ADC No. 46/2015/NTC/PFY Government of Pakistan National Tariff Commission

Notice of Final Determination and Levy of Definitive Antidumping Duties on Dumped Imports of Polyester Filament Yarn into Pakistan Originating in and/or Exported from the Peoples' Republic of China and Malaysia

The National Tariff Commission (the "Commission") initiated an anti-dumping investigation on February 27, 2016, under Section 23 of the Anti-Dumping Duties Act, 2015 (the "Act") after establishing that the application lodged by Gatron Industries Limited, Karachi and Rupali Polyester Limited, Lahore (the "Applicants"), on behalf of domestic industry producing Polyester Filament Yarn ("PFY"), was in accordance with Sections 20 and 24 of the Act. The investigation concerns dumping of PFY, originating in and/or exported from the People's Republic of China and Malaysia (the "Exporting Countries") into Pakistan and material injury caused therefrom to the domestic industry producing PFY. The Commission made a preliminary determination in this case in terms of Section 37 of the Act on February 14, 2017. In accordance with the provisions of the Act and the Anti-Dumping Duties Rules, 2001 (the "Rules"). The Commission has, after investigation, made affirmative final determination in this case as follows:

<u>Product under Investigation</u>: The product being dumped into Pakistan is PFY, excluding colored PFY originating in and/or exported from the Exporting Countries and is classified under Pakistan Customs Tariff Heading Nos. 5402.3300, 5402.4700 and 5402.6200 (the "investigated product").

Period of Investigation (POI): For determination of dumping and injury, the POI is as follows:

For determination of dumping: From October 01, 2014 to September 30, 2015 For determination of injury: From October 01, 2012 to September 30, 2015

<u>Sampling of exporters/foreign producers from China:</u> Due to large number of exporters/foreign producers, the Commission decided to limit the number of exporters/foreign producers from China for detailed examination on the basis of volume of exports. The Commission selected 10 exporters/producers from China on the basis of highest import volume, affiliated companies and varieties of investigated product i.e. DTY and FDY in terms of Section 14 of the Act after consultation with the cooperating exporters/producers from China under Section 14 (3) of the Act. The selected exporters/producers represent 50.20% of the volume of exports of PFY from China.

<u>Determination of Dumping:</u> Individual dumping margins have been determined for exporters/foreign producers of the investigated product who were selected for detailed examination on the basis of the information provided by them. Rate of definitive antidumping duties for these exporters is determined on the basis of their individual dumping margins.

Duty rate for the Chinese exporters/ producers who cooperated and provided necessary information but were not selected for detailed examination is determined in accordance with provisions of Sub-sections 3 and 4 of the Section 51 of the Act. Further, a residual antidumping duty rate has been determined for non-cooperating exporters/ foreign producers of the Exporting Countries, which is the highest dumping margin among the investigated exporters/ foreign producers.

<u>Injury to the domestic industry:</u> Injury to the domestic industry has been determined in accordance with Part VI of the Act. The Commission has determined that the domestic industry suffered material injury during POI on account of increase in volume of dumped imports, price undercutting, decline in market share, production and capacity utilization, negative effect on

productivity and wages, cash flows, return on investment and increase in losses. The Commission has also examined factors other than dumped imports under Sections 18(2) and 18 (3) of the Act, which could at the same time cause injury to the domestic industry. Analysis showed that the domestic industry has not suffered material injury due to others factors.

Imposition of Definitive Anti-dumping Duties: In reaching this affirmative final determination, the Commission is satisfied that the investigated product has been imported into Pakistan at dumped prices from the Exporting Countries. This has caused material injury to domestic industry during the POI. Therefore, the Commission, pursuant to the powers conferred upon it under Section 50 of the Act has decided to impose definitive anti-dumping duties on PFY imported from the Exporting Countries as given in the following table for a period of five years effective from August 26, 2017. The anti-dumping duty rates are determined on C&F value in *ad valorem* terms and are set out as under:

Definitive Antidumping Duty Rates

| Country | Exporter Name | Duty rate (% of C&F) |
|----------|--|----------------------|
| China | Shaoxing Huaqing Polyester and Textile Co. Ltd. | 4.90 |
| | Zhejiang Hengyi Petrochemicals Co. Ltd. | 11.35 |
| | Fujian Jinlun Fiber Shareholding Co. Ltd | 6.93 |
| | Tongkun Group Co Ltd. | 3.25 |
| | Tongkun Group Zhejiang Hengsheng Co. | |
| | Suzhou Shenghong Fiber Co Ltd formerly known as Jiangsu | 4.97 |
| | Shenghong Science and Technology Corp. Ltd. | |
| | Jiangsu Zhonglu Technology Development Co Ltd. | |
| | Jiangsu Guowang High-Technique Fiber Co., Ltd. | |
| | Jiangsu Shenghong Petro Chemical Group Ltd. | |
| | Jiangsu Shenghong Technology Trading Co. Ltd | |
| | Tongxiang Zhongchi Chemical Fiber Co., Ltd, China | 7.04 |
| | Fuzhou Huafeng Textile & XIAMEN MC GROUP, China | |
| | Zhejiang Materials Industry Chemical Group, China | |
| | Tongxiang Zhongxin Chemical Fiber Co., Ltd, China | |
| | Hangzhou Zhongli Chemical Fiber Co., Ltd, China | |
| | Shaoxing Yuanzheng Chemical Fiber Co., Ltd, China | |
| | Hangzhou Zhongcai Chemical Fiber Co Ltd, China | |
| | Jinjiang Jinfu Chemical Fibre & Fujian Zhengqi High-tech Fiber, | |
| | Hangzhou Xiaoshan Donglong Chemical Fiber Limited Company | |
| | Shaoxing Huamao Co., Ltd, China | |
| | Taicang City Xinwanli Textile & Taicang Jiwei Chemical Fiberspin, | |
| | Zhejiang Jiabao New Fiber Group Co. Ltd, China | |
| | Zhejiang Huaxin Advanced Materials Co., Ltd, China | |
| | Zhejiang ShengYuan Chemical Fibre Co., Ltd, China | |
| | Suzhou Guoxin Group Fengyuan Imp and Exp Co., China | |
| | Shaoxing Keqiao Lianzhong Textiles Co., Ltd, China | |
| | Xiamen Xianglu Chemical Fiber Co., Ltd, China | |
| | Hangzhou Legend Export & Import Co. Ltd, China | |
| | Tongxiang Zhongchen Chemical Fiber Co., Ltd, China All others from China | 11.35 |
| | Recron (M) Sdn, Bhd | 6.36 |
| Malaysia | All others from Malaysia | 6.36 |
| | 7 Sand S Hom Malayola | 3.30 |

Injury margins (including regulatory duty of 5%) are above dumping margins, therefore, lesser duty rule will not apply in this case and the definitive antidumping duties are determined at the full dumping margins at C&F level.

PFY imported from sources other than China and Malaysia shall not be subject to the definitive antidumping duties. Further, in accordance with Section 51(1)(e) of the Act, antidumping duties will not be levied on imports of the investigated product that are to be used as input in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969

Disclosure meeting: Pursuant to Rule 16 of the Rules, cooperating exporters/foreign producers may request for a disclosure meeting within 15 days of the date of publication of this notice.

Further Information: A non-confidential version of the report on final determination is placed on public file established and maintained by the Commission. It is also posted on the Commission's website: www.ntc.gov.pk. The public file is available to the interested parties registered with the Commission for the purposes of this investigation for review and copying at the office of the Commission from Monday to Thursday between 1100 hrs to 1300 hrs.

Authority under Law: This notice is published pursuant to Section 39 of the Act by order of the Commission.

(Ali Muhammad Shah) Secretary August 26, 2017