41.2 Price undercutting****Facts**

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

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**Table-V  
Price Undercutting**

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

Sources: The Applicant & PRAL:

Landed cost: C&F price+CD under FTA+RD +2% incidentals

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

**Analysis**

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

**Conclusion**

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

**41.3 Price Depression**

**Facts**

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

**Table – VI  
Price Depression**

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

Source: the Applicant

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

**Analysis**

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

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**Conclusion**

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

41.4 **Price Suppression**

**Facts**

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

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

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

Source: the Applicant

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

**Analysis**

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

41.4.3 The investigation has revealed that decline in price of the domestic like product during the year 2014-15 was partially due to decline in its cost to make and sell and partially due to depressing effect of dumped imports of the investigated product.

**Conclusion**

41.4.4 On the basis of the above information and analysis, the Commission has concluded that the domestic industry did not face price suppression during the POI.

42. **Effects on Market Share**

**Facts**

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

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**Table – VIII  
Market Share**

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

Sources: PRAL and the Applicant

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

**Analysis**

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

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

42.4 The investigation has revealed that the domestic industry was operating at full capacity during the POI (paragraph 44 infra). However, its installed production capacity was much less than the domestic demand during the POI. Therefore, market share of the domestic industry would have declined in the increased domestic market even if its entire production had been sold.

**Conclusion**

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

**43. Effects on Sales**

**Facts**

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

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

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

Source: the Applicant

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

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**Analysis**

43.2 The above table shows that the domestic industry's sales of domestic like product increased by 6.52 percent in 2013-14 and decreased by 1 percent in 2014-15 despite significant increase in total domestic market during this period (paragraph 33.2 supra) and despite the fact that domestic industry was not able to sell its entire production during the POI for dumping. Resultantly, the domestic industry ended up with higher inventories of the domestic like product during the year 2014-15 (paragraph 45 infra).

**Conclusion**

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

**44. Effects on Production and Capacity Utilization**

**Facts**

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

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

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

Source: the Applicant

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

**Analysis**

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

44.3 In view of the increasing domestic market/demand of galvanized coils/sheets (paragraph 42 supra) the Applicant has set up a new production line for production of the domestic like product, which has started commercial production on August 17, 2015. Therefore, current installed production capacity of the Applicant to produce galvanized coils/sheets is 400,000 MT per annum. Further, the Applicant has also installed a colour coating line of 84,000 MT per annum, which has become operational in February, 2015.

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

**Conclusion**

44.5 Based on above facts and analysis, the Commission has concluded that the domestic industry did not suffer material injury on account of production and capacity utilization during the POI.

45. **Effects on Inventories**

**Facts**

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

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

Year	Opening inventory	Production	Domestic sales	Export sales	Closing inventory
2012-13	100	1487	1232	188	166
2013-14	166	1648	1313	368	133
2014-15	133	1754	1298	291	297

Source: the Applicant

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

**Analysis**

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

**Conclusion**

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

46. **Effects on Profit/Loss**

**Facts**

46.1 The table below shows the profits and profitability of the Applicant on production and sales of the galvanized steel coils/sheets (the domestic like product) only during the POI:



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

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

Source: Applicant:

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

**Analysis**

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

**Conclusion**

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

**47. Effects on Cash Flows**

**Facts**

47.1 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.

47.2 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.”*

47.3 Keeping in view the above, 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:

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**Table-XIII  
Net Cash Flow**

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

Source: the Applicant

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

**Analysis and Conclusion**

47.4 The above table shows that the Applicant's net cash flow declined during the year 2013-14 and increased during the year 2014-15, however, this increased cash flow was less than the cash flow of the year 2012-13. Therefore, it is concluded that the domestic industry suffered material injury on account of cash flows during the POI.

**48. Effects on Employment, Productivity and Salaries & Wages**

**Facts**

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

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

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

Source: the Applicant

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

**Analysis**

48.2 The above table shows that the employment in the domestic industry increased by 25 percent during the year 2014-15, whereas the Applicant was operating at full capacity in the previous two years (2012-13 and 2013-14) (paragraph 44 supra) with 25 percent less employees. Therefore, there was no need for more employees to operate at full installed capacity of the POI. Probably, this increase in employees was due to enhanced production capacity, which has become operational after the POI. Thus, decrease in productivity and increase in salaries and wages was due to increase in number of employees which was not meant for the installed capacity during the POI.

**Conclusion**

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

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**49. Effects on Return on Investment**

**Facts**

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

**Table-XV  
Return on Investment**

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

Source: the Applicant

**Analysis and Conclusion**

49.2 The above table shows that the Applicant's return on investment declined during the POI from 19 percent in 2013-14 to 10 percent in 2014-15. Therefore, it is concluded that the domestic industry suffered material injury on account of return on investment during the POI in accordance with Section 17(2) of the Act.

**50. Effects on Growth and Investment**

**Facts/Analysis**

50.1 As stated earlier that there is significant growth in domestic demand/ market of galvanized d steel coils/sheets in the country (paragraph 42 supra), therefore, keeping this aspect in view, the Applicant has made a considerable investment (about US\$ 30 million) and has installed another line of production of the domestic like product, which became operational in August 2015.

**Conclusion**

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

**51. Ability to Raise Capital**

**Facts/Analysis**

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

**52. Magnitude of Dumping Margin**

**Facts/Analysis**

Dumping margins determined for dumped imports of the investigated product are ranging between 6.90 percent to 46.89 percent (paragraph 37 supra), which are considered enough to cause material injury to the domestic industry. Further, injury factors discussed above show that domestic industry has suffered materially on account of price undercutting, price depression, price suppression,

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sales, profits/profitability, inventories, cash flows and return on investment during the POI.

**53. Summing up of Material Injury**

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

- i. Significant increase in volume of dumped imports;
- ii. Significant price undercutting by the dumped imports;
- iii. Significant price depression;
- iv. Increase in inventories;
- v. Decline in sales;
- vi. Decline in profits and profitability;
- vii. Decline in cash flows;
- viii. Decline in return on investment; and
- ix. Significant magnitude of the dumping margin.

**D. CAUSATION**

**54. Effect of Dumped Imports**

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

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

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

**55. Other Factors**

55.1 In accordance with Section 18(2) and 18(3) of the Act, the Commission has examined following factors other than dumped imports which could at the same time cause injury to the domestic industry, in order to ensure that possible injury

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caused by other factors is not attributed to the injury caused by dumped imports:

- i. Volume and price of imports not sold at dumping prices;
- ii. Contraction in demand or changes in the patterns of consumption;
- iii. Trade restrictive practices and competition between foreign and domestic producers;
- iv. Developments in technology; and
- v. Export performance and productivity of domestic industry.

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

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

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

Sources: PRAL and the Applicant

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

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

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

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

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

Sources: PRAL and the Applicant

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

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

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

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

**Table – XVIII  
Applicant's Exports of Galvanized oils/Sheets**

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

Source: the Applicant

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

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

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

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

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domestic industry during the POI except dumped imports of the investigated product.

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

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

**Table – XIX  
Causal Relationship**

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

**E. CONCLUSIONS**

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

- i. Application was filed by the domestic industry as the Applicant represented 100 percent of the production of domestic like product during the POI;
- ii. Investigated product and the domestic like product are like products in terms of the provisions of the Act;
- iii. The investigated product was exported to Pakistan by the exporters/ foreign producers from China at prices below its normal value during the POI;
- iv. Volume of dumped imports and the dumping margins established for the foreign producers/ exporters of the investigated product are above the negligible and *de minimis* levels;
- v. Dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 6.90 percent to 46.89 percent;

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- vi. The domestic industry suffered material injury on account of significant increase in volume of dumped imports, significant price undercutting, significant price depression, decline in sales, decline in profits and profitability, decline in return on investment, decline in cash flows and increase in inventories in terms of Section 15 and 17 of the Act during the POI; and
- vii. There is a causal relationship between dumped imports of the investigated product and the material injury faced by the domestic industry.

**F. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTY**

58. In view of the analysis and conclusions with regard to dumping, material injury, and causation, the Commission is required to impose antidumping duty on dumped imports of the investigated product under Section 50(1) of the Act.

59. Individual dumping margins have been determined for exporters/foreign producers of the investigated product who cooperated and supplied information necessary for the purposes of this investigation and rate of definitive antidumping duty for these exporters is determined on the basis of their individual dumping margins. A residual dumping margin and antidumping duty rate for all other exporters from the Exporting Country, who did not cooperate, is determined on the basis of best available information in terms of Section 32 of the Act (paragraphs 31 to 37 supra).

60. In terms of Section 50(2) of the Act the amount of the anti-dumping duty shall not exceed the margin of dumping established but it may be less than the margin if such lesser duty would be adequate to remove injury to the Domestic Industry. However, the Commission has decided to impose antidumping duties equal to the dumping margins in this case.

61. In terms of Section 50 of the Act, definitive antidumping duties given in the following table are hereby imposed on the dumped imports of the investigated product importable from the People's Republic of China for a period of 5 years effective from February 08, 2017. The definitive antidumping duty rates are determined on C&F value in *ad valorem terms*. Definitive antidumping duties at C&F value are equivalent to the dumping margins determined at ex-factory price level. The dumped investigated product is classified under PCT heading Nos. 7210.4110, 7210.4190, 7210.4990, 7212.3010, 7212.3090 7225.9200 and 7226.9900.



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Definitive Anti-Dumping Duty Rates**

Exporter Name	Antidumping Duty Rates (%of C&F price)
Ansteel	40.47
Bengang	9.13
HBIS	13.31
Ma Steel	6.09
All others	40.47

63. Galvanized steel coils/sheets imported from sources other than China shall not be subject to definitive antidumping duty. Further, in accordance with Section 51(e) of the Act, definitive antidumping duty will not be levied on imports of the investigated product that are used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969.

64. In accordance with Section 51 of the Act, the definitive antidumping duties shall be held in a non-lapsable personal ledger account established and maintained by the Commission for this purpose. Release of the dumped investigated product for free circulation in Pakistan shall be subject to imposition of such antidumping duties.

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

66. 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  
January 07, 2017

(Robina Ather)  
Member  
January 07, 2017

(Abdul Khaliq)  
Member  
January 07, 2017

(Qasim M. Niaz)  
Chairman  
January 07, 2017

**1. Comments of M/s WRSIM Traders, M/s Noble Steel, M/s Safa Steel, and M/s Hashim Lakhani (Importers)**

Para No	Views/Comments	Commission's Response
7	<p>“.....it is most respectfully stated that while defining the product scope and investigating thereupon, the Commission has failed to determine whether, the product scope requested for by the Applicant only includes products being produced by the Applicant or not or whether Applicant has the capability and the capacity to produce all the numerous products falling within the product scope. It must be noted that numerous items falling within the scope of the PCT headings identified by the Applicant as the product scope for the Investigation and accepted by the Commission, without due consideration and investigation, are not produced by the Applicant.”</p>	<p>The Commission has examined and investigated the claim of importers. The investigated product and domestic like products are determined in light of Commission's investigation. The Commission has also conducted on-the-spot investigation at office and plant of the Applicant and found that the investigated product determined by the Commission is the same/similar to the domestic like product, which is being produced by the Applicant/ domestic industry. Further, on the spot investigation report of the Applicant was made available to interested parties</p>
11	<p>“It must be noted that the product under investigation notified vide the Notice of Initiation was ‘galvanized coils and sheets’ whereas for the purposes of the Preliminary Determination the product under investigation was ‘galvanized/colour coated products of steel’. It is pertinent to mention that Section 2 (k) of the Act defines the Investigated Product as a product which is subject to an antidumping investigation as described in the notice of initiation of the investigation. Therefore, changing the entire scope of the investigation in Preliminary Determination Notice is in strict violation of the provisions of the Act, as it is required by the Act that the product under investigation/product scope must be defined clearly.”</p>	<p>Investigated product is galvanized products of steel coils/ sheets. The notice of initiation specifies the customs tariff codes of the investigated product, which are the same provided in notice of preliminary determination as well as in the final determination. Therefore, there is no change in the scope of investigated product.</p>
13	<p>“It must be noted that the That the Director’s Report of the year 2015 of the Applicant provides that HRC is used as the raw material for producing the Investigated Product which is imported by the Applicant, the Government of Pakistan raised the Customs Duty on import of HRC by 5%, the said increase has ultimately resulted in the increase of the cost of production of the Investigated Product hence a decline in the sales and profits due to higher cost of production. Furthermore, the loss incurred on account of exchange rate has also led to higher costs of production. The contentions of the Applicant attributing the decline in profitability to dumped imports of the Investigated Product are false and misleading. The Commission has also not made any efforts to make any material inquiry to this effect and has ignored the contentions of other interested parties on</p>	<p>The Commission's investigation has revealed that assertion of the importers is not correct. Cost to make and sell of the Applicant has declined during the POI for dumping. Paragraph 41.4 of the report.</p>

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	<p>this account.”</p>	
14	<p>“The Commission has failed to take into account that devaluation of the Pakistani Rupee during the POI played a significant role in the cost of production, which remained variable due to the volatile exchange rate of the Pakistani Rupee. Irrespective of analyzing the same in view of the currency fluctuation data provided by the State Bank of Pakistan, the Applicant in its annual report of the year 2014 has stated that “Foreign exchange losses arising owing to fluctuation in exchange rates and in-effective portion on forward cover amounted to PKR. 142 million”.</p>	<p>Cost of production of the domestic like product in this investigation is determined on the basis of actual costs of the Applicant during the POI. Therefore, it takes care of currency fluctuations.</p>
15	<p>“That the Commission has failed to segregate the profitability of the Domestic like Product from the rest of the product line of the Applicant. It is virtually impossible for the Commission to reach an efficacious finding to correctly uphold the claim of the Applicant as far as injury with regards to the profitability is concerned. Furthermore, it is worth mentioning that the profitability of the Applicant has not declined (if the claim is to be believed as being correct) due to dumped imports of the Investigated Product but mainly due to the decline in prices of steel in the international market. The Applicant’s claim of loss on account of dumped imports of the Investigated Product is misleading, as the same is result of a global decline in prices. If the Applicant were so hard pressed on account of profitability due to dumped imports of the Investigated Product, the same would have not resulted in incurring an expansion cost of USD 30 M. It must be noted here that the plant and machinery for production of the Domestic Like Product is most likely to have been imported, thus increasing the cost of financing resulting in higher long term borrowing costs.”</p>	<p>Effects of dumped imports of the investigated product on profits and profitability is determined for the domestic like product only and not on the basis of other products of the Applicant. Investigation of the Commission has shown that the domestic industry has suffered material injury on account of profits and profitability on production and sales of the domestic like product during the POI (paragraph 46 of the report)</p>
16	<p>“That the Commission has calculated price undercutting, price depression and price suppression during the POI without giving due consideration to the existence of other factors causing an increase in the cost of production. The higher cost of production can be attributed to the higher costs of inputs i.e., higher energy prices during the POI, shortage of gas, shortage of electricity, losses on account of fluctuating exchange rate on foreign exchange spent on imports of HRC (Raw Material for production of the Like Product), higher capital costs for addition of production lines by the Applicant (Expansion worth approx. USD 30 M) and increased short term borrowing.”</p>	<p>Effects of dumped imports on prices of the domestic like product are determined in accordance with Section 15(3) of the Act by taking into account all factors including the actual cost to make and sell of the Applicant. It may further be noted that during the POI the cost to make and sell of the domestic like product has declined in contrast to the claim of importers. Please see paragraph 41 of the report.</p>

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17	<p>“That the Commission even though has noted within the Preliminary Determination, at Table – I, that the Investigated Product was levied with a 5% Regulatory duty during the POI, however, the same does not reflect in the injury analysis and no adjustment to the landed cost on this accord is forthcoming in the Preliminary Determination. Even though the Applicant seems to have omitted the effect of Regulatory Duty from its injury claims, due to the fact that the duty structure on the Investigated Product is reported in the Application without the inclusion of the regulatory duty. However, the injury determined, especially on account of price effects, by the Applicant is significantly enhanced from the claims of the Applicant, which leads to the inference that the incidence of Regulatory Duty on the injury claimed by the Applicant has completely been ignored by the Commission while making the Preliminary Determination, thus failing to take into account every relevant factor effecting the industry and imports. No segregated data of the Like Product produced during POI by the Applicant. Without the same it is impossible to determine the injury.”</p>	<p>Effects of dumped imports on prices of the domestic like product are determined in accordance with Section 15(3) of the Act by taking into account effect of regulatory duty on dumped imports of the investigated product. Please see paragraph 41 of the report.</p>
18	<p>“That the Commission has failed in its obligation to acquire segregated information on the Applicant’s production capacities and actual production quantities during the POI of each individual product listed hereinabove as the Like Product is produced at the facility of the Applicant which produced other products during the POI as well.”</p>	<p>The Commission has conducted investigation on galvanized steel sheets/coils, therefore, injury is determined on Applicant’s capacity, production and sales of galvanized steel sheets/ coils only and not on other products produced by the Applicant.</p>
19	<p>“That the injury determination in the Preliminary Determination is blatantly boasting the fact that the injury was determined on the basis of unsegregated import data and by using cumulative assessment of prices of numerous different products imported under the PCT headings forming the product scope of the investigation. It must be noted that the tariff line segregation of import data for the purposes of initiation of investigation and for the subsequent injury determination is a requirement under the jurisprudence established by the WTO Panel and Appellate Body Decisions. It must further be noted that the import data was provided to the Applicant by the Commission (as stated at page 13 of the Application of Applicant), therefore, the same must be declared as non-confidential on this basis alone. The allowance of the Commission to keep the import data provided by Commission, a government institution, to the Applicant, a company incorporated under the laws of</p>	<p>Assertion of the importers is not correct. The Commission has determined material injury on the basis of segregated data/ information of the domestic like product (galvanized steel sheets/coils). Please see part C of the report.</p>

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	Pakistan, is a violation of the fundamental rights of the Interested Parties which entitles every citizen to be equal in the eyes of law, thus entitling every citizen equal treatment.”	
20	“The Commission has failed to take into account in totality other injury factors as well in the Preliminary Determination, the Applicant to its own convenience has provided in the Application the other injury factors that are to the advantage of Applicant and to say the least misleading for the Commission. The Commission has failed to take into consideration that there has been a substantial increase in the demand of the domestic market (Expected to reach 4,000,000 MT in 2017), which includes boom in the construction sector of Pakistan, multiple development projects under international commitments undertaken by the Government of Pakistan.”	The Commission has also analysed other factors in accordance with Section 18(2) of the Act and has found that other factors did not cause injury to the domestic industry during the POI. Please see paragraphs 55 to 58 of the report.
<b>Views/Comments of the Applicant</b>		
	“The Commission may re-consider its findings on return on investment. It is very much obvious that in a state of decreasing profits and profitability, return on investment cannot show a better trend.”	The Commission has determined injury on return on investment in accordance with Section 17.2 of the Act. Please see paragraph 49 of the report.

**Constructed Normal Value of Ansteel**

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

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**Annex – III**

**Calculation of Export Price of Ansteel**

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

**Annex – IV**

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

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

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**Annex – V**

**Calculation of Export Price of Bengang**

(CNY/MT)

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

**Annex – VI**

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

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

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



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**Annex – VII**

**Calculation of Export Price of HIBS**

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

**Annex – VIII**

**Calculation of Export Price of Masteel**

**(US\$/MT)**

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

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**Annex – IX**

**CALCULATIONS OF DUMPING MARGINS**

**Calculation of Dumping Margin of Ansteel**

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

**Calculation of Dumping Margin of Bengang**

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

**Calculation of Dumping Margin for HIBS**

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

**Calculation of Dumping Margin of Ma Steel**

Normal Value (of same types on same date)	<b>Figures omitted to keep Confidentiality</b>
Quantity of exports (MT)	
Adjusted export price (CNY/MT)	
C&F export price (CNY/MT)	
Dumping margin:	
Absolute (CNY/MT)	
% of adjusted export price	6.90%