



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**FINAL DETERMINATION AND LEVY OF DEFINITIVE ANTIDUMPING DUTIES
ON DUMPED IMPORTS OF ONE SIDE COATED DUPLEX BOARD - GREY BACK
INTO PAKISTAN ORIGINATING IN AND/OR EXPORTED FROM CHINA,
INDONESIA AND KOREA**

A.D.C No.43/2016/NTC/CDB

July 27 , 2017

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**Final Determination and Levy of Definitive Antidumping Duties on Dumped Imports of One Side Coated Duplex Board – Grey Back Into Pakistan
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The National Tariff Commission (the “Commission”) having regard to the Anti-Dumping Duties Act, 2015 (XIV of 2015) (the “Act”) and the Anti-Dumping Duties Rules, 2001 (the “Rules”) relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (“Pakistan”), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (“Agreement on Antidumping”).

2. The Commission has conducted this investigation on imports of One Side Coated Duplex Board - Grey Back (“Duplex Board”) into Pakistan originating in and/or exported from the People's Republic of China (“China”), Republic of Indonesia (“Indonesia”) and Republic of Korea (“Korea”) (the “Exporting Countries”) under the Act and the Rules. The Commission has made final determination in this investigation under Section 39 of the Act. This report on final determination has been issued in accordance with Section 39 of the Act and Article 12.2 of the Agreement on Anti-dumping.

3. In terms of Section 29 of the Act, the Commission shall, except in special circumstances, conclude an investigation within twelve months, and in no case more than eighteen months, after its initiation. The Commission initiated this anti-dumping investigation on January 30, 2016 and notice of preliminary determination in this investigation was published in Official Gazette on May 12, 2017. However, The Lahore High Court, Lahore granted stay against the proceeding in this investigation on February 11, 2016. The Lahore High Court in its decision dated March 15, 2016 ordered that:

“Till such time the NTC complies with the requirement of sections 3 and 5 of the Act, the impugned Notice of initiation shall be held in abeyance and as soon as NTC is functional in terms of sections 3 and 5, it may proceed further with the said notice strictly in accordance with law”.

4. The petitioners challenged the decision of the Lahore High Court, Lahore dated March 15, 2016 in the Honorable Supreme Court of Pakistan and the Supreme Court dismissed the Civil Petitions on April 6, 2017 with an observation that:

“the Commission which has been constituted now shall examine the initiation of the proceedings in question and if those are found to be valid it may continue with them otherwise those proceedings can always be withdrawn by the Commission. In the light of the above, we do not find any merits in these petitions, which are accordingly dismissed.”

5. In compliance of the direction of the Honorable Supreme Court, the Commission which was constituted on September 5, 2016, considered and revisited the initiation of the investigation dated January 30, 2016 and found it in accordance with the relevant provisions of the Act and the Rules.

6. The importers filed Appeal against the initiation of investigation before the Antidumping Appellate Tribunal (the “Tribunal”) and the Tribunal in its order dated November 11, 2016 directed the Commission to examine all issues raised by the Appellants before it.

7. Furthermore, the Honorable Peshawar High Court, Peshawar stayed the proceedings of the investigation through its order dated January 25, 2017 passed in W.P. No. 298-p/2017 filed by the importers of Duplex Board. The Honorable Peshawar High Court disposed-off the writ petition through its order dated April 6, 2017, in following terms:

*“...In order to ensure that the petitioners are not prejudiced due to the lack of any appellate forum, this court consider it appropriate that the proceeding envisaged under the Act as for as investigation and preliminary determination are concerned may proceed. However, the final duty, if any, determined against the petitioners, should not be recovered from them till the constitution of a valid Appellate Tribunal, as envisaged under Section 64 of the Act *ibid*. Let it be clear that all the objections of the respondents shall be taken up by the Tribunal.”*

8. The Honorable Sindh High Court, Karachi in its order dated April 21, 2017 held that:

“Let notices be issued to the defendants as well as DAG. In the meanwhile no coercive action shall be taken against the plaintiffs.”

9. After the preliminary determination in this investigation, some importers of the Duplex Board filed petitions against the initiation of investigation and preliminary determination in this investigation in Honorable Sindh High Court. The Honorable Sindh High Court, Karachi in its order dated July 7, 2017 held that;

“Let notices be issued to the defendants as well as DAG for 26-07-2017. In the meanwhile no coercive action shall be taken against the plaintiffs till the next date of hearing.”

10. On the basis of litigation in the courts and stay orders granted by Honorable Lahore High Court and Honorable Peshawar High Court, the time period for which the proceedings of the Commission were stayed by the Honorable High Courts has been adjusted.

11. As stated at paragraph 5, *ibid*, the Honorable Tribunal has directed the Commission to examine all issues raised by the appellants before the Tribunal. The issues, include,

- (i) the extremely broad product scope of the investigated product;
- (ii) segregation of import data from all other imports falling under the same PCT head;
- (iii) composition of the domestic industry under the Act;
- (iv) relationship between the Applicant and its related firm i.e. Merit Packages as the related firm is itself importer of investigated product

12. The Commission has considered the above mentioned issues raised before the Tribunal and othe issues raised before the Commission. The determination of the Commission on aforesaid issues is attached at Annexure-I to this report.

13. The final determination is based on the information available to the Commission at this time. This report on final determination has been issued in accordance with Section 39 of the Act.

A. PROCEDURE

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

15. Receipt of Application

15.1 On December 21, 2015, the Commission received a written application under Section 20 of the Act from M/s Century Paper & Board Mills Limited, (“the Applicant”) on behalf of the domestic industry manufacturing Duplex Board.

15.2 The Applicant alleged that Duplex Board is being exported to Pakistan at dumped prices from the Exporting Countries. According to the Applicant, dumped imports of Duplex Board have caused and are causing material injury to Pakistan’s domestic industry producing Duplex Board.

15.3 The Commission informed the respective embassies of the Exporting Countries, in Islamabad through note verbale dated December 30, 2015, of the receipt of application in accordance with the requirements of Section 21 of the Act.

16. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of Duplex Board 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

17. The Domestic Industry

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” may mean the rest of the domestic producers”.

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

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

Provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers 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”.

17.1 The applicants identified the following ten units manufacturing Duplex Board in the country.

- i. Century Paper & Board Mills Limited
- ii. Bulleh Shah Packaging (Pvt) Limited
- iii. Malik Board & Paper Industries (Pvt) Ltd.
- iv. Synergy Paper & Board (Pvt) Ltd.
- v. Fazal Paper Mills (Pvt) Ltd.
- vi. Shifa Board (Pvt) Ltd.
- vii. Tajjalla Board
- viii. Paramount Duplex Board Mills (Pvt) Ltd.
- ix. Horizon Paper & Board Mills (Pvt) Ltd.
- x. Shabbir Paper & Board Mills (Pvt) Ltd.

17.2 During the course of the investigation, the importers of Duplex Board raised following issues;

i. There are other domestic producers of Duplex Board which the Applicant has concealed and no information was given in the application. Following manufacturers of the Duplex Board were identified;

- i. Karachi Paper and Board Mills (Pvt) Ltd
- ii. Olympia Paper and Board Mills Ltd
- iii. S.K Industries (Pvt) Ltd
- iv. Neelum Paper and Board Mills (Pvt) Ltd
- v. Prime Paper Products.
- vi. Zaman Industries
- vii. Attas Paper Board

ii. One of the importer namely Merit Packaging Ltd., a related company of the Applicant imported the investigated product during the POI therefore, the Applicant in terms of Section 2(d) of the Act does not qualify to be the domestic industry and hence is not eligible to submit application on behalf of the domestic industry.

17.3 To investigate the matter mentioned above, the Commission wrote a letter to the named domestic manufacturers identified by the importers and send brief questionnaire so as to know their position with regard to the application. However none of the producers responded to the Commission letter. Therefore the Commission relied upon the facts available with the Commission. The important points regarding the fact available is that the manufacturing status of such other producers is not available with the Commission and data furnished by the importer viz their NTN number etc. does not indicate the status of the manufacturer of the investigated product. It only indicates that they are manufacturer of paper products. Even if it is considered that they are manufacturer of investigated product even then their position with regard to application is not clear and they can only be considered as indifferent producers which could not change standing of the Application. Therefore the Commission has determined that domestic industry consists of 10 units mentioned in paragraph 17.1.

17.4 The issue regarding exclusion of manufactures from the domestic industry on the basis of its relationship with the importers of investigated product has been dealt in detail in the report of final determination of BOPP Film (A.D.C No. 22/2010/NTC/BOPP). Paragraph 7.3 and 7.6 of the final determination in that case which deal with issue in detail are reproduced below:

“7.3 In this regard it is held that the exclusion of any product from domestic industry is dependent upon the expected behavior of the firm concerned. In case it is suspected that the firm would jeopardize the interest of other domestic producers by way of its interests in imports, only then such firm would be excluded from the domestic industry. It is also important to note that the expected behavior of the firm concerned is in relation to anti-dumping application and not the marketing behavior of the firm. In this regard the practice and standards being followed by other traditional users of anti-dumping law and the history of the WTO negotiations has been considered by the Commission. In this regard a famous lawyer in the field of anti-dumping with the name of Van Beal & Bellis in his book titled “Anti-dumping and other Trade Protection Law of EC” has clarified this issue of imports by related companies with reference to the EC (European Commission) practice. As per page 202 of the book, **“A community producer is held to be an importer regardless of whether it imports directly or through related trading companies. However, when assessing its conduct, indirect imports are relevant only as long as the related importer supplies the community producer or acts in coordination with it”**. A reference is also made to EU antidumping investigation of “Quarto Plates” in which the Commission found that none of the producers had themselves imported the products. All imports were carried out by a trading company belonging to the same corporate group as one complaining producer. However, this company was found to act independently. Based on the structure annual reports and have no profit or loss transfer agreement with the holding company. Furthermore, the two companies filed separate income tax returns, has its own board of directors and conduct business relations with other companies at arm’s length. The Commission therefore, concluded that the imports could not affect the status of the producers concerned”

7.6. It is also to be noted that the expected behaviour is dependent upon the interest of the producer concerned. In this regard it is held that this provision may hold good when the related party of the applicant has imported the product concerned at lower prices from the dumped sources and has sold either to the applicant or in the domestic market under the instructions of the applicant. Packages has not imported the product concerned under the instruction from Tripack nor sold the imported product to Tripack or in the domestic market. Tripack is an independent entity maintaining its own financial accounts, submits separate income tax returns, has no profit and loss transfer agreement with Packages Limited, has its own board of directors and all the sale of packages Limited were at arm’s length as disclosed in its Annual Report. Therefore, there are no grounds to exclude Tripack from the definition of the domestic industry. Above all, Tripack Ltd. it the major producer and its share in domestic production during POI was 92%. Surely it cannot work differently than the other producers of the BOPP film”.

17.5. This issue was considered by the Anti-Dumping Appellate Tribunal in detail in Appeal No. 58 and 59. The Appellate Tribunal in its decision observed that:

“ We have gone through the definition of domestic industry as is reflective from clause (d) of section 2 of the Ordinance, 2000; so also, from the passages (7.3 & 7.6) of final determination noted above and find enough force in the submissions of the representatives of the respondent. Thus, having discussed the matters as before, we answer the question in positive to hold that the respondent company falls within the definition of domestic industry”.

17.6 In the light of above and the facts that Merit Packaging Ltd. imported only an insignificant quantity (0.5% of total import and 0.1% of total domestic consumption) during the POI. Further the import by Merit Packaging Ltd. were for its internal consumption and the Applicant did not derive any benefits from the transaction. Above all the Applicant is a major producer of investigated product and its share in domestic sale is major proportion of total sale by the domestic industry (58%) therefore it cannot work differently than any unrelated producer of investigated product. In view of this it is determined that the domestic industry consists of only 10 units mention in paragraph 17.1.

18. Standing of the Application

18.1 In terms of Section 24(1) of the Act,

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

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

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

18.2 As per the information supplied in the application, the Applicant produced 58 percent of production of Duplex Board by the domestic industry of during the period from October 1, 2014 to September 30, 2015. Details of the production of Duplex Board by the domestic industry are as follows:

**Table - I
Unit-wise Production during the year 2015**

S #	Name	Share in domestic production (%)	Supporting/ Opposing/ Indifferent (other units)
1	Century Paper & Board Mills Limited	58.4%	Applicant
2	Bulleh Shah Packaging (Pvt) Limited	4.3%	Supporting
3	Malik Board & Paper Industries (Pvt) Ltd.	7.5%	Indifferent
4	Shabbir Paper & Board Mills (Pvt) Ltd.	3.4%	Indifferent
5	Horizon Paper & Board Mills (Pvt) Ltd.	2.9%	Indifferent
6	Shifa Board (Pvt) Ltd.	4.2%	Indifferent
7	Paramount Paper Board Mills (Pvt) Ltd.	2.2%	Indifferent
8	Synergy Paper & Board (Pvt) Ltd.	3.5%	Indifferent
9	Fazal Paper Mills (Pvt) Ltd.	6.4%	Indifferent
10	Tajjalla Board	7.1%	Indifferent
		100%	

Source: The Applicant

18.3 The information given in the above table reveals that the application has been made by or on behalf of the domestic industry as it is supported by those domestic producers whose collective output constitutes 100 percent of the total domestic production of the domestic like product produced by that portion of domestic industry expressing either support for or opposition to the application. Further, the application has been expressly supported by those domestic producers whose collective output constitute 63% of total domestic production of domestic like product produced by domestic industry which is more than 25% as required under Section 24(2) of the Act. Thus the standing requirements as given in section 24 of the Act are met and it is determined that the application is made by or on behalf of the domestic industry.

19. Applicant's Views

The Applicant, *inter alia*, raised the following issues in application regarding dumping of Duplex Board and material injury to the domestic industry caused therefrom:

- i. Duplex Board imported from the Exporting Countries into Pakistan and that is produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from the Exporting Countries are exporting Duplex Board to Pakistan at dumped prices; and
- iii. Exports of Duplex Board 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 Duplex Board mainly through:-
 - a. Volume of dumped imports
 - b. Price undercutting;
 - c. Price suppression;
 - d. Price depression;

- e. Negative effect on market share;
- f. Negative effect on capacity utilization;
- g. Negative effect on sales
- h. Negative effect on inventories;
- i. Negative effect on profits;
- j. Negative effect on cash flows;
- k. Negative effect on growth;
- l. Negative effect on return on investment;
- m. Decline in productivity per worker;
- n. Increase in salaries and wages per MT; and
- o. Magnitude of dumping margin

iv. The Applicant also claimed that there is an imminent threat of material injury to the domestic industry manufacturing Duplex Board due to dumped imports of Duplex Board from the Exporting Countries.

19.2 The Applicant requested the Commission to address the injury, caused to the domestic industry which is evident from the above mentioned factors, by initiation of an anti-dumping investigation against dumped imports of Duplex Board from the Exporting Countries and by imposition of anti-dumping duties on the imports coming from the Exporting Countries. It was also requested that provisional anti-dumping measures may be imposed to prevent injury being caused during the course of investigation.

20. Exporters/Foreign Producers of Duplex Board

The Applicant identified 11 exporters and 05 foreign producers involved in dumping of the investigated product from the Exporting Countries. The Applicant has stated that there may be other exporters /foreign producers of the investigated product, which are not known to it. Therefore, the Applicant has requested for imposition of anti-dumping duty on all imports of the investigated product originating in and/or exported from the Exporting Countries instead of imposition of anti-dumping duty on identified exporters/foreign producers.

21. Initiation of Investigation

21.1 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 dumping of Duplex Board 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 Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on January 30, 2016. Investigation concerning dumped imports of Duplex Board into Pakistan classified under PCT No³. 4810.9200 and 4810.9900

¹ The official Gazette of Pakistan (Extraordinary) dated January 30, 2016.

² The 'Daily NEWS' and 'Nawa-i-Waqt' of January 30, 2016 issue.

³ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

originating in and/or exported from the Exporting Countries, was thus initiated on January 30, 2016.

21.2 In pursuance of Section 27 of the Act, the Commission notified respective embassies of the Exporting Countries in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on February 01, 2016 with a request to forward it to all exporters/foreign producers involved in production, sales and export of Duplex Board in the Exporting Countries. Copy of the notice of initiation was also sent on February 01, 2016 to known exporters/foreign producers of Duplex Board from the Exporting Countries whose addresses were available with the Commission with a request to be registered as an interested party in the investigation within 15 days of publication of the notice. Copy of the notice of initiation was also sent to known Pakistani importers and the Applicant on February 01, 2016.

21.3 In accordance with Section 28 of the Act, on February 12, 2016, the Commission sent copy of full text of the written application (non-confidential version) and Exporter's Questionnaire to the exporters/foreign producers of the Exporting Countries who got registered themselves as an interested party in this investigation. On February 12, 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/foreign producers involved in production and/or sale/export of Duplex Board in the Exporting Countries. The Importer's Questionnaire was also sent to the importers of Duplex Board on February 12, 2016.

22. Investigated Product, Like Product and Domestic Like Product

22.1 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".

22.2 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:

22.3 Investigated Product:

22.3.1 The "investigated product" is One Side Coated Duplex Board (Grey Back) (225-400gsm) originating in and/or exported from the Exporting Countries to Pakistan. One side clay coated board with recycled waste paper (Recycled Fibre) in its plies is considered as the above product and commonly known as Coated Duplex Board (Grey Back), "Coated Duplex Board", One Side

Coated Duplex Board with Grey Back, 1SC Duplex Board with Grey Back or just Duplex Board. The said product is classified under PCT Codes No. 4810.9200 - multi-ply and 4810.9900 - others under the main PCT Heading 4810 which is for various types of Coated Paper & Paperboard products. It is mainly used for primary packaging cartons/boxes (Folding Cartons) of numerous consumer & industrial products.

22.3.2 The importers of the Duplex Board pointed out during the course of the investigation that product identified by the Commission is broad and the said PCTs i.e. 4810.9200 - multi-ply and 4810.9900 - others contains many paper related articles which are even not comes under the scope of the product. The PCT head contains different paper related product however, the import data of PRAL has been critically examined for this investigation and only the import figures of the investigated product has been taken into account in this investigation. The products which are out of scope of the investigated product have been excluded from the volume of imports.

22.3.3 The current tariff structure applicable to the investigated product in the above PCT headings (4810.9200 and 4810.9900) is given in the table below;

Table-II
Tariff Structure during POI

PCT No	Description	Customs Duty (%)
4810.9200	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size – Other paper and paperboard – Multiply	20
4810.9900	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size – Other paper and paperboard – Other	20

22.4 Domestic Like Product

22.4.1 The “domestic like product” is One Side Coated Duplex Board (Grey Back) (225-400 gsm). One side clay coated board with recycled waste paper (Recycled Fiber) in its plies is considered as the above product and commonly known as Coated Duplex Board produced by domestic industry. (Grey Back), “Coated Duplex Board”, One Side Coated Duplex Board with Grey Back, 1SC Duplex Board with Grey Back or just Duplex Board. The domestic like product falls under the above PCT Codes 4810.9200 and 4810.9900.

22.4.2 The domestic like product is generally used for primary packaging cartons /boxes (Folding Cartons) of numerous consumer & industrial products.

17.5 **Like Product:**

22.5.1 The “like product” is One Side Coated Duplex Board (Grey Back) (225-400 gsm), produced and sold by the exporters/foreign producers of the Exporting Countries of Duplex

Board in their domestic market and export markets to countries other than Pakistan. The like product is generally used for primary packaging cartons / boxes (Folding Cartons) of numerous consumer & industrial products. Major uses of the like product are, therefore, identical to those of the investigated product and domestic like product.

22.5.2 The investigated product, the domestic like product and the like product are comparable in terms of physical and chemical characteristics, product specifications, chemical formulation, end uses and tariff classification of the goods etc. Investigated product, the domestic like product and the like product are technically and commercially identical.

17.4.3 In light of the above, the Commission has determined that the “**investigated product**”, the “**domestic like product**” and the “**like product**” are alike products.

23. Period of Investigation

23.1 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”.

23.2 The Commission received the application on December 21, 2015 and initiated the investigation on January 30, 2016. The Applicant has provided the information/data up to September 30, 2015 in the application. Therefore, to fulfill the requirement of Section 36 of the Act, the POI selected by the Commission for dumping and injury are, as follows:

For determination of dumping:	From October 1, 2014 to September 30, 2015.
For determination of injury:	From October 1, 2012 to September 30, 2015.

24. Information/Data Gathering

24.1 The Commission sent Exporter’s Questionnaire to all known exporters/foreign producers of the Exporting Countries whose addresses were available with the Commission on February 12, 2016 for collection of data/information. The exporters/foreign producers were asked to respond within 37 days of dispatch of the Questionnaire. On February 12, 2016, the Questionnaire was also sent to the embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/foreign producers of the investigated product in their countries. However, no response received from the any exporter/foreign producers of the investigated product from the Exporting Countries with in the stipulated time of 37 days. Accordingly, the Commission informred the exporters/foreign producers of the investigated product from the Exporting Countries and the Embassies of the Exporting Coutries in

Islamabad that Commission would rely on the best information available in terms of Section 32 of the act in making preliminary/final determination in this investigation.

24.2 On February 12, 2016 Questionnaires were also sent to 9 Pakistani importers of the investigated product known to the Commission and these importers were asked to respond within 37 days of dispatch of the Questionnaires. However, no importer has submitted data/information on prescribed questionnaire.

24.3 The Commission also sent the questionnaires to the other producers of the domestic like product which were identified by the importers. However, no producers have submitted any data/information to the Commission in response to the questionnaire neither they replied regarding their status to the investigation that whether they are opposing, supporting or indifferent to the application filed by the domestic industry.

24.4 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.

24.5 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. Summary of the comments received during the course of the investigation is given at Para 6 supra.

24.6 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation.

25. Verification of the Information

25.1 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 final determination.

25.2 It is pertinent to mention here that a team of the officers of the Commission conducted on-the-spot investigation at the premises (offices and plants) of the Applicant in another anti-dumping investigation against dumped imports of Coated Bleached Board imported from China from March 15, 2017 to March 17, 2017 as the Applicant is a multiproduct company and manufacturing different products related to paper board and paper at its manufacturing facility. During the said verification visit, the data/information of overall operations of the Applicant has been verified which also includes data/information relating to Duplex Board, and the report of on-the-spot investigation have been adopted also for this investigation. The report of on-the-spot investigation has been provided in the public file maintained in this investigation.

26. Public File

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

27. Confidentiality

27.1 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.

27.2 The interested parties have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, growth, investment, salaries & wages, number of employees and capacity.

27.3 On the basis of request made by the interested parties, the Commission has determined the confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. Therefore, the Commission kept all such information confidential for which the interested parties made a request to keep it confidential.

27.4 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 public file.

28. Preliminary Determination

28.1 The Commission made a preliminary determination in this investigation and in terms of Section 37 of the Act, and issued a notice of preliminary determination which was published on May 12, 2017 in official Gazette of Pakistan and in two widely circulated national newspapers (one English “Daily NEWS” and one Urdu Language (“Daily Dunya”) notifying preliminary determination. The Commission imposed antidumping duties at the rates ranging from 12.87% to 15.12% on the Exporting Countries

28.2 The Commission also sent notice of preliminary determination to the Embassies of the Exporting Countries, the exporters, the importers and the Applicant in accordance with the requirements of Section 37(4) of the Act.

29. Hearing

29.1 The Commission received request for hearing in response to notice of Preliminary determination dated May, 12 2017 from All Pakistan Paper Merchants Association, Karachi, Trade International, Lahore, the Times Press Pvt. Ltd., Karachi and others. The Commission accordingly held first hearing in the subject investigation on May 29, 2017 under the Act and the Rules. The hearing was attended by the Applicant i.e. Century Paper and Board Mills Limited. Other interested parties including All Pakistan Paper Merchants Association, Trade International and others, requested the Commission for postponement of the hearing to have sufficient time for preparation of hearing.

29.2 The above interested parties also filed petitions in Honorable Sindh High Court, Karachi. In pursuance of directions of Honorable Sindh High Court in C.P. No. D-3399 of 2017 and the request made by M/s Dawn Convertec (SMC-Private) Ltd., the Commission held another hearing in the subject investigation on June 8, 2017.

29.3 Some of the interested parties also requested a third hearing. The Commission gave them another opportunity by means of a meeting convened on June 22, 2017. However, the importers could not add on any point in addition to what they already submitted except RISI prices data for the POI for dumping.

29.3 The information submitted by the participants during the hearings and record notes of the hearings prepared by the Commission are available in the public file.

30. Disclosure of Essential Facts

30.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Agreement on Anti-dumping, the Commission disclosed essential facts, and in this context dispatched Statement of Essential Facts ("SEF") on June 23, 2017 to all interested parties including the known exporters/foreign producers, the Applicant, the known Pakistani importers, and to the Embassies of the Exporting Countries in Islamabad.

30.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Applicant and other interested parties have submitted their comments on SEF.

31. Views/Comments of the Interested Parties during Course of Investigation

31.1 In notice of initiation dated January 30, 2016, all interested parties were invited to make their views/comments known to the Commission and to submit information and documents (if any) with regard to this investigation within 45 days of the notice of the investigation. The Commission received comments made by M/S Akmal Print House (Pvt) Limited in Appeal No. 75/16 before the Anti-Dumping Appellate Tribunal, Islamabad. Further the Commission received written submissions/comments from the interested parties after the preliminary determination in the investigation:

- Khair Ullah Paper and Board Works Pvt Limited Karachi
- M/S Dawn Conwertec (SMC-Private) Ltd. Karachi
- M/S Dawn Paper Mart Karachi
- M/s Deluxe Packages Private Ltd. Karachi
- M/S Trade International Lahore
- Pakistan Association of Printing and Graphic Arts Industry
- Saima Packaging Private Limited
- Al-Qaim Paper works (Pvt) Limited
- SK Enterprises
- M. Kamil Sons (Pvt) Limited
- Deluxe Packages Private Limited
- Akmal Print House Private Limited
- AMAFHH Paper & Board Works (Pvt) Ltd.

31.2 Views/comments and the information submitted by the interested parties have been duly considered by the Commission while making the final determination in this investigation. The interested parties have broadly raised issues with respect to the following:

- i. The scope of the investigated product is too broad
- ii. Domestic Industry included other producers of domestic like products which had not been identified by the Applicant in the application
- iii. Standing of the application is not proper, as it does not cover all domestic producers of Duplex Board.
- iv. Applicant is related with a firm i.e. Merit Packaging which is importer of investigated product.
- v. The analysis of other factors while determining the injury to the domestic industry
- vi. Applicant under the term of confidentiality in its application has hidden all relevant data
- vii. Injury claimed by the Applicant is wrongly attributed to the imports of investigated product
- viii. Prices of the investigated product

31.3 Comments received and germane to this investigation under the Act and replies/comments of the Commission on aforesaid issues are attached at Annexure-I to this report.

B. DETERMINATION OF DUMPING

32. 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”.

33. Normal Value

33.1 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”.

33.2 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:”.

33.3 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.”

34. 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”.

35. Dumping Determination:

35.1 As stated earlier the Applicant identified 16 exporters/ producers from the Exporting Countries involved in dumping of the investigated product. The Commission sent Exporter’s Questionnaire to all known exporters/producers from Exporting Countries on February 12, 2016 for collection of data and information. Questionnaire was also provided to the respective Embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/producers of the investigated product based in their country to submit information to the Commission. However, the Commission has not received information from any exporter/foreign producer from the Exporting Countries in response to Exporter’s Questionnaire. Therefore, the dumping determination has been made on the basis of best information available in accordance with Section 32 and Schedule to the Act.

36. Determination of Normal Value

36.1 As mentioned above, the Commission has not received information from any exporter/foreign producer in response to Exporter’s Questionnaire. Therefore, the normal value has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

36.2 The Applicant provided in the application data with regard to Domestic prices of like product in China which are based on PPI Markets & Prices available on RISI Inc. website. Prices have been provided on monthly basis in US\$ for the whole POI which have been converted into average annual prices. The prices have been adjusted appropriately for estimated inland freight and VAT.

36.3 During the course of the investigation, the importers of the Duplex Board also provided the data with regard domestic prices of like product obtained from RISI Inc. which covers ex-factory prices of three Chinese exporters / producers of Duplex Board. However, the Commission has determined the normal value on the basis of information provided by the Applicant as the information provided by the Applicant has an edge over the data of the importers in terms of timing and the quality of data. The Applicant furnished data with the application while the importers furnished data in second hearing i.e. on June 8, 2017. There was sufficient time to put the data of the Applicant to scrutiny while the data of importers could not be subjected to scrutiny due to limitation of time. In fact, as per the Rules, the data of importers is

not worth of any consideration. As regard the quality of data, the Applicant data covers the prices of Duplex Board in Eastern China while the importers data covers only three exporters which have not cooperated in the investigation. Therefore, the data of the Applicant is best information available in terms of Section 32 of the Act for determination of normal value.

36.4 For domestic prices of South Korea, the Commission has used the information provided by the Applicant which are based on PPI Markets & Prices available on RISI Inc. website. Prices on this website are appearing on monthly basis in US\$ which have been converted into average annual prices. The prices have been adjusted appropriately for estimated inland freight and VAT.

36.5 Since domestic prices for Indonesia were not available from this website, the same have been established by using construction of cost to make and sell method using following methodology:

- For raw material costs, the C&F price of imported raw materials and locally purchased raw materials of the Applicant had been adjusted appropriately to the factory cost by deducting estimated ocean freight and inland freight.
- For calculation of labor cost, labor hours of domestic industry have been multiplied by labor rate per hour applicable in Indonesia.
- Energy consumption of the Applicant is used to calculated energy cost by multiplying it with fuel /petrol rates in the respective countries.
- Fixed factory overheads of domestic industry have been converted in US \$/MT and same have been assumed for Indonesia.
- Financial cost has been calculated on the basis of interest rates applicable in Indonesia. Operating expenses (admin & selling) of domestic industry have been converted in US \$/MT and same have been assumed for Indonesia.
- Profit has been calculated as 5% of the total constructed cost to make and sell of Indonesia.

36.6 The calculated ex-factory normal value for the exporting country is as follows:

**Table-III
Normal Value**

Exporting Countries	Normal Value
China	100.00
Indonesia	101.55
South Korea	132.27

Source: the Applicant and Interested parties

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to normal value of China by taking it as equal to 100

37. Determination of Export Price

37.1 As mentioned earlier that the Commission has not received information from any exporter/foreign producer. Therefore, the export price has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act. In this connection,

C & F price is taken from PRAL (Pakistan Revenue Automation Limited) and adjustments have been made under the heads of ocean freight, inland freight and insurance to reach ex-factory price. Ocean freight and inland freight for China and Indonesia has been determined on the basis of information collected in other anti-dumping investigations relating to paper/board. For South Korea, inland freight has been assumed as USD 10/MT. The insurance has been taken as 0.9% of C & F price. Following adjustments have been made:

**Table-IV
Adjustments in Export Price**

Sr. No	Country	Ocean Freight	Inland Freight	Insurance	Total
1	China	82.39	9.89	7.73	100.00
2	Indonesia	85.68	11.53	8.04	105.26
3	South Korea	82.39	16.48	8.45	107.32

Source: The Applicant and exporters response in other investigations related to paper/board

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to total adjustment of China by taking it as equal to 100.

37.2 After making the above-adjustments the Commission reached ex-factory export price of the investigated product:

**Table-V
Ex-Factory Export Price of CDB**

S No.	Country	W.Avg. C&F Export Price	Ocean & Internal Freight plus Insurance of C&F	Ex-Factory Export Price
1	China	100.00	11.64	88.36
2	Indonesia	103.98	12.25	91.73
3	South Korea	109.34	12.49	96.85

Source: the Applicant and PRAL

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to weighted average C&F price of China by taking it as equal to 100.

38. Dumping Margin

38.1 Section 2(f) of the Act defines “dumping margin” in relation to a product to mean the amount by which its normal value exceeds its export price. Section 11 of the Act requires the export price and normal value to be compared 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.

38.2 Taking into account the requirements of Section 11 of the Act, dumping margin is calculated by comparing normal value at ex-factory level with the weighted average ex-factory export price. Both these figures as well as the dumping margins from the Exporting Countries are shown below:

**Table-VI
Dumping Margin**

Country	Normal Value	Weighted Average C&F export price	Weighted Average ex-factory price of the investigated product	Dumping Margin		
				Absolute terms	As percentage of ex-factory export price	As percentage of C&F export price
China	100.00	93.51	82.63	17.37	21.03	18.57
Indonesia	101.55	97.23	85.78	15.77	18.38	16.22
South Korea	132.27	102.25	90.57	41.71	46.05	40.78

Source: the Applicant and PRAL

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to normal value of China by taking it as equal to 100

39. De minimis Dumping Margins and Negligible Volume of Dumped Imports

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

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

39.3 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product 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 per cent of the imports of like product.

39.4 The information/data on dumped imports of the investigated product and other imports of Duplex Board has been obtained from PRAL. Volume of dumped imports of the Duplex Board imported from the Exporting Countries and other sources during the year 2014-15 is given in the table below:

**Table-VII
Volume of Imports of Duplex Board during Oct 2014 to Sept 2015**

Country	Volume of Imports (%)
China	78
Indonesia	6
South Korea	15
Other Sources	1
Total	100

Source: PRAL

39.5 It appears from the above table that the volume of dumped imports of the investigated product from the Exporting Countries is above the negligible threshold set out in Section 41(3) of the Act.

40. Cumulation of Dumped Imports

40.1 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 Act, 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 in clause (a) of sub- section (3) of section 41, and volume of dumped imports from each investigated country is not less than the negligible quantity as specified in clause (b) of sub-section (3) of section 41; 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”.*

40.2 Analysis of the import data has revealed that the volume of dumped imports during the POI from the exporting countries was above the negligible quantity (less than 3 percent of total imports of the said product). Furthermore, the range of dumping margins for each country was also more than the *de-minimis* amount (less than 2 percent of export price). Following table shows the volume of dumped imports and dumping margins determined for the exporting countries:

**Table VIII
Volume of Dumped Imports and Dumping Margins**

Country	Dumped Import During the Dumping POI		Dumped Imports as Percentage of Total Imports during POI (%)	Dumping Margin on C&F Basis (%)
	Qty	C & F Price		
China	100.00	100.00	77.97	18.57
Indonesia	8.06	103.98	6.29	16.22
South Korea	19.03	109.34	14.84	40.78

Source: PRAL import data and the Applicant

Note: To maintain confidentiality, actual figures have been indexed with respect to dumped imports and C&F price from China for the year 2012-13

40.3 Further, 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.

40.4 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:-

41. Material Injury to the Domestic Industry

41.1 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...”*

41.2 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”.

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

42. Domestic Industry

42.1 As stated earlier at Para 17.5, the Commission has determined that that there are total 10 units in the domestic industry manufacturing Duplex Board. The application has been filed by Century Paper & Board Mills Limited and Bulleh Shah Packaging (Pvt.) Limited (BSPL) has supported the application. The information relating to production and sales in case of other domestic producers has been submitted by the Applicant. Details of production of the domestic industry during October, 2014 to September 30, 2015 are as follows:

**Table - IX
Unit-wise Production during the year 2015**

S. #	Name	Share in Domestic Production (%)	Supporting/ Opposing/ Indifferent
1	Century Paper & Board Mills Limited	58.4%	Applicant
2	Bulleh Shah Packaging (Pvt) Limited	4.3%	Supporting
3	Malik Board & Paper Industries (Pvt) Ltd.	7.5%	Indifferent
4	Synergy Paper & Board (Pvt) Ltd.	3.4%	Indifferent
5	Fazal Paper Mills (Pvt) Ltd.	2.9%	Indifferent
6	Shifa Board (Pvt) Ltd.	4.2%	Indifferent
7	Tajjalla Board	2.2%	Indifferent
8	Paramount Duplex Board Mills (Pvt) Ltd.	3.5%	Indifferent
9	Horizon Paper & Board Mills (Pvt) Ltd.	6.4%	Indifferent
10	Shabbir Paper & Board Mills (Pvt) Ltd.	7.1%	Indifferent
		100%	

Source: the Applicant

42.2 Analysis of injury factors carried out in this final determination in the following paragraphs is, therefore, based on the information submitted by the Applicant. Any inference drawn in this regard from the data of the Applicant would apply to the entire domestic industry.

46. Volume of Dumped Imports

46.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, it is considered whether there has been a significant increase in dumped imports, either in absolute terms or relative to the domestic production or consumption. The following table shows imports of investigated product during October 2012 to September, 2015:

**Table-X
Imports, Total Consumption and Total Production of Duplex Board**

Year/Period	Imports from Dumped Sources		
	Qty (MT)	As a percentage of	
		Total Import (%)	Total Consumption (%)
Oct 12 - Sep 13	100.00	99.86	12.29
Oct 13 - Sep 14	115.68	99.51	13.66
Oct 14 - Sep 15	188.34	99.09	20.78

Source: PRAL and the Applicant

Note: Note: For the purpose of confidentiality, the actual figures have been indexed with respect to dumped imports during year 2012-13 by taking it as equal to 100

46.2 The information given in the above table shows that the volume of dumped import in year 2013-14 increased by 15% over base year of 2012-13. In the year 2014-15 the volume of dumped imports further increased by 63% in absolute terms in year 2014-15 as compared to year 2013-14. The increase in volume of dumped imports during the 2014-15 is 88% over the base year. There is significant increase in volume of dumped imports in absolute as well as relative to domestic consumption.

47. Price Effects

47.1 Effects 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), and price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product). Price effects have been determined on Applicant's information as information on prices of the other producers is not available with the Commission.

47.2 Price Undercutting

47.2.1 Price undercutting is calculated in the following table on the basis of the information provided in application on ex-factory price of the domestic like product and landed cost of the investigated product:

Table-XI
Price Undercutting

Year/Period	Ex-factory price of domestic like product	Landed cost of investigated product	Price under-cutting	
			Absolute	%age
Oct 12 - Sep 13	100.00	92.95	7.05	7.05
Oct 13 - Sep 14	111.19	95.64	15.56	13.99
Oct 14 - Sep 15	95.97	88.54	7.43	7.74

Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with respect to ex-factory price of the domestic like product for the year 2012-13

47.2.2 The above table shows that the landed cost of the investigated product remained lower than the sales price of the domestic industry in the years 2012-13, 2013-14 and 2014-15. The domestic industry faced price undercutting in first, second and the third years by 7 percent, 14 percent and 7.7 percent respectively. It is evident from above that price undercutting increased in year 2013-14 and then decreased again to 7.7 percent in year 2014 -15 due to decline in price of domestic like product.

47.3 Price Depression

47.3.1 Price depression is calculated in the following table on the basis of the information provided in application on ex-factory price of the domestic like product:

**Table-XII
Calculation of Price Depression**

Year/Period	Ex-factory price of domestic like product	Price depression	
		Absolute	%age
Oct 12 - Sep 13	100.00	---	---
Oct 13 - Sep 14	111.19	---	---
Oct 14 - Sep 15	95.97	15.23	13.69

Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with respect to ex-factory price of the domestic like product for the year 2012-13

47.3.2 The above table shows that the domestic price of domestic like product increased in the year 2013-14 as compared to previous year 2012-13. However in the subsequent year 2014-15 the domestic price reduced by 13.69%.

47.4 Price Suppression

47.4.1 Information/ data submitted by the Applicant on weighted average cost to make and sell and ex-factory price of the domestic like product is given in the following table:

**Table-XIII
Price Suppression**

Year/Period	Cost to make & sell	Ex-factory price	Price Suppression		
			Increase/ (decrease) in Costs	Increase/ (decrease) in Price	Price Suppression
Oct 12 - Sep 13	86.72	100.00			
Oct 13 - Sep 14	101.71	111.19	14.99	11.19	3.80
Oct 14 - Sep 15	97.67	95.97	(4.04)	(15.23)	

Source: the Applicant

Note: To maintain confidentiality, actual figures have been indexed with respect to ex-factory price of the domestic like product for the year 2012-13

47.4.2 The above data given in the table reveals that the domestic industry experienced price suppression during the year 2013-14. However, cost reduced in year 2014-15 was lower than the price reduced during the same period.

48. Market Share

48.1 The total domestic demand of Duplex Board in Pakistan is met through local production and imports. To establish the size of Pakistani market, the Applicant has used sales of domestic industry, imports of the investigated product and imports of Duplex Board from other sources. Following table shows the market share from each source of supply during last three years:

**Table-XIV
Market Share**

Year/Period	Share of Local Industry in Domestic Market	Share of Dumped Imports in Domestic Market	Share of Other Imports in Domestic Market	Total Domestic Market
Oct 12 - Sep 13	87.69	12.29	0.02	100.00
Oct 13 - Sep 14	89.77	14.22	0.07	104.06
Oct 14 - Sep 15	88.01	23.15	0.21	111.37

Source: the Applicant and PRAL

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to total domestic market in year 2012-13 by taking it as equal to 100

48.2 The above table shows that share of dumped imports increased from 12% in 2012-13 to 21% in 2014-15 showing a significant increase over the POI. The share of Domestic industry reduced from 88% in 2012-13 to 79 % in 2014-15. While the domestic market of the Duplex Board increased by 4.05% and 7.02% in the year 2013-14 and 2014-15 respectively.

49. Production and Capacity Utilization

49.1 The installed capacity, quantity produced and the capacity utilization of the Applicant during the period from 2012 to 2015 are provided in following table;

**Table-XV
Capacity Utilization**

Year/Period	Capacity Utilization (%)
Oct 12 - Sep 13	81.84
Oct 13 - Sep 14	72.97
Oct 14 - Sep 15	70.04

Source: the Applicant

49.2 The data given in the above table reveals that the installed capacity of the Applicant remained same over the period of time and the production of the Applicant has reduced over time and so the capacity utilization.

50. Sales

50.1 Sales of the domestic like product by the Applicant are given in the following table:

Table-XVI
Sales of Duplex Board of the Applicant

Year	Sales
Oct 12 - Sep 13	100.00
Oct 13 - Sep 14	84.10
Oct 14 - Sep 15	85.77

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to sales of domestic industry in year 2012-13 by taking it as equal to 100

50.2 The above table shows that sales of the Applicant substantially reduced during 2013-14 as compared to previous year 2012-13. The sales of the Applicant increased in year 2014-15 as compared to sales in year 2013-14, however this increase is insignificant i.e. 1.9% as compared reduction in the year 2013-14 i.e. 15.89% in sales. Further the increase in sales is insignificant if compared to the expansion of overall domestic market of Duplex Board. It can be seen that during this period the domestic market expanded significantly and the Applicant could not take its share in the expanded market.

51. Profit and Loss

51.1 Information submitted by the Applicant on its profit/loss from operations is given in the following table:

Table-XVII
Profit/Loss

Year/Period	Total Net Profit/(Loss)	Per Unit Net Profit/(Loss)
Oct 12 - Sep 13	100.00	100.00
Oct 13 - Sep 14	60.06	71.41
Oct 14 - Sep 15	(10.98)	(12.80)

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to total profit/loss and profit/loss per MT of domestic industry in year 2012-13 by taking it as equal to 100

51.2 The above table shows that the domestic industry was making profits in year 2012-13. Its profit started decreasing in year 2013-14 and in year 2014-15 it started making losses.

52. Inventories:

52.1 The data provided by the Applicant on position of their inventories of the domestic like product is provided in the following table:

**Table-XVIII
Inventories**

Year/Period	Opening Inventory	Production	Domestic Sales	Closing Inventory
Oct 12 - Sep 13	5.23	100.00	101.76	3.47
Oct 13 - Sep 14	3.47	89.17	85.58	7.05
Oct 14 - Sep 15	7.05	85.58	87.28	5.35

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to production of the domestic industry in year 2012-13 by taking it as equal to 100

52.2 The above table shows that, closing inventories increased in year 2013-14. However, it decreased again in year 2014-15.

53. Employment, Productivity and Wages

53.1 The data submitted by the Applicant on its employment, and the salaries and wages is given in following table:

**Table-XIX
Employment, Productivity and Salaries and Wages**

Year/Period	Number of Employees (Direct)	Salaries & Wages	Productivity Per Worker	Salaries and Wages Rs. Per
Oct 12 - Sep 13	100.00	100.00	100.00	100.00
Oct 13 - Sep 14	93.20	103.67	95.67	116.26
Oct 14 - Sep 15	90.00	112.68	95.08	131.67

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to respective figures of the domestic industry in year 2012-13 by taking it as equal to 100

53.2 The above table reveals that number of employees decreased over the period while there is increase in salaries and wages. Productivity of the workers has also decreased over the same period while salaries and wages per MT increased over the same period.

54. Return on Investment

54.1 The information regarding return on investment provided by the Applicants in the antidumping application during the POI was on the consolidated basis. During on the spot investigation of the Applicant premises, the investigation team was told that the Applicants does not maintain a segregated record of the equity injected for its various segments. Therefore, effects of dumped imports of the investigated product on investment and return on investment are assessed in accordance with Section 17(2) of the Act on the basis of total investment and total return on investment of the Applicant in the following table:

Table-XX
Return on Investment

Year	Return on Investment (%)
Oct 12 - Sep 13	100.00
Oct 13 - Sep 14	54.30
Oct 14 - Sep 15	12.74

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to return on investment of domestic industry in year 2012-13 by taking it as equal to 100

54.2 The above table shows that the return on investment of the Applicant has continuously reduced over time.

55. Cash Flow

55.1 As mentioned earlier the Applicant is a multi-product company and it has consolidated financial statements including cash flow. During the on the spot investigation, the applicant was asked to provide separate cash flow for each product being manufactured by the Applicant. However, It was not possible to separate the cash flow for each product. Therefore, effects of dumped imports of the investigated product on cash flow assessed in accordance with Section 17(2) of the Act on the basis of consolidated cash flow statement and figures for cash flow of the Applicant in the following table;

55.2 Following are the verified figures of net operating cash flow relating to Applicant for the years ended on June 30 of the respective years from the operating activities;

Table-XXI
Operating Cash Flow

Year	Cash flow
Oct 12 - Sep 13	100.00
Oct 13 - Sep 14	(1.70)
Oct 14 - Sep 15	66.04

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to cash flow of the Applicant in year 2012-13 by taking it as equal to 100

55.2 The above table shows that the Applicant had a positive cash flow during 2012-13 which converted into negative cash flow during 2013-14. Again in 2014-15 there was positive cash flow during 2014-15.

56. Ability to Raise Capital:

The Applicant is facing deterioration in its profitability, decline in cash flows and decline in return of investment which can affect the confidence of investors and financial institutions.

57. Growth:

57.1 The domestic market of the Duplex Board has increased over the period of time i.e. since 2012-13 to 2014-15 (reference Table-XIV) however a perusal of the table XV reveals that domestic industry could not fully utilize its installed capacity and could not increase its installed capacity for production of Duplex Board which is an indication that domestic industry could not increase its investment in production of Duplex Board.

58. Magnitude of Dumping Margin:

58.1 The Dumping margins calculated by the Commission in this investigation for the Exporting Countries are as follows:

**Table-XXII
Magnitude of Dumping Margin**

Country	Dumping Margin on C&F Basis
China	18.57%
Indonesia	16.22%
South Korea	40.78%

58.2 The above figure reveals that for the Exporting Countries, magnitude of dumping margin was well above the de-minimis level as per Section 41 (3)(a) of the Act. It seems that this dumping margin is enough to injure the domestic industry.

59. Summing up of Material Injury

59.1 The facts and the analysis in the preceding paragraphs shows that imports of the investigated product increased significantly in absolute terms as well as relative to the domestic consumption during the POI.

59.2 The analysis further shows that the landed cost of the investigated product undercut the prices of domestic like product throughout the POI resultantly the domestic industry has to decrease its price (5.21 percent) in the year 2014-15 to compete with the investigated product in the domestic market. The price depressing effect of dumped imports in the last year of POI for injury analysis is also imminent and significant. The increased volume of dumped imports and significant price depression during 2014-15 adversely affected the domestic industry. As a result the sales of the domestic industry had reduced significantly by 17% while market share of the domestic industry reduced by 11% and production decreased by 17% during the POI for injury. Simultaneously there was a substantial decline in profits and profitability of the Applicant. The Applicant which was earning 13% net profit of the ex-factory price in 2012-13 converted into loss making in year 2014-15 due to impact of dumped imports. This clearly reveals that domestic industry suffered material injury during the POI. The effect of dumped imports on various injury factors is summarized in the table below:

Table-XXIII
Effects of Dumped Imports

Year	2012-13	2013-14	2014-15
Sales (MT)	100.00	84.10	85.77
Market Share (%)	100.00	97.73	89.77
Production	100.00	89.17	85.58
Capacity Utilization %	100.00	89.16	85.58
Net Profit/(Loss) Per MT	100.00	71.41	(12.80)
Return on Investment %	100.00	54.30	12.74
Productivity Per Worker (MT)	100.00	95.67	95.08

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to respective figures in year 2012-13 by taking it as equal to 100

59.3 In addition to the above, the Applicant experienced negative effects on wages, investment, growth and ability to raise capital of the domestic industry.

59.4 The above effects are significant enough on the basis of which it is determined that domestic industry has suffered material injury.

D. CAUSATION

60. Effect of Dumped Imports

Examination of the volume of dumped imports of the investigated product and its prices show a causal relationship between dumped imports and material injury to the domestic industry during the POI as there is a time correlation between increase in volume of dumped imports of the investigated product, price effects in the form of price undercutting and price depression and adverse effects on market share, sales, profits and profitability, cash flows, return on investment , ability to raise capital and growth of the domestic industry during the POI.

61. Other Factors

61.1 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 cause injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.

61.2 The Commission's investigation showed that the domestic industry did not suffer injury due to imports of the like product from sources other than the Exporting Countries during the POI. The imports from sources other than Exporting Countries were in insignificant quantities. Following table shows volume and landed cost of Duplex Board imported from other sources during the POI:

Table XXIV
Imports from Other Sources

Year	Dumped Imports (MT)	Imports from Other Sources	Landed cost of Dumped Imports	Landed cost from other sources
2012-13	100.00	0.14	100.00	90.97
2013-14	115.68	0.57	102.89	153.26
2014-15	188.34	1.73	95.26	90.26

Source: PRAL

Note: To maintain confidentiality, actual figures of imports and landed cost have been indexed with respect to dumped imports and landed cost of investigated product during year 2012-13 respectively.

61.3 The factors mentioned in Section 18(3) of the Act were also examined and it was determined that:

- i. There was no contraction in demand;
- ii. There was no considerable change in technology to produce Duplex Board; and
- iii. The domestic industry did not export Duplex Board during the POI meaning thereby that injury to domestic industry is not because of export performance. Similarly the productivity alone cannot be considered as a major source of injury to the domestic industry.
- iv. During the POI there was no change in trade restrictive practices.

61.4 In view of the above, the Commission determined that domestic industry suffered material injury due to dumped imports.

E. CONCLUSIONS

62.1 After taking into account all considerations for this final determination, the conclusions are as follows:

- i. the application was filed on behalf of the domestic industry as the Applicant represent 58 percent of the domestic production. The application is supported by 63 percent of the total production who are expressing their opinion on application;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/foreign 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 were above the negligible and *de minimis* levels respectively.
- v. the domestic industry suffered material injury during the POI on account of increase in volume of dumped imports in absolute terms as well as relative to domestic consumption, price undercutting, price depression, decline in sales,

profits, market share and negative effects on salaries and wages, return on investment, ability to raise capital and growth in terms of Section 15 and 17 of the Act; and

- vi. there is a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

F. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTIES

63. In view of the analysis and conclusions with regard to dumping, material injury, and causation, in terms of Section 50 of the Act, the Commission is required to impose antidumping duty on dumped imports of the investigated product not exceeding margin of dumping established.

64. As there was no cooperation from exporters/foreign producers therefore Individual dumping margins could not be determined. Dumping margins and anti-dumping duty rates for exporters for each country from the Exporting Countries is determined on the basis of best available information in terms of Section 32 of the Act.

58. For the purpose of imposition of lesser duty in terms of Section 43(1) of the Act injury margins have been calculated for each Exporting Country to ascertain whether a lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of the investigated product from the Exporting Countries. The calculation of injury margin is as under:

Table XXV
Injury Margin

	Rs./MT
Cost to make & sell of domestic industry	100.00
Estimated Profit (5% of cost to make & sell)	5.00
Estimated non-injurious price	105.00
Injury Margin for China:	
C & F price of the investigated product	70.10
Landed cost of the investigated product	85.52
Injury Margin (Non-injurious price - landed cost)/C&F Price *100)	27.78%
Injury Margin for Indonesia:	
C & F price of the investigated product	72.89
Landed cost of the investigated product	88.93
Injury Margin (Non-injurious price - landed cost)/C&F Price *100)	22.04%
Injury Margin for South Korea:	
C & F price of the investigated product	76.65
Landed cost of the investigated product	93.51
Injury Margin (Non-injurious price - landed cost)/C&F Price *100)	14.98%

Note: For the purpose of confidentiality, the actual figures have been indexed with respect to cost to make and sell of domestic industry in year 2014-15 by taking it as equal to 100

55. It may be observed from the above that injury margins calculated for the exporters/foreign producers of the investigated product from China and Indonesia are higher than the respective dumping margins while injury margin in case of South Korea is lower than the dumping margin calculated for South Korea. Therefore, lesser duty is applied where it is adequate to remove injury of the domestic industry in terms of Section 43(1) of the Act .

55. In reaching this Final determination the Commission satisfied itself that Duplex Board imported from the Exporting Countries has been imported at dumped prices. The Commission is of the view that the level of injury is sufficient to justify imposition of definitive measures. In order to prevent material injury, the Commission, pursuant to powers under Section 50 of the Act, has decided to impose definitive anti-dumping duty at the rates mentioned below on C&F value in ad valorem terms on imports of Duplex Board imported from the Exporting Countries for a period of five years effective from May 12, 2017;

Table-XXVI
Definitive Antidumping Duty Rates

Country	As percentage of C&F export price (%)
China	18.57
Indonesia	16.22
South Korea	14.98

56. Duplex Board imported from sources, other than the Exporting Countries shall not be subject to definitive antidumping duties. Further, in accordance with Section 51(1)(e) of the Act, definitive duty will not be levied on imports of the investigated product that are to be used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969. Furthermore, the definitive duty rates for China and Indonesia are higher as compared to provisional duty rates, however, the difference would not be collected in terms of Section 55(2) of the Act for the period from May 12 to July 29, 2017.

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

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

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

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

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

--Sd--
(Robina Ather)
Member
July 27, 2017

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

Annexure-I

The comments received from the interested parties during the course of the investigation and from Anti-Dumping Appellate Tribunal where the parties have filed their objections against initiation of investigation which are germane to this investigation under the Act is reproduced in Column A below and the Commission’s response thereto are set out in Column B in the following table:

Comments of Interested Parties

Comments of importers/users:	
<p>The importers/users of Duplex Board mentioned below made following comments during the course of investigation;</p> <ul style="list-style-type: none"> i. Khair Ullah Paper and Board Works Pvt Limited Karachi ii. M/S Dawn Convertec (SMC-Private) Ltd. Karachi iii. M/S Dawn Paper Mart Karachi iv. M/s Deluxe Packages Private Ltd. Karachi v. M/S Trade International Lahore vi. Pakistan Association of Printing and Graphic Arts Industry vii. Saima Packaging Private Limited viii. Al-Qaim Paper works (Pvt) Limited ix. SK Enterprises x. M. Kamil Sons (Pvt) Limited xi. Deluxe Packages Private Limited xii. Akmal Print House Private Limited xiii. AMAFHH Paper & Board Works (Pvt) Ltd. 	
Column-A (Comments of interested parties)	Column - B (Commission’s replies/comments)
<p>“the extremely broad product scope has unnecessarily burdened the exporters/producers and the importers responding to the questionnaires. The product, according to the PCT heads identified in the notice, that form the scope of the produce under investigation include numerous other products which has different usages; different processes are involved in their production; these products also have different physical characteristics and are priced differently as well, the entire proceeding are illegal and without lawful authority.”</p> <p>“the investigation pertaining to the alleged dumped imports of the investigated product are broadly classified under PCT No. 4810.9200 and 4810.9900. It is appurtenant to point out that numerous qualities/ type/ variants of paper board are imported under the</p>	<p>Section 2 (K) of the Act, defines investigated product as “means a product which is subject to antidumping investigation as described in the notice of initiation of investigation”. The notice of initiation of investigation defines investigated product is One Side Coated Duplex-Grey Back imported into Pakistan from the Exporting Countries. It is classified under Pakistan Customs Tariffs (PCT) heading No. 4810.9200 and 4810.9900. Investigated product is mainly used for primary cigarettes, pharmaceutical, spices, confectionary, food, tea, biscuit, shoe, auto part, electric appliances, electronic and garment industry etc.</p> <p>The definition restricts the investigated product to only One Sided Coated Duplex-Grey Back.</p>

<p>aforementioned PCT Nos./ H.S. Codes, whereas the domestic industry and in particular the Applicant does not manufacture nor does have the necessary means to manufacture the entire variants of paper boards as imported, i.e. Triplex Board which contains recycled fiber and is imported in the aforesaid PCT Nos./ H.S. Codes, the Applicant does not manufacture nor have the means to manufacture the said variant. Furthermore the Applicant is presently running its production line on machineries which are outdated and not in accordance with the international standards, hence the product as produced by the Applicant is nowhere close to the imported product, the same can be discerned from the samples of the local as well as imported variant of paper board which were submitted in 22-June hearing on behalf of importers.”</p>	<p>The said characteristic have been strictly followed in the investigation and thereafter in imposition of duties. The investigation is focused on the product defined and not on all the products under the said PCTs. All products falling under the said PCT including Triplex Board are not subject to this investigation and will not be subject to anti-dumping as a result of this investigation.</p>
<p>“the product scope must be identified accurately and must be limited to the products being imported into Pakistan. The Commission must diligently ascertain the products within each PCT head as like product and redefine the parameters of the subject investigation. Removal of PCT heads from the scope of the investigation would ultimately require revision of the import data and consequently revision of dumping margin as well as injury as claimed by the applicant. It is imperative that the revision be undertaken in order to (i) allow the commission to determine whether there is sufficient evidence to continue with the investigation; and (ii) allow the interested parties to respond accurately to the position taken up by the applicant, hence, the entire proceedings are illegal and without lawful authority.”</p>	<p>The Commission has described an investigated product in the notice of initiation of investigation dated 30-01-2016 in terms of Section 2 (K) of the Act. The product under investigation and PCT heads are briefly and precisely defined by the Commission. The PCT head contains different paper related product however, the import data of PRAL has been critically examined for this investigation and only the import figures of the investigated product has been taken into account in this investigation. The products which are out of scope of the instigated product have been excluded from the volume of imports.</p>
<p>“the Directors of the complainant are the same who are also Directors in the Merritt Packaging Ltd. who is importer of the same alleged dumped product, the addresses of the said assistant concern who is importer of the alleged dumped same, the applicant indirectly is involved in the import of alleged dumped products, thus, the application is not maintainable nor it is proceedable”</p> <p>“the finding of the Commission in the SEF is that the Applicant is related to M/S Merit Packaging (an importer of the investigated product), however the quantity imported by M/S Merit Packaging is meager i.e. 0.5% of the total imports and 0.10% of the total domestic consumption during the last year of POI. The said finding of the Commission is denied to the extent of meager imports by M/S Merit Packaging and only</p>	<p>After taking into consideration facts and the analysis of data, the Commission has determined that the Applicant is engaged in the manufacturing, marketing and distribution of Duplex Board. The Applicant did not import Duplex Board from the Exporting Countries during the POI, however it is related to Merit Packaging who has imported very meager quantity i.e. 0.5% of the total imports and 0.10% of the total domestic consumption during the last year of the POI. Further, as the Century Paper and Board Mills is the Applicant in this investigation therefore it is not likely to behave differently from unrelated producers in terms of Section 2(d) of the Act. Therefore, the Commission has determined that the Applicant i.e. Century Paper and Board Mills limited can</p>

<p>being done so in the last year of POI. It is pertinent to highlight here that Section 2(d) of the Act explicitly states that an individual ceases to be within the ambit of a domestic industry if the domestic producer is involved in the imports of the investigated product itself or is related to the exporter or importer of the investigated product, the relation/ nexus is not judged based on the quantity of imports”</p>	<p>not be excluded from domestic industry and is eligible to file Anti-Dumping application on behalf of the domestic industry.</p>
<p>“the Commission has stated in the SEF that the Applicant revealed that there are only 10 units in the domestic industry manufacturing the investigated product, whereas during the course of investigation the importers highlighted that there are several other domestic manufactures other than the ones enlisted by the Applicant manufacturing the investigated product, however the Commission is of the opinion that since none of the domestic manufacturer as enlisted by the importers have submitted any data/information in response to the questionnaire sent to them by the Commission, hence the Commission is of the view that the Applicant represents 58% of the domestic production by the domestic industry, whilst the Application is supported by the 100% of the domestic producers who are expressing their opinion on the application. The said finding of the Commission is vehemently denied as erroneous, fallacious and invalid. The importers/ interested parties in their written arguments had adduced sufficient evidence such as NTN and sale tax invoices of the domestic manufacturers, manufacturing the investigated product, other than the ones listed by the Applicant, during the period of investigation and even otherwise, thus sufficiently corroborating upon the fact that the said domestic units are actively involved in the manufacturing of the investigated product, whereas a mere inability of the said domestic manufactures (as pointed by the importers) to reply and/ or to respond to the questionnaire sent by the Commission does not tantamount to the fact that they are ousted from and/or not included within the ambit of domestic industry. Hence, in light thereof the application under section 20 of the Act as filed by the Applicant is infructuous on account of misrepresentation/ concealment of actual standing of the domestic industry.”</p>	<p>The Commission has determined the domestic industry in terms of Section 2 (d) of the Act. All known producers have been taken into account. The Commission wrote letters and sent questionnaires to these producers which were identified by the importers. However, no producer has submitted any data/information to the Commission in response to the questionnaire neither they replied regarding their status to the investigation that whether they are opposing, supporting or indifferent to the application filed by the domestic industry. The information submitted by the importers with regard to NTN and sales tax invoices of other domestic producers does not provide any information regarding production, sales etc. to ascertain these producers’s share in the domestic market.</p> <p>The Commission is bound to make a determination on the basis of information obtained by the Commission during course of the investigation. On the issue even the importers have not provided sufficient information.</p>
<p>“That the Applicant is a presently manufacturing 6 different types of paper products other than the investigated product, whereas the Applicant claims to have incurred a loss amounting to USD 205 Million in</p>	<p>The Commission has analyzed the impact of dumped imports on the profitability of the Applicant from the Duplex Board segment. The profit and loss position provided in this</p>

<p>the year 2014-2015. It is pertinent to highlight here that such hefty amount of loss cannot be attributed to any one type of paper product, the Applicant is required to provide a product wise sales and cost of sales such that actual material injury can be discerned. Furthermore the Applicant has fraudulently evaded to provide an account of other factors that have affected the output productivity/ capacity utilization of the Applicant in lieu of the investigated product, the Directors of the Applicant have mentioned in their annual reports that due to shortage / unviability of gas and electricity the production capacity utilization is greatly affected whilst use of alternative source of energy increases the cost of production”</p>	<p>determination is only for the Duplex Board rather than the overall profit and loss position of the Applicant from all the business segments.</p> <p>Further, While making the preliminary/final determination in the investigation the Commission in accordance with Section 18(2) of the Act, has also examined factors, other than dumped imports of the investigated product, which could at the same time cause injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.</p>
<p>“That the Commission has stated in the SEF that the import data of PRAL has been critically examined for this investigation and only the import figures of the investigated product have been taken into account in this investigation, the products which are out of the scope of the investigated product have been excluded from the volume of exports. It is pertinent to highlight here that the import data in lieu of the paper board imports as provided by PARL can be obtained by the public at large, thus even if we assume that the aforesaid contention of the Commission is right, then why is the said segregated import data of the investigated product by PRAL kept confidential, the importers are axed of their lawful right contest and/or rebut any such finding of the Commission”</p>	<p>The import data of PRAL is not available to the general public at large. The access to the PRAL data is exclusive and access to data to NTC is just for the investigation purpose. The data is by nature confidential. However, to provide a reasonable understanding in this investigation the actual figures of quantity of import from the Exporting Country is given in the non-confidential report.</p>
<p>“That furthermore the Commission whilst ascertaining the sales and cost of sales of the domestic like product and the landed cost of the investigated product, failed to consider the very fact that the cost of imported goods is added by 20% of custom duty surcharge, thus providing an extra margin to the domestic producers to cover their cost of production, however despite the same if the domestic manufacturers are still not able to take an advantage of the said margin, then it is the failure and incompetence of the domestic manufactures to perform adequately. Moreover for purposes of effective determination of an injury, the Applicants cost of production should be made public, as during the period of investigation the international prices of the raw material used for purposes of manufacturing the investigated product decreased drastically, whereas it can explicitly be discerned from the import data of the Applicant that the cost of their waste went down during the period of investigation, the data had been duly provided to the Commission”</p>	<p>The purpose of the imposition of the antidumping duties is to provide a level playing field to the domestic industry against the unfair trade practices of dumping by the exporters/foreign producers. The protection offered through Customs duty is to encourage local value addition under normal trade regime, the two needs to be treated differently. The Commission has critically examined the data provided by the Applicant with regard to cost of production of the investigated product which was duly verified during on the spot investigation of the domestic industry.</p> <p>Further, the Applicant provided the data relating to cost to make and sell in the Application on confidential basis under Section 31(2) (c) of the Act. However, non confidential summary contains this information in indexed form in the application and in non confidential</p>

	preliminary/final determination reports of the Commission.
<p>“That from the indexed table it can effectively be discerned that the net profit margin of the Applicant in the financial year 2012 to 2013 and 2013 to 2014 is above 10%, whereas in the last year of POI (2014-2015) the net loss of the Applicant is mere 1.7%, which does not warrants an anti-dumping duty in the range of approximately 15% to protect domestic industry, the so called injury to the Applicant is just 1.7% whilst the anti-dumping duty margin is 15% , this act on behalf of the Commission shall predominantly allow the Applicant with the opportunity to maximize its profits.”</p>	<p>The threshold of dumping margin is established on the comparison of the export price and the normal value of the investigated product. The Commission while determining the duty rate calculated both the dumping margin and injury margin. The Commission imposed the duty keeping in view the lesser duty provision of the Act. In case of China the injury margin was higher than the dumping margin, therefore, the Commission imposed the duty on the basis of dumping margin.</p>
<p>“That the employment, productivity, salaries/ wages, return on investments and growth are all directly dependent on the capacity utilization of the Applicant, whereas the directors of the Applicant have attributed the low level of output productivity with shortage of gas and power and as of the mis-management of the port-folio, thus having no nexus with the alleged dumped imports of the investigated product.”</p>	<p>The Commission while making the preliminary/final determination in the investigation the Commission in accordance with Section 18(2) of the Act, has also examined factors, other than dumped imports of the investigated product, which could at the same time cause injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports.</p>
<p><u>Comments of Domestic Industry:</u></p> <p>The Applicant i.e. Century Paper and Board Mills made the following comments on S.E.F during the course of investigation:</p>	
<p>“At para 10.4 of the SEF, the Commission has notified Merit Packaging Ltd as related company of the Applicant. The Applicant has, on various occasions, submitted that Merit Packaging cannot be regarded as a related company of the Applicant on the basis of common directorship and shareholding.</p> <p>Common directorship or the common shareholding stand alone does not establish a control between the two companies especially where both the companies are listed companies and both have to safeguard the interest of their respective shareholders. Since both (Merit Packaging Limited and the Applicant are listed companies, there are also shareholders and directors which are not in common and the CEOs are also not common”</p>	<p>After taking into consideration facts and the analysis of data, the Commission has determined that the Applicant is related to Merit Packaging who has imported very meager quantity i.e. 0.5% of the total imports and 0.10% of the total domestic consumption during the last year of the POI. Both the companies are held ultimately by the Lakson Group. Further, as the Century Paper and Board Mills is the Applicant in this investigation therefore it is not likely to behave differently from unrelated producers in terms of Section 2(d) of the Act. The detailed arguments are contained in Para 17 of the report.</p>

“In Table X of para 28.1 of the SEF, the Commission has disclosed the indexed figures of cost to make & sell and Ex-factory price of the domestic like product. On the basis of same figures given in preliminary determination report, the Commission didn’t determine any injury on account of price suppression. In this regard, the Applicant would like to submit that analysis of Table X of the SEF shows a reduction of cost per ton of the domestic industry by 4.0 (indexed points) and a reduction in sale price per ton of the domestic industry by 15.2 (indexed points). This means the domestic industry had to reduce its prices more than its reduction of cost because of pressure from the prices of dumped product. This actually is the price suppression which the Commission used to have been working out in some previous investigations. Therefore, the Commission is requested to kindly account for this factor of injury, while making final determination.”

The reduction in price and the cost to make and sell at the same time could not be termed as suppression.