

(NON-CONFIDENTIAL)



**Government of Pakistan  
National Tariff Commission**

**Conclusion of Sunset Review and Termination of Definitive Anti-dumping Duties Imposed on Dumped Imports of Phthalic Anhydride from Brazil, China, Indonesia, South Korea and Chinese Taipei**

**A.D.C. 17/2009/NTC/PA/SR/2015  
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**Conclusion of Sunset Review and Termination of Anti-dumping Duties Imposed on Dumped Imports of Phthalic Anhydride from Brazil, China, Indonesia, South Korea and Chinese Taipei**

**A. INTRODUCTION**

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

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

3. The Commission has conducted a sunset review of the definitive anti-dumping duty imposed on dumped imports of Phthalic Anhydride ("PA"), imported from Federal Republic of Brazil ("Brazil"), People's Republic of China ("China"), Republic of Indonesia ("Indonesia"), Republic of South Korea ("Korea") and Chinese Taipei (hereinafter referred to as the "Exporting Countries"). In terms of Section 62(2) of the Act, a sunset review shall normally be completed within twelve months from its initiation.

4. The Commission initiated this sunset review on September 24, 2015 following receipt of an application from the domestic industry manufacturing PA. However, the Honorable Lahore High Court granted the stay in this investigation on February 9, 2016 and held vide its order dated March 15, 2016 that the Commission is not properly constituted and directed the Commission not to pass any order till the time it is properly constituted. The Commission was properly constituted on September 05, 2016 and the investigation was resumed accordingly. The period of stay from 9-02-2016 till 05-9-2016 has been excluded from overall timelines of the investigation. Therefore, the Commission is required to conclude this review by excluding the time period of stay, granted by the court.

**B. BACKGROUND**

**5. Definitive Anti-dumping Duty Imposed on Imports of PA from the Exporting Countries**

The Commission imposed definitive anti-dumping duties @ ranging from 5.87% to 27.28% of C&F price on dumped imports of PA originating in and/or exported from the Exporting countries to Pakistan by all exporters/foreign producers as shown below:

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**Table-I  
Antidumping Duties**

<b>Countries</b>	<b>AD Duty (%)</b>
Brazil	6.17
China	11.84
Indonesia	5.87
South Korea	7.36
Chinese Taipei	27.28

5.2 The anti-dumping duties were imposed for a period of five years effective from September 30, 2010. However, in terms of Section 58(3) of the Act, definitive anti-dumping duties shall not expire if the Commission determines in a review that the expiry of such anti-dumping duties would be likely to lead to continuation or recurrence of dumping of the investigated product and injury to the domestic industry and such anti-dumping duties shall remain in force pending the outcome of such a review.

5.3 The Commission has also initiated an anti-dumping investigation against dumped imports of PA originating in/or exporting from Russian Federation.

**C. PROCEDURE**

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

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

The Commission published a notice of impending expiry of the anti-dumping duties in this case on June 26, 2015 in Official Gazette<sup>1</sup> and national press<sup>2</sup> in accordance with Section 58(2) of the Anti-Dumping Duties Ordinance ("the Ordinance") (now the Act).

**8. Receipt of Application**

The Commission received a written application on August 11, 2015 from the domestic producer, of PA namely M/s Nimir Chemicals Pakistan Limited, Lahore (the "Applicant"), under Section 58(3) of the Ordinance. This application was filed in response to the Commission's notice of impending expiry of the anti-dumping duty. The Applicant alleged that expiry of anti-dumping duties on PA would likely to lead to recurrence of dumping of PA from the Exporting Countries and injury to the domestic industry producing PA.

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated June 26, 2015

<sup>2</sup> Daily "the NATION" and "the *Ausaf*" dated June 26, 2015

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

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

10. **The Domestic Industry**

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

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

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

11. **Standing of the Application**

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

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

11.3 As the Applicant is the only producer of PA in the country, therefore it represents 100 percent of the domestic production of PA. Thus, the application fulfills the requirements of Section 24 of the Act and is considered to have been made by the domestic industry.

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**12. Applicant's Views**

The Applicant, *inter alia*, raised the following issues in its application regarding likelihood of recurrence of dumping of PA, and injury to the domestic industry caused there from:

- i. PA produced by producers of the Exporting Countries and PA produced in Pakistan by the domestic industry are like products;
- i. After imposition of definitive anti-dumping duties, exporters/foreign producers from the Exporting Countries almost stopped exporting PA to Pakistan. Therefore, it is likely to result into recurrence of dumping if anti-dumping duties are terminated; and
- ii. Likely recurrence of dumping of PA by the Exporting Countries' exporters/foreign producers into Pakistan is likely to cause material injury to the domestic industry producing PA, mainly through:
  - a. increased volume of dumped imports;
  - b. decline in market share;
  - c. negative effect on sales and output;
  - d. negative effect on capacity utilization;
  - e. negative effect on profit
  - f. negative effect on inventories;
  - g. negative effect on cash flow;
  - h. negative effect on employment and wages; and
  - i. negative effect on growth,.
  - j. negative effect on ability to raise capital, and
  - k. negative effect on investment

**13. Initiation of the Sunset Review**

13.1 Upon examination of the application, the Commission established that it met requirements of Section 58(3) of the Act. The Commission initiated a review on September 24, 2015 to determine whether expiry of the anti-dumping duties imposed on PA would be likely to lead to recurrence of dumping and injury.

13.2 In terms of Section 27 of the Act, the Commission issued a notice of initiation of the review, which was published in the Official Gazette<sup>3</sup> of Pakistan and in two widely circulated national newspapers<sup>4</sup> (one in English language and one in Urdu Language) on September 24, 2015.

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<sup>3</sup> The official Gazette of Pakistan (Extraordinary) dated September 24, 2015.

<sup>4</sup> The 'Daily NATION' and the 'Daily DUNYA' of September 24, 2015 issue.

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13.3 The Commission notified the Embassies of the Brazil, China, Indonesia, South Korea in Pakistan and Chinese Taipei (through its permanent mission to WTO) by sending a copy of the notice of initiation of review on October 05, 2015. Copies of notice of initiation were also sent to the Applicant, known exporters/foreign producers from the Exporting Countries, and known importers on October 05, 2015, in accordance with the requirements of Section 27 of the Act.

13.4 In accordance with Section 28 of the Act, on October 05, 2015, the Commission also sent copy of full text of the written application (non-confidential version) to the Embassies of the Brazil, China, Indonesia, South Korea in Pakistan and Chinese Taipei (through its permanent mission to WTO) and to the known exporters/foreign producers of PA in the Exporting Countries.

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

**14.1 The Product under Review**

14.1.1 The product under review is Phthalic Anhydride exported by the exporters from the Exporting countries into Pakistan. PA is an industrial raw material and is used by a number of chemical industries. It is mainly used in the production of plasticizers, alkyd resins, polyester resins, dyes and pigments etc. It is classified under Pakistan Customs Tariff ("PCT") No. 2917.3500.

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

**Table-II  
Tariff Structure**

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

**14.2 Domestic like product**

14.2.1 The domestic like product is Phthalic Anhydride ("PA") produced by the domestic industry. It is classified under Pakistan Customs Tariff<sup>3</sup> ("PCT") Heading No. 2917.3500. Domestic like product is also used for the same purposes as the product under review is used.

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<sup>3</sup> PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level

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**15. The Like Products**

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

- i. the basic raw materials used in the production of the product under review and the domestic like product are the same;
- ii. both the products (the product under review and the domestic like product) are produced with a similar manufacturing process;
- iii. both the products have similar appearance;
- iv. both the products are used for same purposes
- v. both the products are classified under the same PCT/HS code No. 2917.3500

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

**16. Period of Review ("POR")**

The Commission sought information of three years i.e. from July 01, 2012 to June 30, 2015 from the Applicant. Therefore, likely continuation or recurrence of dumping and injury is determined on the basis of the three years data/ information.

**17. Interested Parties**

The Commission gave an opportunity (through notice of initiation) to all interested parties to participate in this review and register themselves as an interested party with the Commission. In response to the notice, M/s Power Chemicals Industries, Nimir Resins Pvt. Ltd., Berger Paints Pakistan Limited, and Qaiser LG petrochemicals Pvt. Ltd got registered themselves as interested parties in this review

**18. Information/Data Gathering**

18.1 The Commission sent questionnaires on October 13, 2015 to 17 known exporters/foreign producers of Phthalic Anhydride, asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent Questionnaire to 8 importers of Phthalic Anhydride requesting them to provide information within 37 days. The Commission also sent a copy of the questionnaire to the embassies of the Brazil, China, Indonesia, South Korea in Pakistan and Chinese Taipei (through its

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permanent mission to WTO) on October 13, 2015 with a request to forward it to all known exporters/foreign producers of PA in their respective countries. However, no exporters/ foreign producers from the Exporting Countries responded to the questionnaire.

18.2 The Commission has an access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this review the Commission has also used import data obtained from PRAL's database in addition to the information provided by the Applicant.

18.3 The Commission also did independent research and obtained information available at the websites of International Trade Centre regarding exports/imports of PA from the Exporting Countries.

18.4 Thus the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of determination of likelihood of recurrence of dumping of PA and injury to the domestic industry. In terms of Rule 12 of the Rules, during the course of this review, the Commission satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

19. **Public File**

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

20. **Confidentiality**

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

20.2 The Applicant has requested to keep confidential certain information in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, salaries & wages, number of employees and capacity etc.

20.3 On the basis of requests made by the Applicant and keeping in view the provisions of Section 31 of the Act, the Commission has determined the confidentiality and for the reasons that disclosure of such information may be of significant competitive



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

**21. Hearing**

21.1 In this review, interested parties were required to make a request for hearing not later than forty-five days after publication of notice of initiation. The Commission received request for hearing from M/s Berger Paints Pakistan Limited. In accordance with rule 14 of the Anti-Dumping Duties Rules 2001, the Commission held a public hearing in this sunset review on 17-01-2017 at National Tariff Commission's office in Islamabad. The hearing was attended by representatives of the Applicant and the interested parties i.e. M/s Power Chemicals Industries, Nimir Resins Pvt. Ltd., and Qaiser LG petrochemicals Pvt. Ltd. The following views were presented which have been taken into account in this review:

- I. The user industry was of the view that import prices are aligned with international prices quoted in ICIS and therefore there is no dumping. The Applicant is trying to create monopoly in the domestic market by requesting to impose anti-dumping duty on all sources whereas, it is already enjoying enough tariff protection of 15% through custom duty.
- II. The domestic industry was of the view that no exporters/foreign producers have cooperated in this review, therefore determination of likelihood of dumping may be made on the basis of best information available, which is the information supplied by the Applicant, under section 32 of the Act. The domestic industry also stated that India has also imposed anti-dumping duties on import of PA from these Exporting Countries, which increases the likelihood of recurrence of dumping in case of removal of anti-dumping duties.

**22. Disclosure of Essential Facts**

22.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of the Agreement on Anti-dumping, the Commission disclosed essential facts to the interested parties, and in this context circulated a Statement of Essential Facts ("SEF") on February 24, 2017 to the all interested parties.

22.2 Under Rule 14(9) of the Rules, the interested parties were required to submit comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. Comments on the SEF have been received from the Applicant and Nimir Resin Ltd. only which have been considered while concluding this review.

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

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

- i. Reduction in Level of Imports from the Exporting Countries
- ii. Increase in level of inventories in the Exporting Countries
- iii. Increase in exportable surplus in the Exporting Countries
- iv. Alternate Market developed
- v. Prices Comparison of Dumped Sources and other exporting countries.
- vi. Quantum of dumping margin

23.2 Continuation or recurrence of dumping of the product under review is determined on the basis of the best information available obtained from other sources in accordance with Section 32 and Schedule to the Act as the exporters/foreign producers have not provided information.

**24. Reduction in Level of Imports from the Exporting Countries:**

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

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

<b>Year/Period</b>	<b>Imports from Dumped Sources</b>	<b>Imports from Other Sources</b>	<b>Total Imports Qty</b>
POI for original Investigation	94.98	5.02	100.00
Jul 12 - Jun 13	4.78	38.33	43.08
Jul 13 - Jun 14	15.20	42.89	58.09
Jul 14 - Jun 15	1.47	131.50	132.97

Source: PRAL

Note: Actual figures have been indexed with reference to the figure of Total Imports in year 2009-10 by taking it equal to 100

24.2 The above table shows that the dumped imports of the product under review from the Exporting Countries reduces significantly after imposition of antidumping duties in the year 2010. Share of dumped imports of the product under review, which was 95 percent of total imports of PA during the original POI reached to 1%.

24.3 The above table further shows that the imports from other sources have increased significantly. It is evident from above that the imports from other sources during the POI

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for original investigation were 5% of total imports. But after the imposition of anti-dumping duty on dumped imports from the Exporting Countries, the imports from other sources increased to 99%. This is reflective of the fact that domestic industry could not get the desired benefit as imports from other sources increased which were mainly from Russia and Belarus.

**25. Increase in Level of Inventories:**

25.1 The data for international production and demand are not available, however data available on the "Trade map" reveals that collectively the worldwide exports of the Exporting Countries have reduced by 14 percent. Further, an article published by Merchant Research & Consulting Ltd. which states that the production facilities in China have expanded incomparably to other markets. However, the supply is set to outpace demand level in China causing by that a vast imbalance on the market.

**26. Increases in Exportable Surplus:**

26.1 The changes in exact capacities are not available, however, the worldwide exports of the Exporting Countries have changed as under:

**Table-IV**  
**Exports of the Exporting Countries (MT)**

<b>Exporting Country</b>	<b>Importing Country</b>	<b>2009</b>	<b>2015</b>
<b>Brazil</b>	World	21,678	13,150
<b>China</b>	World	8,035	677
<b>Indonesia</b>	World	17,681	2,940
<b>Taipei, Chinese</b>	World	59,258	58,430
<b>Korea</b>	World	160,117	182,623

Source: ITC, Trade map

26.2 The above table shows that exports of Brazil, China, Indonesia have significantly decreased. Exports from Chinese Taipei has also decreased. Exports from Korea has increased during this period. This leads to the fact that the exporting countries have exportable surplus in the absence of data on domestic consumption or capacity. Since no exporter has cooperated nothing definite could be said on this account.

**27. Alternate Market Developed:**

27.1 As stated above in, the worldwide exports of Exporting Countries have reduced by 14 percent as shown below:

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Exports of the Exporting Countries (MT)**

<b>Exporting Country</b>	<b>Importing Country</b>	<b>2009 (MT)</b>	<b>2015 (MT)</b>
<b>Brazil</b>	World	21,678	13,150
	China	4,660	0
	Argentina	2,255	1,880
	Peru	1,420	860
	Columbia	420	3,540
	Pakistan	340	0
<b>China</b>	World	8,035	677
	Chinese, Taipei	2,755	0
	Australia	804	0
	Korea	201	27
	Pakistan	36	0
<b>Indonesia</b>	World	17,681	2,940
	China	5,900	1,100
	India	4,140	1,642
	Bangladesh	1,900	0
	Pakistan	1,180	0
<b>Taipei, Chinese</b>	World	59,258	58,430
	China	17,346	19,173
	Malaysia	7,525	9,890
	Singapore	2,088	3,564
	Korea	1,818	336
	Pakistan	900	0
<b>Korea</b>	World	160,117	173,063
	China	51,173	19,397
	Saudi Arabia	20,424	13,608
	India	11,471	22,575
	Thailand	9,879	17,601
	Pakistan	598	420

Source: ITC, Trade map

It is evident from the above table that other than Korea exports of all countries have reduced. The above statistics further shows that some countries have stopped exporting to Pakistan while exports to other countries have increased.

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**28. Prices Comparison of Dumped Sources and other exporting countries**

28.1 The data with regard to the prices of the PA from the Exporting Countries and other countries are given in table below;

**Table-VI  
Imports and Prices of PA**

<b>Origin</b>	<b>QTY (MT)</b>	<b>C&amp;F Price (US\$/MT)</b>
Dumped Sources	100.00	100.00
Russia	7,208.13	98.04
BELARUS	785.42	80.96
Turkey	103.13	121.00
United States	233.33	110.32

Source: PRAL

Note: Actual figures have been indexed with reference to the figures of quantity and price of dumped Imports by taking it equal to 100

28.2 It is evident from above that price from Russia and Belarus are much lower than the price from dumped sources. It seems difficult that imports coming from dumped source will be able to compete with the imports coming from Russia and Belarus. The world market has further been analyzed in the following table:

**Table-VII  
World's Exports of PA**

<b>Country</b>	<b>2009</b>		<b>2015</b>	
	<b>Qty (MT)</b>	<b>Per Unit (USD)</b>	<b>Qty (MT)</b>	<b>Per Unit (USD)</b>
Austria	0		40,297	874
Belarus	13,770	792	24,061	733
Brazil	21,678	897	13,150	857
China	8,035	1,890	677	1,936
Germany	7,453	585	27,488	980
Indonesia	17,681	895	2,940	837
Russia	55,945	687	51,401	762
South Korea	160,117	933	173,063	791
Chinese Taipei	59,258	892	58,430	774

Source: ITC, Trademap

28.3 The above table also shows that there are new exporters emerging in the world market which are offering their product at more competitive prices like Belarus and Russia. This shows that there are less chances of recurrence of dumping from traditional exporters, which are subject to this review, as their exports are decreasing worldwide.

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**29. Quantum of Dumping Margin:**

The definitive antidumping duties imposed on imports of PA from the Exporting Countries which ranges from 6.17% to 27.28%.

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

30.1 On the basis of information and analysis at paragraphs from 25 to 30 supra the Commission is of the view that overall exports of the Exporting Countries have reduced overtime while the exports from Russia and Belarus have increased. The prices of Belarus and Russia were significantly lower than the countries, product of which is under review.

30.2 The data available with the Commission reveals that exports from the Exporting Countries dried up and new source of imports has emerged. Prices from these sources are less than the prices being charged by the Exporting Countries. This development lead the Commission to conclude that there is no likelihood of dumped imports from the Exporting Countries.

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

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

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

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

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

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

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

<b>Year/Period</b>	<b>Imports from Dumped Sources</b>	<b>Imports from Other Sources</b>	<b>Total Imports Qty</b>	<b>Domestic Production</b>
POI for original Investigation	15.33	0.81	16.14	100.00
Jul 12 - Jun 13	0.77	6.18	6.95	87.66
Jul 13 - Jun 14	2.45	6.92	9.37	89.39
Jul 14 - Jun 15	0.24	21.22	21.46	90.46

Sources: PRAL and the Applicant

Note: Actual figures have been indexed with reference to the figures of domestic production in year 2009-10 by taking it equal to 100

32.2 The above table shows that the import of PA from the Exporting Countries reduced significantly after imposition of antidumping duty. However, imports from other sources have increased significantly during the POR.

32.3 Production of the domestic like product significantly decreased even after imposition of antidumping duty following the original investigation. The reduction in production of the domestic like production is mainly due to increase in imports from other sources mainly from Russia and Belarus. Thus, levy of antidumping duties on the product under review did not affect positively on production of the domestic industry rather imports from other sources apparently benefitted from imposition of antidumping duties on the product under review.

**33. Likely Price Effects**

33.1 The effect of dumped imports on the sales price of the domestic like product in the domestic market has been examined to established whether there has been 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), and 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).

33.2 The data with regard to prices and cost to make and sell of domestic like product and weighted average landed cost of investigated product for the last three years is given below in the table:

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**Table-IX**

<b>Year/Period</b>	<b>Weighted average ex-factory price of domestic like product</b>	<b>*Weighted average landed cost of the dumped imports without AD Duty</b>	<b>**Weighted average landed cost of the dumped imports without Duty</b>	<b>Weighted average landed cost of the other imports</b>
Jul 12 - Jun 13	100.00	99.80	107.14	101.63
Jul 13 - Jun 14	101.36	98.53	105.78	101.98
Jul 14 - Jun 15	75.22	80.20	85.51	77.82

Source: the Applicant and PRAL

Year: July 1 to June 30

\* Customs duty @ 15%, incidentals @ 3%

\*\* Customs duty @ 15%, incidentals @ 3% and respective AD Duty

Note: Actual figures have been indexed with reference to the figures of ex-factory price of domestic like product in year 2009-10 by taking it equal to 100

33.2 Above table shows that landed cost of PA from the Exporting Countries was well above than the landed cost of other imports of PA in Pakistan as well as domestic industry's ex-factory price during the POI. Therefore, it is concluded that there are no likely adverse effects on prices of the domestic like product if antidumping duty imposed on product under review is terminated.

**34. Consequential likely Effects on Other Injury Factors**

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

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

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



**Conclusion of Sunset Review and Termination of Anti-dumping Duties Imposed on Dumped Imports of Phthalic Anhydride from Brazil, China, Indonesia, South Korea and Chinese Taipei**

**F. CONCLUSIONS**

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

- i. The domestic industry filed an application for sunset review of the antidumping duty imposed on dumped imports of the product under review from the Exporting Countries within prescribed time period in accordance with Section 58(3) of the Act in response to the notice of impending expiry of the antidumping duties. The application met requirements of Sections 24 and 58 of the Act.
- ii. There is no likelihood of recurrence of dumped imports of the product under review from the Exporting Countries as well as there is no likelihood of continuation and/or continuation of injury to the domestic industry if antidumping duty imposed on the product under review is terminated.

**F. TERMINATION OF DEFINITIVE ANTIDUMPING DUTIES**

37. In terms of Section 58(3) of the Act, definitive anti-dumping duties shall not expire if the Commission determines in the review that the expiry of such antidumping duties would be likely to lead to the continuation or recurrence of dumping of the product under review and material injury to the domestic industry. As the Commission has determined in this review that there is no likelihood of recurrence of imports of the product under review and material injury to the domestic industry if antidumping duty imposed on imports of the product under review is terminated. Therefore, the antidumping duty imposed on imports of the PA from the Exporting Countries is terminated with effect March 28, 2017.

-Sd-  
(Abdul Khaliq)  
Member  
March 27, 2017

-Sd-  
(Robina Athar)  
Member  
March 27, 2017

-Sd-  
(Tipu Sultan)  
Member  
March 27, 2017

-Sd-  
(Qasim M. Niaz)  
Chairman  
March 27, 2017