Government of Pakistan
National Tariff Commission

Report

On

Preliminary Determination and Imposition of Provisional Anti-Dumping Duties on Dumped Imports of Polyvinyl Chloride Resin into Pakistan Originating in and/or Exported from China, Chinese Taipei, South Korea, and Thailand

ADC No. 50/2016/NTC/PVC
May 26, 2017
The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (IV of 2015) (the "Act") and the Anti-Dumping Duties Rules, 2001 (the "Rules") is responsible to conduct investigation for imposition of anti-dumping duties to offset dumping of goods into the Islamic Republic of Pakistan ("Pakistan") after due process and determination of dumping and injury.

2. The Commission is conducting this investigation against imports of Polyvinyl Chloride Resin Suspension Grade ("PVC Resin Suspension Grade") exported to Pakistan at dumped prices from the China, South Korea, Thailand and Chinese Taipei (the "Exporting Countries"), which has caused and is causing material injury to Pakistan’s domestic industry producing PVC Resin Suspension Grade under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

3. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on November 29, 2016.

4. The preliminary determination is based on the information available to the Commission at this time. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

A. PROCEDURE

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

6. Receipt of Application
6.1 The Commission received a written application under Section 20 and 24 of the Act from M/s. Engro Polymer & Chemicals Ltd., Karachi (the “Applicant”) on October 14, 2016. The Applicant alleged that PVC Resin Suspension Grade originating in and/or exported from the Exporting Countries is being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing PVC Resin Suspension Grade.

6.2 The Commission informed the Government of the Exporting Countries of the receipt of application in accordance with the requirements of Section 21 of the Act through their respective embassies in Islamabad vides note verbales dated October 21, 2016.
7. **Evaluation and Examination of the Application**

7.1 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 PVC Resin, Suspension Grade into Pakistan from the Exporting Countries 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.

8. **The Domestic Industry**

8.1 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 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".

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 and 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”.

8.2 The domestic industry producing PVC Resin, Suspension Grade consists of only one unit i.e. Engro Polymers and Chemicals Ltd, Karachi and its total production capacity of PVC Resin Suspension Grade during the period from July 01, 2015 to June 30, 2016 was around *** MT per annum.
9. **Standing of the Application**

9.1 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.”

9.2 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.”

9.3 In the terms of Section 24(1) of the Act, the application shall be considered to have been made by or on behalf of domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty per cent 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 states 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 a domestic like product produced by domestic industry.

9.4 The application has been filed by the Applicant, who is the only producer of PVC Resin Suspension Grade in Pakistan. According to the information provided in application, the Applicant produced *** MT, which is 100 percent of the total domestic production of PVC during the period from July 1, 2015 to June 30, 2016. As the Applicant represents 100 percent of the total domestic production of like product produced during the period from July 1, 2015 to June 30, 2016, therefore, the application fulfills both the requirements of Section 24 of the Act.

10. **Applicant’s Views**

The Applicant, *inter alia*, raised the following issues in its application regarding dumping of PVC Resin Suspension Grade and material injury to the domestic industry caused therefrom:

i. PVC Resin Suspension Grade imported from the Exporting Countries into Pakistan and PVC Resin Suspension Grade produced by the domestic industry in Pakistan are like products;
ii. The exporters/ producers from the Exporting Countries are exporting PVC Resin Suspension Grade to Pakistan at dumped prices; and

iii. Export of PVC Resin Suspension Grade by the exporters/ producers from the Exporting Countries to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing PVC Resin Suspension Grade, mainly through:

   i) Increased volume of dumped imports;
   ii) Price undercutting;
   iii) Price suppression;
   iv) Decline in market share;
   v) Decline in capacity utilization;
   vi) Decline in profits;
   vii) Decline in productivity;
   viii) Decline in return on investment;
   ix) Negative effect on salaries and wages;
   x) Negative effect on cash flows;
   xi) Negative effect on growth; and
   xii) Negative effect on ability to raise capital.

11. Foreign Producer(s) and Exporter(s) involved in Alleged Dumping

The Applicant has identified thirty one exporters/producers from the Exporting Countries involved in dumping of PVC Resin Suspension Grade. The Applicant has stated that there may be other exporters/producers of PVC Resin Suspension Grade in the Exporting Countries, but it does not have the name and addresses of those exporters/producers. Furthermore, according to the Applicant “there is a risk that exports could be diverted through other exporters/traders and that exporters/producers could export under a “different name”. Therefore, the Applicant has requested for imposition of anti-dumping duties on all imports of the investigated product originating in and/or exported from the Exporting Countries.

12. Period of Investigation

12.1 In terms of Section 36 of the Act, Period of Investigation (“POI”) is:

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

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

12.2 For determination of dumping and material injury, the Applicant has submitted information/data and evidences up till June 30, 2016. Following is the POI for this investigation:

For determination of dumping From July 01, 2015 to June 30, 2016
For determination of injury From July 01, 2013 to June 30, 2016

13. Initiation of Investigation

13.1 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 PVC Resin Suspension Grade into Pakistan from the Exporting Countries 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\(^1\) of Pakistan and in two widely circulated national newspapers\(^2\) (one in English language and one in Urdu Language) on November 29, 2016. Investigation concerning alleged dumped imports of PVC Resin Suspension Grade into Pakistan originating in and/or exported from the Exporting Countries was thus initiated on November 29, 2016.

13.2 In pursuance of Section 27 of the Act, the Commission notified Embassies of the Exporting Countries in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on November 29, 2016 with a request to forward it to all exporters/producers involved in production, sales and export of PVC Resin Suspension Grade from the Exporting Countries. Copy of the notice of initiation was sent on November 29, 2016 to the known exporters/producers of PVC Resin Suspension Grade from the Exporting Countries whose addresses were available with the Commission and also sent to known Pakistani importers and the Applicant.

13.1 In accordance with Section 28 of the Act, on November 29, 2016 the Commission sent copy of full text of the written application (non-confidential version) and Exporter’s Questionnaire to the exporters/producers of PVC Resin

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\(^1\) The official Gazette of Pakistan (Extraordinary) dated January 15, 2016.

Suspension Grade from the Exporting Countries. On November 30, 2016, copy of the full text of the written application along with Exporter’s Questionnaire was also sent to Embassies of the Exporting Countries in Pakistan with a request to forward it to all exporters/producers involved in production and/or sale/export of PVC Resin Suspension Grade from the Exporting Countries. The Importer’s Questionnaire was also sent to the importers PVC Resin Suspension Grade on November 29, 2016.

14. **Investigated Product, Domestic Like Product and Like Product**

14.1 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”.

14.2 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:

14.3 **Investigated Product**

14.3.1 The investigated product is Polyvinyl Chloride (“PVC Resin Suspension Grade”) imported from the Exporting Countries. The investigated product falls under Pakistan Customs Tariff (“PCT”) No. 3904.1090.

14.3.2 Investigated product is used for plastic/PVC pipes & fittings, garden house, shoes, cable, films & sheets, compounding, packing etc. Following is the duty structure of investigated product:
Table-I

Investigated Product and its Tariff

<table>
<thead>
<tr>
<th>PCT Heading</th>
<th>Description</th>
<th>Customs Duty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39.04</td>
<td>Polymers of Vinyl Chloride Or of other halogenated olefins, in primary forms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Poly(vinyl chloride), not mixed with any other substances</td>
<td>11</td>
</tr>
<tr>
<td>3904.1010</td>
<td>- - - Emulsion grade</td>
<td>11</td>
</tr>
<tr>
<td>3904.1090</td>
<td>- - - Other (suspension grade)</td>
<td>11</td>
</tr>
</tbody>
</table>

14.4 Domestic Like Product

14.4.1 As per information provided in the application the product under consideration is PVC Resin Suspension Grade (the “Domestic like Product”). The domestic like product falls under PCT Nos. 3904.1090.

14.4.2 The domestic like product is mainly used for PVC pipes & fittings, garden house, shoes, cable, films & sheets, compounding, packing etc.

14.5 Like Products

14.5.1 The Applicant has submitted that the investigated product and the domestic like product are same due to following reasons:

- Their physical properties, nature and quality are similar;
- Their production processes are comparable;
- The basic raw materials used in their production are identical;
- They are capable of serving the same or similar end-uses and their practical utility is identical;
- Their tariff classification is the same
- Consumer perceive and treat them as alternative and perfectly substitutable means of performing particular functions in order to satisfy a particular want or demand and hence both the products are like products as per Section 2(n) of the Act.

14.5.2 In light of the above, the Commission has determined that the investigated product and the domestic like product are like products in terms of Section 2(n) of the Act.
15. **Information / Data Gathering**

15.1 The Commission sent Exporter’s Questionnaire to the exporters/producers from the Exporting Countries whose addresses were available with the Commission on November 29, 2016 in order to collect the requisite data and information.

15.2 The exporters/producers from the Exporting countries were asked to respond within 37 days of dispatch of the Exporter’s Questionnaire. On November 29, 2016 the Exporter’s Questionnaire was also sent to the Embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/producers of the investigated product in the Exporting Countries.

15.3 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 purpose of this investigation the Commission has used import data obtained from PRAL in addition to the information provided by the Applicant and the exporters.

15.4 On November 29, 2016 questionnaires were also sent to Pakistani importers of the investigated product known to the Commission and these importers were asked to respond to the Commission within 37 days of the dispatch of the questionnaires. Seven Pakistani importers responded to the Commission and provide some information.

15.5 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. Thirteen other interested parties have made comments /submitted information which has also been taken into consideration while making this preliminary determination.

15.6 Thus the Commission has sought from all available sources, relevant data and information deemed necessary for the purposes of this preliminary determination. In terms of Rule 12 of the Rules, during the course of this investigation, the Commission satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

16. **Questionnaire(s) Response by the Exporters/ Producers from the Exporting Countries**

16.1 The Commission sent Exporter’s Questionnaire to exporters/ producers of PVC Resin Suspension Grade from the Exporting Countries on November 29, 2016 with a request to respond within 37 days. The Commission requested the known
exporters/producers of PVC Resin Suspension Grade to provide information on Exporter’s Questionnaire vide its letter dated November 29, 2016 asking them to provide the information within 37 days from the date of issue of the said letter. The last date for submission of response on Exporter’s Questionnaire was January 6, 2017.

16.2 The following six exporters/producers of PVC Resin Suspension Grade from the Exporting Countries requested for extension in time period for submission of information on the Exporter’s Questionnaire:

   i. Tianjin LG Bohai Chemical Co. Ltd., China;
   ii. Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China;
   iii. Inner Mongolia Wuhai Chemical Industry Co., Ltd., China;
   iv. Tianjin Dagu Chemical Co., Ltd, China;
   v. LG Corporation, Korea
   vi. SCG Plastics Co., Ltd, Thailand;

16.3 After considering the reasons given in their requests for extension in time period, the Commission acceded to their request and granted two weeks extension in time period for submission of information on the Exporter’s Questionnaire and asked them to submit the response to the Exporter’s Questionnaire by January 20, 2017.

16.4 The following exporters/producers of investigated product from the Exporting Countries have submitted their response to the Exporter’s Questionnaire within the given time period (except SCG Plastics Co., Ltd, Thailand as it provided only partial introductory information):

   i. Tianjin LG Bohai Chemical Co. Ltd., China;
   ii. Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China;
   iii. Inner Mongolia Wuhai Chemical Industry Co., Ltd., China;
   iv. Tianjin Dagu Chemical Co., Ltd, China;
   v. LG Corporation, Korea
   vi. SCG Plastics Co., Ltd, Thailand

16.5 The Commission, after expiry of the time period given for submission of information on Exporter’s Questionnaire informed the exporters/ producers (who did not respond to Questionnaire) from Exporting Countries through a letter dated January 11, 2017 that in case no information is provided in response to the Questionnaire, the Commission would be constrained to make its preliminary and final determination on the basis of ‘Best Information Available’ in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.
16.6 **Questionnaire Response of Tianjin LG Bohai Chemical Co., Ltd, China**

16.6.1 The Commission sent Exporter’s Questionnaire to Tianjin LG Bohai Chemical Co., Ltd (“LG Bohai”) on November 29, 2016. In response, LG Bohai in its letter dated December 28, 2016 requested for extension of time period for submission of response to questionnaire. The Commission granted extension for 14 days vide its letter dated January 03, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on January 23, 2017.

16.6.2 According to the information provided in response to the questionnaire, LG Bohai has been engaged in the manufacturing, sale and export of PVC Resin Suspension Grade to Pakistan as well as to other countries and in its domestic market during the POI.

16.6.3 The information submitted by LG Bohai 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 March 06, 2017.

16.6.4 LG Bohai was asked to provide the deficient information/data no later than 15 days of issuance of the deficiencies letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. In response, LG Bohai in its letter dated March 17, 2017 requested for extension in time period for submission of response to deficiency letter. The Commission granted extension for 07 days vide its letter dated March 17, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on March 28, 2017.

16.7 **Questionnaire Response of LG Corporation, Korea**

16.7.1 The Commission sent Exporter’s Questionnaire to LG Corp., Korea (“LG Corp.”) on November 29, 2016. In response, LG Corp. in its letter dated January 02, 2016 requested for extension in time period for submission of response to questionnaire. The Commission granted extensions of 14 days vide its letter dated January 03, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on January 23, 2017.

16.7.2 According to the information provided in response to the questionnaire, LG Corp. has been engaged in the manufacturing, sale and export of PVC Resin Suspension Grade to Pakistan as well as to other countries and in its domestic market during the POI.
16.7.3 The information submitted by LG Corp. 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 March 06, 2017.

16.7.4 LG Corp. was asked to provide the deficient information/data no later than 10 days of issuance of deficiencies letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. In response, LG Corp. in its letter dated March 14, 2016 requested for extension in time period for submission of response to deficiency letter. The Commission granted another extension of 07 days vide its letter dated March 15, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on March 24, 2017.

16.8 Questionnaire Response of Inner Mongolia Wuhai Chemical Industry Co. Ltd., China


16.8.2 According to the information provided in response to the questionnaire, Inner Mongolia Wuhai Chemical Industry Co. Ltd., China has been engaged in the manufacturing, sale and export of PVC Resin Suspension Grade to Pakistan as well as to other countries and in its domestic market during the POI.

16.8.3 The information submitted by Inner Mongolia Wuhai Chemical Industry Co. Ltd., China 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 March 06, 2017.

16.8.4 Inner Mongolia Wuhai Chemical Industry Co. Ltd., China was asked to provide the deficient information/data no later than 10 days of issuance of this letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Its response was received in the Commission on March 16, 2017.
16.9 **Questionnaire Response of Tianjin Dagu Chemical Co., Ltd, China**

16.9.1 The Commission sent Exporter’s Questionnaire to Tianjin Dagu Chemical Co., Ltd, China on November 29, 2016. In response, Tianjin Dagu Chemical Co., Ltd, China in its letter dated December 30, 2016 requested for extension in time period for submission of response to questionnaire. The Commission granted extension for 14 days vide its letter dated January 03, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on January 17, 2017.

16.9.2 According to the information provided in response to the questionnaire, Tianjin Dagu Chemical Co., Ltd, China has been engaged in the manufacturing, sale and export of PVC Resin Suspension Grade to Pakistan as well as to other countries and in its domestic market during the POI.

16.9.3 The information submitted by Tianjin Dagu Chemical Co., Ltd, China 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 March 06, 2017.

16.9.4 Tianjin Dagu Chemical Co., Ltd, China was asked to provide the deficient information/data no later than 10 days of issuance of this letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Its response was received in the Commission on March 29, 2017.

16.10 **Questionnaire Response of Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China**

16.10.1 The Commission sent Exporter’s Questionnaire to Xinjiang Tianye (Group) Foreign Trade Co. Ltd., China on November 29, 2016. In response, Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China in its letter dated December 30, 2016 requested for extension in time period for submission of response to questionnaire. The Commission granted extension for 14 days vide its letter dated January 03, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on January 20, 2017.

16.10.2 According to the information provided in response to the questionnaire, Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China has been engaged in the manufacturing, sale and export of PVC Resin Suspension Grade to Pakistan as well as to other countries and in its domestic market during the POI.

16.10.3 The information submitted by Xinjiang Tianye (Group) Foreign Trade Co.
Ltd, China 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 March 06, 2017.

16.10.4 Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China was asked to provide the deficient information/data no later than 10 days of issuance of this letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Its response was received in the Commission on March 16, 2017.

16.11 **Questionnaire Response by SCG Plastics Co., Ltd, Thailand**


16.11.2 According to the information provided in response to the questionnaire, SCG Plastics Co., Ltd, Thailand has been engaged in the manufacturing, sale and export of PVC Resin Suspension Grade to Pakistan as well as to other countries and in its domestic market during the POI.

16.11.3 The information submitted by SCG Plastics Co., Ltd, Thailand in response to the Exporter’s Questionnaire was analyzed and it was found that the response does not contain any information/data on domestic sales in Appendix D3, export sales in Appendix C3 and Appendix-I / Appendix-II as required by the Commission. Therefore, on April 22, 2017 SCG Plastics Co., Ltd has been informed that the Commission is constrained to make the preliminary determination in the subject investigation on the basis of “Best Information Available” in terms of Section 32 of the Act.

17. **Verification of the Information**

17.1 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 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 supplied by the interested parties to the extent possible for the purposes of this investigation.
17.2 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 April 19 to 21, 2017.

17.3 On-the-Spot Investigations at the premises of exporters / producers from the Exporting Countries, who provided information/data in response to the Exporter’s Questionnaire, will be conducted after the preliminary determination.

18. **Public File**

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

19. **Confidentiality**

19.1 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 parties to an investigation, upon good cause shown to be kept confidential.

19.2 The Applicant has 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, growth, investment, salaries & wages, number of employees and capacity. In addition to this, the Applicant and other interested parties also provided certain information on confidential basis, as its disclosure would cause adverse effect upon them.

19.3 Pursuant to requests made by the Applicant and other interested parties to treat certain information as confidential, 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.
19.4 However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in non-confidential file (public file).

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

Views / comments received from the interested parties during the investigation have been taken into consideration. Views/comments and the information submitted by the interested parties have been considered in making this preliminary determination. The views / comments of the interested parties and their names and Commission’s views are given in annotated form at Annex-I.

**B. DETERMINATION OF DUMPING**

21. **Dumping**

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

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

22. **Normal Value**

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

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

22.2 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 for profits.

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

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

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

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

“(b) in substantial quantities; and

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

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

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

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

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

23. **Export Price**

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

24. **Dumping Determination**

24.1 As stated earlier (paragraph 11 supra) the Applicant identified thirty one exporters/producers from the Exporting Countries involved in alleged dumping of the investigated product. The Commission sent questionnaires to thirty one
exporters/producers whose complete addresses were available with the Commission (paragraph 13.1 supra). A copy of the questionnaire was also provided to the embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/producers of the investigated product based in the Exporting Countries to submit information to the Commission.

24.2 The Commission received response of the questionnaire from following exporters/producers (paragraph 17.4 supra):

i. Tianjin LG Bohai Chemical Co. Ltd., China;
ii. LG Corporation, Korea;
iii. Inner Mongolia Wuhai Chemical Industry Co., Ltd., China;
iv. Tianjin Dagu Chemical Co., Ltd, China;

v. Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China
vi. SCG Plastics Co., Ltd, Thailand

24.3 SCG Plastics Co., Ltd, Thailand in its response to deficiency letter shows inability to provide information regarding export sales, domestic sales and cost of production of the investigated product. Therefore, on the basis of the incomplete information, the individual dumping margin of SCG Plastics Co., Ltd., Thailand cannot be determined.

24.4 In this investigation the Commission has determined individual dumping margins for the following exporters / producers who provided necessary information:

i. Tianjin LG Bohai Chemical Co. Ltd., China;
ii. LG Corporation, Korea;
iii. Inner Mongolia Wuhai Chemical Industry Co., Ltd., China;
iv. Tianjin Dagu Chemical Co., Ltd, China;

v. Xinjiang Tianye (Group) Foreign Trade Co. Ltd, China

24.5 Normal value, export price and individual dumping margins for the above-mentioned exporters/producers from the Exporting Countries have been determined in accordance with Part III, IV and V of the Act on the basis of the information provided by them.

25. **Determination of Export Price for Tianjin LG Bohai Chemical Co. Ltd., China**

25.1 Export price for Tianjin LG Bohai Chemical, China (LG Bohai Chemical) has been determined on the basis of the information provided by it on its export sales to Pakistan made during the POI.
25.2 According to the information, LG Bohai Chemical exported *** MT of PVC Resin Suspension Grade to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan having gross value of *** RMB during the POI. The gross export price works out to *** RMB /MT during the POI. It exports sales to Pakistan were directly to un-related customers during the POI.

25.3 LG Bohai Chemical exported investigated product at C&F basis. To arrive at the ex-factory level, LG Bohai Chemical has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost, packaging cost and bank charges. The Commission has accepted these adjustments and the export price at ex-factory level have been worked out by deducting values reported for these adjustments from the gross value of the sales transactions.

26. **Determination of Normal Value for Tianjin LG Bohai Chemical Co. Ltd., China**

26.1 Normal value for LG Bohai Chemical has been determined on the basis of the information provided by it on its cost to make and sale during the POI.

26.2 According to the information, LG Bohai Chemical sold PVC Resin Suspension Grade in its domestic market during the POI. LG Bohai Chemical sold ***MT in the domestic market during the POI. These sales were in sufficient quantities to determine Normal Value in terms of section 6(2) of the act, as these sales were more than 5% of the export sales of the investigated product exported to Pakistan.

26.3 Analysis of the information provided by LG Bohai Chemical revealed that all domestic sales of PVC Resin Suspension Grade were not in ordinary course of trade in terms of Section 7(2) of the Act, as 100 percent of domestic sales were below cost of production. For the purposes of determination of normal value the Commission has disregarded all domestic sales, which were not in ordinary course of trade in accordance with Section 7 of the Act. Therefore, normal value of LG Bohai during the POI was determined on the basis of its cost to make & sell provided in Appendix-II of the Questionnaire.

27. **Determination of Export Price for Xinjiang Tianye (Group) Foreign Trade Co., Ltd., China**

27.1 Export price for Xinjiang Tianye (Group) Foreign Trade Co., Ltd., (Xinjiang Tianye) has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.
27.2 According to the information, Xinjiang Tianye exported *** MT of PVC Resin Suspension Grade to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan having gross value of *** RMB during the POI. The gross export price works out to *** RMB /MT during the POI. It exports sales directly to Pakistani unrelated customers during POI.

27.3 Xinjiang Tianye exported investigated product at CIF basis. To arrive at the ex-factory level, Xinjiang Tianye has reported adjustments on account of inland freight, ocean freight, and insurance and bank charges. The Commission has accepted these adjustments and the export price at ex-factory level have been worked out by deducting values reported for these adjustments from the gross value of the sales transactions.

28. **Determination of Normal Value for Xinjiang Tianye (Group) Foreign Trade Co., Ltd., China**

28.1 Normal value for Xinjiang Tianye (Group) Foreign Trade Co., Ltd., has been determined on the basis of the information provided by it on its domestic sales made during the POI.

28.2 According to the information, Xinjiang Tianye sold PVC Resin Suspension Grade in its domestic market during the POI. Xinjiang Tianye sold *** MT in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI.

28.3 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value, which are normally determined by comparing gross price with the cost to make and sell. For this purpose the Xinjiang Tianye has provided cost to make and sell of PVC Resin Suspension Grade produced and sold by it during the POI. Analysis of the information provided by Xinjiang Tianye revealed that its cost to make and sell was much lower than the cost to make and sell of a Chinese exporter / producer of PVC Resin Suspension Grade i.e. LG Bohai Chemical. Therefore, for the purposes of this preliminary determination the Commission has used the cost to make and sell of LG Bohai Chemical to determine whether Xinjiang Tianye sales in domestic market during the POI were in ordinary course of trade. The comparison of per MT gross sales price with per MT cost to make and sell showed that all domestic sales of PVC Resin Suspension Grade of Xinjiang Tianye during the POI were not in ordinary course of trade in terms of Section 7(2) of
the Act. The normal value for Xinjiang Tianye was determined for this preliminary determination on the basis of per MT cost to make and sell of LG Bohai Chemical.

29. **Determination of Export Price for Inner Mongolia Wuhai Chemical Industry Co., Ltd., China**

29.1 Export price for Inner Mongolia Wuhai Chemical Industry Co., Ltd. (Wuhai Chemical) has been determined on the basis of the information provided on its export sales to Pakistan made during the POI.

29.2 According to the information, Wuhai Chemical exported ***MT of PVC Suspension Grade to all export markets including Pakistan. It exported *** MT of PVC Suspension Grade to Pakistan having gross value of RMB *** during the period from March to May 2016 of the POI. The gross export price on CIF basis works out to RMB ***/MT. It export sales were directly to unrelated Pakistani customers during the POI.

29.3 Wuhai Chemical exported investigated product at CIF basis. To arrive at the ex-factory level, Wuhai Chemical has reported adjustments on account of credit cost, inland freight, ocean freight, handling cost, and bank charges.

30. **Determination of Normal Value for Inner Mongolia Wuhai Chemical Industry Co., Ltd.**

30.1 Normal value for Wuhai Chemical has been determined on the basis of the information provided by it on its do sales made during the POI.

30.2 According to the information, Wuhai Chemical sold PVC Resin Suspension Grade in its domestic market during the POI. Wuhai Chemical sold ***MT PVC Resin Suspension Grade in the domestic market having gross value of RMB *** during the POI. The gross domestic sales price works out to *** RMB/MT.

30.3 The domestic sales during the comparable period of time i.e. from March to May 2016 were ***MT having gross value of *** RMB. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI.

28.4 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value, which are normally determined by comparing gross price with the cost to make and sell. For this purpose the Wuhai Chemical has provided cost to make and sell of PVC Resin Suspension Grade produced and sold by it during the POI. Analysis of the information provided by
Wuhai Chemical revealed that its cost to make and sell was much lower than the cost to make and sell of a Chinese exporter / producer of PVC Resin Suspension Grade i.e. LG Bohai Chemical. Therefore, for the purposes of this preliminary determination the Commission has used the cost to make and sell of LG Bohai Chemical to determine whether Wuhai Chemical sales in domestic market during the POI were in ordinary course of trade. The comparison of per MT gross sales price with per MT cost to make and sell showed that all domestic sales of PVC Resin Suspension Grade of Wuhai Chemical during the POI were not in ordinary course of trade in terms of Section 7(2) of the Act. The normal value for Wuhai Chemical was determined for this preliminary determination on the basis of per MT cost to make and sell of LG Bohai Chemical.

31. **Determination of Export Price for Tianjin Dagu Chemical Co., Ltd, China**

31.1 Export price for Tianjin Dagu Chemical Co., Ltd. (Tianjin Dagu) has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

31.2 According to the information, Tianjin Dagu exported ***MT of PVC Resin Suspension Grade to all export markets including Pakistan and exported *** MT of the investigated product to Pakistan having gross value of RMB *** during the POI. The gross export price works out to RMB ***/MT. Its export sales to Pakistan, during POI, were directly to unrelated customers in Pakistan.

31.3 Tianjin Dagu exported investigated product at C&F basis. To arrive at the ex-factory level, Tianjin Dagu has reported adjustments on account of credit cost, commission, inland freight, ocean freight, local freight, handling cost, bank charges and packing cost. The Commission has accepted these adjustments and the export price at ex-factory level has been worked out by deducting values reported for the adjustments from the gross value of the sales transactions.

32. **Determination of Normal Value for Tianjin Dagu Chemical Co., Ltd., China**

32.1 Normal value for has been determined on the basis of the information provided by it on its domestic sales made during the POI.

32.2 According to the information, Tianjin Dagu sold all grades of PVC in its domestic market including the grades, which were alike to the types of the investigated product exported to Pakistan during the POI. Tianjin Dagu total sales in the domestic market were ***MT during the POI. The sales in domestic market of the comparable types of PVC Resin comparable to the types of investigated product exported to Pakistan were ***MT during the POI. Out of comparable sales 95 percent
sales were below cost, over extended period of time and its prices did not provide recovery of all costs within a reasonable period of time in accordance with Section 7 of the Act.

32.3 Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value, which are normally determined by comparing gross price with the cost to make and sell. For this purpose the Tianjin Dagu has provided cost to make and sell of PVC Resin Suspension Grade produced and sold by it during the POI. Analysis of the information provided by Tianjin Dagu revealed that its cost to make and sell was much lower than the cost to make and sell of a Chinese exporter / producer of PVC Resin Suspension Grade i.e. LG Bohai Chemical. Therefore, for the purposes of this preliminary determination the Commission has used the cost to make and sell of LG Bohai Chemical to determine whether Tianjin Dagu sales in domestic market during the POI were in ordinary course of trade. The comparison of per MT gross sales price with per MT cost to make and sell showed that all domestic sales of PVC Resin Suspension Grade of Tianjin Dagu during the POI were not in ordinary course of trade in terms of Section 7(2) of the Act. The normal value for Tianjin Dagu was determined for this preliminary determination on the basis of per MT cost to make and sell of LG Bohai Chemical.

33. **Determination of Export Price for LG Corporation, Korea**

33.1 Export price for LG Corp., Korea has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

33.2 According to the information, LG Corp. exported ***MT of PVC Resin Suspension Grade to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan having gross value of *** KRW during the POI. The gross export price works out to *** KRW/MT during the POI. It export sales were directly to Pakistani unrelated- customers during POI.

33.3 LG Corp. exported investigated product at CIF basis. To arrive at the ex-factory level, LG Corp. has reported adjustments on account of credit cost, inland freight, ocean freight, handling cost and packing cost. The Commission has accepted these adjustments and the export price at ex-factory level have been worked out by deducting values reported for these adjustments from the gross value of the sales transactions.

34. **Determination of Normal Value for LG Corporation, Korea**

34.1 Normal value for LG Corp. has been determined on the basis of the information
34.2 According to the information, LG Corp. sold PVC Resin Suspension Grade in its domestic market during the POI. LG Corp. sold *** MT in the domestic market having gross value of KRW *** during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI.

34.3 Analysis of the information provided by LG Corp. revealed that some sales of which were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales which were not in ordinary course of trade were 6.94 percent of sales of PVC Resin Suspension Grade. For the purposes of determination of normal value the Commission has considered the sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

34.4 To arrive at the ex-factory level from delivered price, LG Corp. has reported adjustments on account of credit cost and freight. The Commission has accepted these adjustments and the normal value at ex-factory level have been worked out by deducting values reported for this adjustment from the gross value of sales transactions.

34.5 For all other exporters / producers from Korea the dumping margin has been determined on the basis of Best Information Available in terms of Section 32 of the Act. For all other exporters / producers from Korea, the dumping margin has been determined on the basis of all domestic sales of LG Corporation and PRAL data.

35. **Determination of Export Price for the exporters/producers of PVC Resin Suspension Grade from Chinese Taipei and Thailand**

35.1 As no exporter/ producer of the investigated product from Chinese Taipei and Thailand has provided information on its exports of the investigated product, therefore, export price has been determined on the basis of Best Information Available with the Commission. For this purpose information obtained from PRAL on imports of the investigated product from Chinese Taipei and Thailand during the POI is used.

35.2 The information obtained from PRAL is at C&F level. To reach at ex-factory level C&F export price is adjusted on account of ocean freight, inland freight, insurance, bank charges and handling cost. In support of ocean freight, the Applicant has submitted a quotation obtained from a freight forwarding agency i.e. Pak Asia Cargo Services Private Limited, Lahore. Inland freight is assumed to be US$ 10 per MT
and insurance cost is assumed to be 0.90 percent of C&F price.

35.3 Weighted average export price of the investigated product imported from Chinese Taipei and Thailand during the POI is given in the following table:

<table>
<thead>
<tr>
<th>Exporting Countries</th>
<th>Weighted average C&amp;F export price</th>
<th>Adjustments (Ocean Freight)</th>
<th>Internal Freight, &amp; Insurance</th>
<th>Bank Charges</th>
<th>Handling Cost</th>
<th>Ex-factory export price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan</td>
<td>100</td>
<td>3.59</td>
<td>1</td>
<td>0.41</td>
<td>1.68</td>
<td>93.32</td>
</tr>
<tr>
<td>Thailand</td>
<td>100</td>
<td>3.16</td>
<td>1</td>
<td>0.48</td>
<td>1.67</td>
<td>94.69</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of weighted average C&F export price from Dumped sources in the year 2015-2016 by taking it equal to 100.
Source PRAL

35.4 The Commission has constructed normal value on the basis of the cost of production in the two Exporting Countries (Chinese Taipei and Thailand) plus a reasonable amount for administrative, selling and general costs and profits in accordance with Section 6 of the Act. The construction of normal value is based on the following:

i. As the technology/production process used by the exporters of Chinese Taipei and Thailand to produce PVC Suspension Grade is the same/similar to the technology/production process used by the Applicant, therefore, the cost of imported raw materials/inputs of the Applicant is taken as raw materials cost. For locally purchased raw and packing materials, actual costs of the Applicant have been taken back to the C&F level by deducting the import taxes/charges and incidentals from the landed cost/purchase price.

ii. C&F prices of raw materials/inputs arrived at as per explanation at serial (i) above are multiplied with the per unit consumption of the raw materials to arrive at raw material cost per unit. Consumption of raw material per unit is based on the yearly average of the Applicant.
iii. Labor hours employed by the domestic industry to produce one MT of PVC Suspension Grade have been multiplied by labor rate applicable in Chinese Taipei and Thailand (Source: Trading Economics) arrive at cost of salaries and wages for construction of normal value from Chinese Taipei and Thailand.

iv. Per unit consumption of other overheads (electricity, fuel/gas etc.) of the Applicant is multiplied with electricity/fuel/gas rates prevailing in Chinese Taipei and Thailand (Source: Trading Economics, Global Petrol Prices) to arrive at overheads cost in construction of normal value.

v. Selling and admin expenses of the Applicant are taken for construction of normal value.

vi. In construction of the normal value, financial charges are calculated by using actual financial charges of the Applicant and the same has been deflated by difference between interest rate of Chinese Taipei and Thailand (Source: Global-Rates) and Pakistan.

vii. The Applicant has considered 5 percent profit margin as reasonable profit for this industry. Therefore, profit mark up of 5 percent has been applied on cost to make & sell to reach at constructed normal value for the investigated product.

35.5 The constructed normal value for the investigated product on the above mentioned basis works out in the following table:

<table>
<thead>
<tr>
<th>Exporting Country</th>
<th>Normal Value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese Taipei</td>
<td>102.14</td>
</tr>
<tr>
<td>Thailand</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of Normal Value from Dumped source, Thailand in the year 2015-2016 by taking it equal to 100.

Source: Applicant
36. **Dumping Margin**

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

36.2 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 calculated dumping margin by comparing weighted average normal value with weighted average export price at ex-factory level.

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

36.4 The Commission has investigated exporters/producers from China and Korea mentioned at paragraph 17.4 supra who cooperated and responded to the Commission’s questionnaire. Individual dumping margins for the exporters/producers mentioned at paragraph 38.6 infra have been determined and the antidumping duty rate for those exporters/producers is determined on the basis of individual dumping margins calculated for each exporter/producer. Residual dumping margins/duty rates for non-cooperating exporters/producers from China and Korea have been determined as the highest dumping margin of the exporter/producer from China and Korea.

36.5 The Commission has determined dumping margin for the exporters/producers from Thailand and Chinese Taipei on the basis of Best Information Available’ in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.

36.6 Taking into account all the requirements set out above, the dumping margins have been determined as follows. Calculations of dumping margin are placed at Annexure –I to V:
Table-IV  
Dumping Margins

<table>
<thead>
<tr>
<th>Exporters / Producers</th>
<th>Dumping Margin as % of Export Price</th>
<th>Dumping Margin as % of C&amp;F Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Tianjin LG Bohai Chemical Co. Ltd;</td>
<td>35.64</td>
<td>31.98</td>
</tr>
<tr>
<td>• Inner Mongolia Wuhai Chemical Industry Co., Ltd;</td>
<td>37.47</td>
<td>32.76</td>
</tr>
<tr>
<td>• Tianjin Dagu Chemical Co., Ltd;</td>
<td>37.43</td>
<td>35.11</td>
</tr>
<tr>
<td>• Xinjiang Tianye (Group) Foreign Trade Co. Ltd.;</td>
<td>42.14</td>
<td>37.43</td>
</tr>
<tr>
<td>• All other Exporters</td>
<td>42.14</td>
<td>37.43</td>
</tr>
<tr>
<td>South Korea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• LG Chem Ltd.,</td>
<td>11.91</td>
<td>11.18</td>
</tr>
<tr>
<td>• All other exporters</td>
<td>11.91</td>
<td>11.18</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>45.44</td>
<td>42.41</td>
</tr>
<tr>
<td>Thailand</td>
<td>38.98</td>
<td>36.52</td>
</tr>
</tbody>
</table>

37.  **De minimis Dumping Margins and Negligible Volume of Dumped Imports**

37.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Preliminary determined dumping margins, set out in paragraph 38.6 supra, are above the *de minimis* level except Inner Mongolia Wuhai Chemical Industry Co., Limited, China and Xinjiang Tianye (Group) Foreign Trade Co. Limited, China.

37.2 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 unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product collectively account for more than seven percent of the imports of like product. The information/data on dumped imports of the investigated product and other imports of PVC Resin Suspension Grade has been obtained from PRAL. Volume of dumped imports of the investigated product and the PVC Resin Suspension Grade imported from other sources during the POI (July 1, 2015 to June 30, 2016) is given in the table below:
Preliminary Determination and Imposition of Provisional Anti-Dumping Duties on Dumped Imports of PVC Resin into Pakistan Exported from China, Chinese Taipei, South Korea, and Thailand

Table-V
Volume of Imports of PVC Resin Suspension Grade during the POI

<table>
<thead>
<tr>
<th>Country Name</th>
<th>Imports (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>45.78</td>
</tr>
<tr>
<td>South Korea</td>
<td>5.78</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>8.06</td>
</tr>
<tr>
<td>Thailand</td>
<td>9.34</td>
</tr>
<tr>
<td>Other Sources</td>
<td>31.03</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of total imports from Dumped sources in the year 2015-2016 by taking it equal to 100.
Source: PRAL.

37.3 On the basis of above information, the Commission has determined that the volume of dumped imports of the investigated product from the Exporting Countries during the POI was well above the negligible threshold set-out in Section 41(3) of the Act.

C. INJURY TO DOMESTIC INDUSTRY

38. Determination of Injury
38.1 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…”

38.2 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”.

38.3 The Commission has taken into account all factors in order to determine whether domestic industry suffered material injury during the POI. Material injury to the domestic industry has been analyzed in the following paragraphs in
Preliminary Determination and Imposition of Provisional Anti-Dumping Duties on Dumped Imports of PVC Resin into Pakistan Exported from China, Chinese Taipei, South Korea, and Thailand

accordance with Part VI of the Act.

39. **Cumulation of Dumped Imports**

39.1 Section 16 of the Act states that:

“where imports of a like product from more than one country are the subject of simultaneous investigation under this Ordinance, the Commission may cumulatively assess the effects of such imports on the domestic industry only if it determines that

“(a) dumping margin in relation to an investigated product from each country is more than the negligible amount as specified…., and volume of dumped imports from each investigated country is not less than the negligible quantity as specified……; and

“(b) a cumulative assessment of the effects of the imports is appropriate in the light of:

(i) the conditions of competition between the imports; and

(ii) the conditions of competition between the imports and a domestic like product”.

38.2 There is a competition between investigated product and the domestic like product in terms of price, market share, and sales etc. Conditions of competition between imports of the investigated product and the domestic like product are discussed in detail in paragraphs below.

38.3 Volume of dumped imports of PVC Resin Suspension Grade during the POI from the Exporting Countries was above the negligible quantity (paragraph 39.3 supra). Furthermore, dumping margin for each country was also more than the deminmis level.

38.4 Weighted average export price charged by the exporters from the Exporting Countries during the POI for dumping is given below which shows that there was a price competition between imports of the investigated product:

<table>
<thead>
<tr>
<th>Exporting Country</th>
<th>Weighted Average C&amp;F Export Price (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>100</td>
</tr>
<tr>
<td>Korea</td>
<td>96.13</td>
</tr>
<tr>
<td>Thailand</td>
<td>104.92</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>102.79</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of weighted average C&F export price (of China) from Dumped sources in the year 2015-2016 by taking it equal to 100

Source: PRAL
38.5 There is a competition between investigated product and the domestic like product in terms of price is given in the following table:

**Table-VII**

**Prices of Domestic Like Product and Investigated Product**

<table>
<thead>
<tr>
<th>Year*</th>
<th>Weighted average ex-factory price of domestic like product (%)</th>
<th>Weighted average landed cost of investigated product (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>102.3</td>
<td>100</td>
</tr>
<tr>
<td>2014-15</td>
<td>86.32</td>
<td>86.39</td>
</tr>
<tr>
<td>2015-16</td>
<td>83</td>
<td>77.98</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of weighted average landed cost of investigated product of the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL  *July-June

38.6 For the reasons given above, the Commission has cumulatively assessed the effects of dumped imports from the Exporting Countries on the domestic industry in following paragraphs:-

39. **Domestic Industry**

39.1 For the purposes of this preliminary determination, the Commission has determined that domestic industry manufacturing domestic like product consists of only one unit i.e. M/s. Engro Polymer & Chemicals Ltd.

39.2 The Applicant produced 100 percent of total domestic production of the domestic like product during the POI for dumping. The Commission’s investigation also revealed that neither the Applicant was itself importer of the investigated product, nor was related to any exporter, involved in dumping of the investigated product into Pakistan.

39.3 Analysis of injury factors carried out in this determination 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 increase in the volume of dumped imports of the investigated product, the Commission 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:

40.3 To assess volume of dumped imports of the investigated product from the Exporting Countries in accordance with section 15(2) of the Act, the imports figures are given in the following table:

<table>
<thead>
<tr>
<th>Year*</th>
<th>Dumped Imports (%)</th>
<th>% age increase / (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
<td>--</td>
</tr>
<tr>
<td>2014-15</td>
<td>146.16</td>
<td>46.16</td>
</tr>
<tr>
<td>2015-16</td>
<td>330.26</td>
<td>125.96</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of dumped imports from Dumped sources in the year 2013-2014 by taking it equal to 100

Source: PRAL  * July-June

Analysis

40.4 The above table shows that the dumped imports of the investigated product from the Exporting Countries increased from 100 percent in 2013-14 to 146.16 percent in 2014-15 which further increased to 330.26 percent in 2015-16. The dumped imports of the investigated product, increased by 125.96 percent in 2015-16 as compared to 2014-15.

40.5 On the basis of the above information and analysis it appears that the volume of 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 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 Information/data submitted by the Applicant on weighted average ex-factory price of the domestic like product and weighted average landed cost of the investigated product during the POI is given in the following table:

<table>
<thead>
<tr>
<th>Year*</th>
<th>Weighted average ex-factory price of domestic like product</th>
<th>Weighted average landed cost of dumped imports</th>
<th>Price undercutting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Absolute</td>
</tr>
<tr>
<td>2013-14</td>
<td>100</td>
<td>97</td>
<td>3</td>
</tr>
<tr>
<td>2014-15</td>
<td>83.83</td>
<td>84</td>
<td>--</td>
</tr>
<tr>
<td>2015-16</td>
<td>80.59</td>
<td>76</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of weighted average ex-factory price of domestic like product in the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL *July-June

**Analysis**

41.2.3 The above table shows that the dumped imports of the investigated product undercut the prices of the domestic like product throughout the POI. The domestic industry faced price undercutting from 2.88 percent to 6.02 during the POI.

41.3  **Price Depression**

**Facts**

41.3.1 Information submitted by the Applicant on its prices of the domestic like product is given in the following table:
Preliminary Determination and Imposition of Provisional Anti-Dumping Duties on Dumped Imports of PVC Resin into Pakistan Exported from China, Chinese Taipei, South Korea, and Thailand

Table-X
Price Depression

<table>
<thead>
<tr>
<th>Year*</th>
<th>Average Ex-Factory Price of Domestic Product (%)</th>
<th>Price Depression (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>2014-15</td>
<td>83.84</td>
<td>16.16</td>
</tr>
<tr>
<td>2015-16</td>
<td>80.59</td>
<td>3.87</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of average ex-factory price of domestic like product in the year 2013-2014 by taking it equal to 100.
Source: Applicant *July-June

Analysis
41.3.2 The above table shows that the price of domestic like product decreased from 100 in 2013-14 to 83.84 in 2014-15 which further decreased to 80.59 in 2015-16.

41.4 Price Suppression

Facts
41.4.1 Information/data submitted by the Applicant on weighted average cost of goods sold and ex-factory price of the domestic like product during the POI is given in the following table:

Table-XI
Price Suppression (Rs./MT)

<table>
<thead>
<tr>
<th>Year*</th>
<th>Weighted Avg. ex-factory price</th>
<th>Weighted Avg. Cost to make &amp; sell</th>
<th>Price Suppression Increase/ (decrease) in price</th>
<th>Increase/ (decrease) in cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
<td>103.09</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2014-15</td>
<td>83.84</td>
<td>95.65</td>
<td>(16.16)</td>
<td>(7.45)</td>
</tr>
<tr>
<td>2015-16</td>
<td>80.59</td>
<td>86.59</td>
<td>(3.25)</td>
<td>(9.06)</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of weighted average ex-factory price of domestic like product in the year 2013-2014 by taking it equal to 100.
Source: Applicant *July-June

Analysis
41.4.2 The analysis of the above table shows that the price of the domestic like product decreased by 16.16 percent whereas, the cost of the domestic like product also decreased by 7.45 percent in 2014-15. In 2015-16 the price of the domestic like product further decreased by 3.25 percent against the decrease in the cost to make and sell decreased by 9.06 percent.
42. **Market Share**

**Facts**

42.1 Total domestic demand of PVC Suspension Grade 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 alleged dumped sources and imports of PVC Suspension Grade from other sources. Following table shows the market share from each source during the POI:

<table>
<thead>
<tr>
<th>Year*</th>
<th>Share of Domestic industry Imports</th>
<th>Share of Dumped Imports</th>
<th>Share of Other Imports</th>
<th>Total Domestic Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>90.42</td>
<td>7.94</td>
<td>1.64</td>
<td>100</td>
</tr>
<tr>
<td>2014-15</td>
<td>96.21</td>
<td>11.69</td>
<td>1.58</td>
<td>109.40</td>
</tr>
<tr>
<td>2015-16</td>
<td>104.98</td>
<td>26.23</td>
<td>11.80</td>
<td>143.01</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of total domestic market in the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL

*July-June

**Analysis**

42.2 It is evident from the above table that the share of dumped imports in the domestic market increased from 7.94 in 2013-14 to 11.69 in 2014-15, which further increased to 26.23 in 2015-16. The dumped imports increased by 125.95% in 2015-16 as compare to 2014-15. Whereas, at the same time the share of domestic industry increased from 90.42 in 2013-14 to 96.21 in 2014-15, which further increased to 104.98 (an increase of 9.12% over the previous year) in 2015-16 when the total domestic market also increased by 30.72 percent over the previous year. The share of other imports other than dumped imports also increased from 1.64 in 2013-14 to 11.80 in 2015-16.

43. **Effects on Sales**

**Facts**

43.1 Total sales of the domestic like product of the Applicant during the POI are given in the following table:
Table-XIII

<table>
<thead>
<tr>
<th>Sales Quantity of PVC Resin Year*</th>
<th>Domestic Sales</th>
<th>Export Sales</th>
<th>Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>94.07</td>
<td>5.93</td>
<td>100</td>
</tr>
<tr>
<td>2014-15</td>
<td>100.09</td>
<td>19.52</td>
<td>119.62</td>
</tr>
<tr>
<td>2015-16</td>
<td>109.22</td>
<td>4.74</td>
<td>113.97</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect to total sales of the applicant in the year 2013-2014 by taking it equal to 100.
Source: Applicant *July-June

Analysis
43.2 The above table shows that the domestic sales of the domestic industry increased through-out the POI i.e. from 94.07 percent in 2013-14 to 100.09 percent in 2014-15 which further increased to 109.22 percent in 2015-16. The production capacity of the domestic industry also increased from *** MT per annum during 2013-14, which was increased to *** MT per annum during 2014 -15 and further increased to *** MT per annum in July 2015-16.

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, as provided by the Applicant were as follows:

Table-XIV

<table>
<thead>
<tr>
<th>Year*</th>
<th>Installed capacity</th>
<th>Production</th>
<th>Capacity Utilization %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
<td>90.23</td>
<td>90.23</td>
</tr>
<tr>
<td>2014-15</td>
<td>106</td>
<td>103.2</td>
<td>97.35</td>
</tr>
<tr>
<td>2015-16</td>
<td>111.25</td>
<td>103.6</td>
<td>93.12</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect to installed capacity of the year 2013-2014 by taking it equal to 100.
Source: Applicant and PRAL *July-June

Analysis
44.2 It may be noted from the above table that the installed capacity of the Applicant increased from *** MT in 2013-14 to *** MT in 2015-16. Whereas, the production of the
domestic like product increased from 92.55 percent in 2013-14 to 94.60 percent in 2014-15, which further increased to 93.12 percent in 2015-16. Capacity utilization of the domestic industry increased from 92.55 percent in 2013-14 to 94.60 percent in 2014-15 and then decreased to 93.12 percent in 2015-16.

45. Effects on Inventories

Facts

45.1 The data provided by the Applicant on the position of its inventories is as follows:

<table>
<thead>
<tr>
<th>Year*</th>
<th>Opening Inventory</th>
<th>Production</th>
<th>Domestic Sales</th>
<th>Export Sales</th>
<th>Closing Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
<td>3112.8</td>
<td>2873.61</td>
<td>181.07</td>
<td>158.13</td>
</tr>
<tr>
<td>2014-15</td>
<td>158</td>
<td>3559.25</td>
<td>3057.57</td>
<td>596.42</td>
<td>63.39</td>
</tr>
<tr>
<td>2015-16</td>
<td>63.39</td>
<td>3573.80</td>
<td>3336.42</td>
<td>144.89</td>
<td>155.91</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of opening inventory in the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL

45.2 The closing inventory of the domestic like product decreased from 158.13 percent in 2013-14 to 63.39 percent which increased to 155.91 percent in 2015-16. The rise of closing inventory in 2015-16 is mainly due to the decrease in export sales from 596.42 percent in 2014-15 to 144.89 percent in 2015-16.

46. Effects on Profit and Loss

Facts

46.1 Information of Applicant’s on its profit/loss during the POI is given in the following table:

<table>
<thead>
<tr>
<th>Year*</th>
<th>Total Profit /(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>(100)</td>
</tr>
<tr>
<td>2014-15</td>
<td>(456.63)</td>
</tr>
<tr>
<td>2015-16</td>
<td>(216.67)</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of Profit/(Loss) of the applicant in the year 2013-2014 by taking it equal to 100.
Analysis
46.2 The above table shows that the Applicant remained in losses throughout the POI. The domestic industry faced loss of 456.63 percent in 2014-15 which further decreased to 216.67 percent in 2015-16 in the POI for dumping.

47. Employment, Productivity and Salaries & Wages

Facts
47.1 The data submitted by the Applicant on its employment, salaries & wages and productivity during the POI is given in following table:

<table>
<thead>
<tr>
<th>Year*</th>
<th>No. of Employees</th>
<th>Productivity per worker</th>
<th>Salaries &amp; wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
<td>106.52</td>
<td>1,346.47</td>
</tr>
<tr>
<td>2014-15</td>
<td>100</td>
<td>122.01</td>
<td>1,133.42</td>
</tr>
<tr>
<td>2015-16</td>
<td>96.74</td>
<td>126.63</td>
<td>1,349.46</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of Number of employees of applicant in the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL *July-June

Analysis
47.2 The above table shows that the employment in the domestic industry decreased to 96.74 percent in 2015-16. Productivity per worker increased from 106.52 percent in 2013-14 to 126.63 percent in 2015-16. Salaries & wages per MT decreased from 1,346.47 percent in 2013-14 to 1,133.42 percent in 2014-15 which increased to 1,349.46 percent in 2015-16.

48. Return on Investment

Facts
48.1 As per the Applicant, return on investment realized by the domestic industry during the POI is given in following table:
48. The above table shows that the return on investment of the domestic industry decreased from 8.24 percent in 2013-14 to -5.48 percent in 2014-15 which improved to 3.24 percent in 2015-16.

49. Effects on Cash Flow

Facts
49.1 Information submitted by the Applicant on its cash flow is given below:

<table>
<thead>
<tr>
<th>Year*</th>
<th>Cash Flow from Operating Activities (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>100</td>
</tr>
<tr>
<td>2014-15</td>
<td>(34)</td>
</tr>
<tr>
<td>2015-16</td>
<td>25.65</td>
</tr>
</tbody>
</table>

Analysis
49.2 It can be seen from the above table that the cash flow of the domestic industry has reduced to 34.33 percent in 2014-15 which turned into positive cash flow of 25.65 percent in 2015-16.
sources are saddled with the excess capacities, current investment of the domestic industry will be in danger because of the continuous negative margins.

51. **Ability to Raise Capital**

The domestic industry suffered material injury on account of its ability to raise investment due to continued huge losses during the second and third year of POI and if this trend continues, domestic industry may lose the confidence of the investors and it would not be able to raise capital from the open market.

52. **Magnitude of Dumping Margin**

52.1 Following table depicts the magnitude of dumping margins from dumped sources:

<table>
<thead>
<tr>
<th>Exporters / Producers</th>
<th>Dumping Margin as % of Export Price</th>
<th>Dumping Margin as % of C&amp; F Price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>China</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Tianjin LG Bohai Chemical Co. Ltd;</td>
<td>35.64</td>
<td>31.98</td>
</tr>
<tr>
<td>• Inner Mongolia Wuhai Chemical Industry Co., Ltd;</td>
<td>37.47</td>
<td>32.76</td>
</tr>
<tr>
<td>• Tianjin Dagu Chemical Co., Ltd;</td>
<td>37.43</td>
<td>35.11</td>
</tr>
<tr>
<td>• Xinjiang Tianye (Group) Foreign Trade Co. Ltd.;</td>
<td>42.14</td>
<td>37.43</td>
</tr>
<tr>
<td>• All Exporters</td>
<td>42.14</td>
<td>37.43</td>
</tr>
<tr>
<td><strong>South Korea</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• LG Chem Ltd.,</td>
<td>11.91</td>
<td>11.18</td>
</tr>
<tr>
<td>• All exporters</td>
<td>11.91</td>
<td>11.18</td>
</tr>
<tr>
<td><strong>Chinese Taipei</strong></td>
<td>45.44</td>
<td>42.41</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>38.98</td>
<td>36.52</td>
</tr>
</tbody>
</table>

52.2 Dumping margins for all the dumped sources are well above the *de-minimis* level of less than 2 percent. These dumping margins ranging from 11.91 percent to 45.44 percent coupled with increase in volume of dumped imports demonstrates the level of material injury.

53. **Summing up of Material Injury**

53.1 Facts and analysis in the preceding paragraphs shows that the domestic industry has suffered material injury due to dumped imports of the investigated product during POI on account of significant increase in the volume of dumped imports of the investigated product in absolute terms during the POI.
53.2 The prices of the investigated product undercut the prices of domestic like product during the POI. The domestic industry suffered material injury on account of price depression during the POI. The domestic industry also suffered material injury on account of decline in market share and capacity utilization, due to dumped imports of the investigated product during the POI. There was a negative effect on the profits, and growth of the domestic industry and the ability of domestic industry to raise capital from capital market also suffered. Therefore, it is concluded that the domestic industry suffered material injury due to dumped imports of investigated product during the POI.

D. CAUSATION

54. Other Factors

54.1 In accordance with Section 18(2) of the Act, the Commission also examined factors, other than dumped imports of the investigated product, which could at the same time causing material injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.

54.2 The investigation of the Commission revealed that the domestic industry did not suffer material injury due to imports of Polyvinyl Chloride Suspension Grade from sources other than dumped source during the POI. Following table shows the volume and prices of imports from other than dumped source:

Table-XXI

<table>
<thead>
<tr>
<th>Year*</th>
<th>Volume of imports from other than dumped source (MT)</th>
<th>Weighted Average landed cost of PVC Suspension Grade from other than dumped source</th>
<th>Weighted Average price of domestic like product</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>1.89</td>
<td>78</td>
<td>100</td>
</tr>
<tr>
<td>2014-15</td>
<td>1.84</td>
<td>69</td>
<td>84</td>
</tr>
<tr>
<td>2015-16</td>
<td>13.66</td>
<td>61</td>
<td>80.6</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of weighted average price of domestic like product in the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL.*July-June

54.3 The above table shows that the volume of imports from sources other than dumped source has decreased from 1.88 percent in 2013-14 to 1.82 percent in 2014-15 and increased to 13.53 percent in 2015-16 whereas, the weighted average landed cost of PVC Resin Suspension Grade from sources other than dumped source was lower than the weighted average price of domestic like product during the POI.
54.4 In terms of Section 18(3) of the Act, the Commission analyzed that whether there is contraction in demand of PVC Resin Suspension Grade or there are changes in the patterns of consumption of PVC Resin Suspension Grade in Pakistan. Following table shows the total domestic market of PVC Resin Suspension Grade in Pakistan:

**Table-XXII**

**Total Domestic Market of Polyvinyl Chloride Suspension Grade**

<table>
<thead>
<tr>
<th>Year*</th>
<th>Share of Domestic industry</th>
<th>Share of Dumped Imports</th>
<th>Share of Other Imports</th>
<th>Total Domestic Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>90.42</td>
<td>7.94</td>
<td>1.64</td>
<td>100</td>
</tr>
<tr>
<td>2014-15</td>
<td>96.21</td>
<td>11.61</td>
<td>1.58</td>
<td>109.40</td>
</tr>
<tr>
<td>2015-16</td>
<td>104.98</td>
<td>26.23</td>
<td>11.80</td>
<td>143.01</td>
</tr>
</tbody>
</table>

Note: To maintain confidentiality actual figures have been indexed with respect of domestic market in the year 2013-2014 by taking it equal to 100.

Source: Applicant and PRAL

*July-June

54.5 The above table shows that there is no contraction in demand of PVC Resin Suspension Grade during the POI rather the total demand of PVC Resin Suspension Grade increased to 109.40 percent in 2014-15 and further increased to 143.01 percent in 2015-16. Based on the above facts, the Commission has concluded that there is no contraction in demand for PVC Resin Suspension Grade and there are no changes in the pattern of consumption of PVC Resin Suspension Grade in Pakistan, hence, the domestic industry did not suffer material injury due to contraction in demand and changes in the pattern of consumption of PVC Resin Suspension Grade during the POI.

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

i. The domestic industry exported PVC Resin Suspension Grade to other markets, however, such exports were not in significant quantities;

ii. There was no change in trade restrictive practices and competition between foreign producers other than producers from the Exporting Countries and domestic producers; and

iii. There was no considerable change in technology.
55. **Effect of Dumped Imports**

55.1 From the foregoing analysis it appears that the volume of the dumped imports significantly increased during 2015-16 which caused significant price undercutting, price depression, decline in market share, and capacity utilization and negative effect on profits and growth.

55.2 It appears from analysis that there was a perfect 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 market share and capacity utilization, and negative effects on profits and growth and was unable to raise capital due to dumped imports;

56. **E. CONCLUSIONS**

56. The conclusions, after taking into account all considerations for this determination, are as follows:
   i. the application was filed by the domestic industry as the Applicant represent 100 percent of the production of domestic like product;
   
   ii. the investigated product and the domestic like product are alike products;
   
   iv. during the POI, the investigated product was exported to Pakistan by the exporters/producers from the Exporting Countries at prices below its normal value;
   
   iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/producers of the investigated product from the Exporting Countries are above the negligible and de minimis levels respectively;
v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 2.49 percent to 45.44 percent for exporters/producers from the Exporting Countries;

vi. the domestic industry suffered material injury on account of volume of dumped imports, price undercutting, price depression, decline in market share and capacity utilization, negative effects on profits and growth and ability to raise capital in terms of Section 15 and 17 of the Act; and

vii. there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

**F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTIES**

57. In view of the analysis and conclusions with regard to dumping, material injury, and causation, imposition of provisional antidumping duty on dumped imports of the investigated product is needed to prevent injury being caused to the domestic industry in accordance with Section 43 of the Act.

58. Individual dumping margins have been determined for the exporters / producers of the investigated product who supplied information for this investigation and the provisional rate of antidumping duty for these exporters/producers is determined. Residual dumping margins/duty rates for non-cooperating exporters/producers from China and Korea have been determined as the highest dumping margin of the exporter/producer from China and Korea.

59. The Commission has determined dumping margin for the exporters/producers from Chinese Taipei and Thailand on the basis of Best Information Available’ in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.

61. In terms of Section 43 of the Act, following provisional antidumping duty rates are hereby imposed on the dumped imports of the investigated product importable from the Exporting Countries for a period of four months with effective from June 13, 2017. The provisional antidumping duties rates are determined on C&F value in *ad val.* terms. Polyvinyl Chloride Suspension Grade is classified under PCT heading No. 3904.1090.
Table-XXIV
Provisional Anti-dumping Duties

<table>
<thead>
<tr>
<th>Exporters / Producers</th>
<th>Provisional Antidumping Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>China</td>
<td></td>
</tr>
<tr>
<td>• Tianjin LG Bohai Chemical Co. Ltd;</td>
<td>35.64 31.98</td>
</tr>
<tr>
<td>• Inner Mongolia Wuhai Chemical Industry Co., Ltd;</td>
<td>37.47 32.76</td>
</tr>
<tr>
<td>• Tianjin Dagu Chemical Co., Ltd;</td>
<td>37.43 35.11</td>
</tr>
<tr>
<td>• Xinjiang Tianye (Group) Foreign Trade Co. Ltd.;</td>
<td>42.14 37.43</td>
</tr>
<tr>
<td>• All Exporters</td>
<td>42.14 37.43</td>
</tr>
<tr>
<td>South Korea</td>
<td></td>
</tr>
<tr>
<td>• LG Chem Ltd.,</td>
<td>11.91 11.18</td>
</tr>
<tr>
<td>• All exporters</td>
<td>11.91 11.18</td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>45.44 42.41</td>
</tr>
<tr>
<td>Thailand</td>
<td>38.98 36.52</td>
</tr>
</tbody>
</table>

62. PVC Resin Suspension Grade imported from sources, other than the Exporting Countries shall not be subject to these provisional antidumping duties.

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

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

65. The provisional 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  
May 28, 2017

(Abdul Khaliq)  
Member  
May 28, 2017

(Qasim M. Niaz)  
Chairman  
May 28, 2017