



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**FINAL DETERMINATION AND LEVY OF DEFINITIVE ANTIDUMPING DUTIES ON IMPORTS OF
POLYESTER FILAMENT YARN (PFY) INTO PAKISTAN ORIGINATING IN AND/OR EXPORTED
FROM THE PEOPLE'S REPUBLIC OF CHINA AND MALAYSIA.**

A.D.C No.46/2016/NTC/PFY

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The National Tariff Commission (hereinafter referred to as the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (hereinafter referred to as the "Act") and the Anti-Dumping Duties Rules, 2001 (hereinafter referred to as the "Rules") relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (hereinafter referred to as "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 (hereinafter referred to as the Agreement on Anti-dumping) has conducted this investigation, on imports of Polyester Filament Yarn (PFY) into Pakistan originating in and/or exported from People's Republic of China ("China") and Malaysia (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(5) of the Act and Article 12.2 of the Agreement on Antidumping.

2. 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 February 27, 2016.

3. Litigation

3.1 The Lahore High Court, Lahore ("LHC") held on March 15, 2016 in the writ petition No. 4735/2016 as follows:

"As pointed out earlier, one of the Members does not meet the qualification requirement provided under section 5(2)(a) of the Act,..... Till such time the NTC complies with the requirements of sections 3 and 5 of the Act, the impugned Notice of Initiation shall be held in abeyance and as soon as NTC is functional in terms of sections 3 and 5, it may proceed further with the said notice strictly in accordance with law."

3.2 Keeping in view the above decision of the LHC, by applying same analogy, proceedings of the all investigations, including this investigation, were suspended till the time the Commission become functional in terms of Sections 3 and 5 of the National Tariff Commission Act, 2015. The Commission was constituted on September 05, 2016 in accordance with sections 3 and 5 of the National Tariff Commission Act, 2015 and the investigation was resumed accordingly.

3.3 Eight importers of PFY filed another writ petition No. 30348/2016 in the LHC against Commission's order of initiation in this investigation. The LHC restricted the Commission to take any action and ordered on 29-09-2016 as follows:

“Notice. Till the next date of hearing the Commission shall not pass any adverse order against the petitioners.”

3.4 However, on intervention of the Commission, the Honorable Court modified its order on 11-01-2017 which is as follows:-

“As far as interim relief granted on 29.09.2016 is concerned, the same is modified in the manner that the proceedings initiated under the Notice of Initiation shall continue, primary determination or final determination or any other passed by the Commission, while binding on others, will have no effect on the petitioner till further orders of this court.”

3.5 On May 31, 2017 the honourable LHC dismissed all petitions filed by different importers on this investigation. The time lines for this investigation have been worked out by excluding the stay periods.

A. PROCEDURE

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

5. Receipt of Application

5.1 On January 01, 2016, the Commission received a written application under Section 20 of the Act from the Applicants on behalf of the domestic industry manufacturing PFY. In application, the Applicants have alleged that PFY is being exported to Pakistan at dumped prices from the Exporting Countries, which have caused and are causing material injury to Pakistan's domestic industry producing PFY.

5.2 The Commission informed embassies of the Exporting Countries in Islamabad through note verbale dated January 07, 2016 of the receipt of application in accordance with the requirements of Section 21 of the Act.

6. Evaluation and Examination of the Application

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

7. The Domestic Industry

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

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

7.2 The domestic industry of PFY is comprised on following five units:

- i. Gatron Industries Limited, Karachi;
- ii. Rupali Polyester Limited, Lahore;
- iii. Rupafil Limited, Lahore;
- iv. Kamal Industries, Karachi; and
- v. Sindh Industries, Karachi

7.3 The units mentioned at Serial i and ii are the Applicants in this investigation. Gatron Industries Limited is a public limited company. The principal business of the company is to

manufacture PFY and its raw material i.e. Yarn Grade Polyester Chips. The company also produces bottle grade polyester chips and PET Preforms. Rupali Polyester Limited is also a public limited company. The company has a composite facility to manufacture Polyester Staple Fiber and Polyester Filament Yarn.

7.4 The Applicants are neither related to importers and exporters nor did they import themselves PFY from the Exporting Countries.

8. Standing of the Application

8.1 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."

8.2 The application has been filed by the Applicants, who are major producers of PFY in the country. Other units in the domestic industry are indifferent. The Applicants produced 69 percent of the total domestic production of PFY during the period from October 2014 to September 2015. Details of the production during the year are as follows:

Table - I

Unit Name	% share in total production
Gatron Industries Limited	53.48
Rupali Polyester Limited	15.33
Rupafil Limited	21.34
Kamal Industries	9.03
Sindh Industries	0.82
Total	100.00

Source: the Applicants

8.3 As the Applicants represent 69 percent of the domestic production, therefore, standing requirements as given in section 24 of the Act are met and it is determined that the application is made on behalf of the domestic industry.

9. **Applicant's Views**

The Applicants, *inter alia*, raised the following issues in application regarding alleged dumping of PFY and material injury to the domestic industry caused therefrom:

- i. Impose appropriate antidumping duties on alleged dumped imports of PFY in accordance with Section 50 of the Act; and
- ii. Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.
- iii. Exports of PFY 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 PFY mainly through:-
 - a. volume of alleged dumped imports;
 - b. price undercutting;
 - c. production;
 - d. sales;
 - e. capacity utilization;
 - f. market share;
 - g. productivity and wages;
 - h. profits/profitability; and
 - i. return on investment.

9.2 The Applicants 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 PFY from the Exporting Countries and imposition of anti-dumping duties on these imports. It has also been requested that provisional anti-dumping measures may be imposed to prevent injury being caused during the course of investigation.

10. **Exporters/Foreign Producers of PFY**

As per information available with the Commission, there are 33 exporters/foreign producers involved in alleged dumping of the investigated product from the Exporting

Countries. The Applicants have requested for imposition of anti-dumping duty on all imports of the investigated product originating in and/or exported from the Exporting Countries.

11. Initiation of Investigation

11.1 The Commission, in accordance with Section 23 of the Act examined the accuracy and adequacy of the evidence provided in application, and established that there was sufficient evidence of alleged dumping of PFY 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 February 27, 2016. Investigation concerning alleged dumped imports of PFY into Pakistan classified under PCT No³. 5402.3300, 5402.4700 and 5402.6200 originating in and/or exported from the Exporting Countries was thus initiated on February 27, 2016.

11.2 In pursuance to Section 27 of the Act, the Commission notified Embassies of the Exporting Countries in Islamabad of the initiation of the investigation (by sending a copy of notice of initiation) on February 29, 2016 with a request to forward it to all exporters/ producers involved in production, sales and export of PFY from the Exporting Countries. Copy of the notice of initiation was also sent on March 01, 2016 to known exporters/ producers of PFY from the Exporting Countries whose addresses were available with the Commission. Copy of the notice of initiation was also sent to known Pakistani importers and the Applicants on March 01, 2016.

11.3 In accordance with Section 28 of the Act, on March 14, 2016 the Commission sent copies of full text of the written application (non-confidential version) and Exporter's Questionnaire to the exporters of the Exporting Countries who got registered themselves as an interested party in this investigation. On March 16, 2016, copy of the full text of the written application along with Exporter's Questionnaire were also sent to the Embassies of the Exporting Countries in Pakistan with a request to forward it to all exporters/ producers involved in production and/or sale/export of PFY.

¹ The official Gazette of Pakistan (Extraordinary) dated February 27, 2016.

² The 'Dawn' and 'Nawa.i.wakt' of February 27, 2016 issue.

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

12. Investigated Product, Like Product and Domestic Like Product

12.1 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”.

12.2 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:

12.2.1 Investigated Product:

12.2.1.1 The investigated product is PFY classified under Pakistan Customs Tariff (“PCT”) Heading Nos. 5402.3300 (Drawn Textured Yarn), 5402.4700, (Fully Drawn Textured Yarn) and 5402.6200 (Multiple (folded) or cabled PFY in two or three ply) imported from the Exporting Countries. Investigated product is mainly used as raw material in the manufacturing of art silk fabrics and other fabrics. After initiation of investigation, importers and users of colored and specialized yarn approached the Commission and submitted that the same is not being produced by the domestic industry. The Commission invited the Applicants to submit their reply to the concerns raised by the importers and users of colored and specialized yarn. In the light of explanations & clarifications from the domestic industry and other stakeholders, the Commission has determined that domestic industry which made the application for antidumping investigation is not producing varieties of colored yarn. Therefore, colored PFY has been excluded from the scope of investigated product.

12.2.1.2 The customs duty on import of the investigated product during 2012-13, 2013-14 and 2014-15 was 11 percent.

12.2.2 Domestic Like Product

12.2.2.1 The domestic like product is also PFY, excluding coloured PFY, produced by the domestic industry. It is also classified under PCT Heading Nos. 5402.3300 (Draw Textured Yarn), 5402.4700, (Fully Drawn Textured Yarn) and 5402.6200 (Multiple (folded) or cabled PFY in two or three ply) excluding colored PFY. Domestic like product is mainly used as raw material in the manufacturing of art silk fabrics and other fabrics.

12.2.3 Like Product:

12.2.3.1 The like product is PFY, excluding colored PFY, produced and sold by the foreign producers/exporters of the Exporting Countries in their domestic markets, and export market to countries other than Pakistan and PFY imported into Pakistan from countries other than the Exporting Countries. The like product is classified under PCT/H.S heading Nos. 5402.3300, 5402.4700 and 5402.6200. Major uses of the like product are identical to those of the investigated product and domestic like product.

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

- i. basic raw materials used in the production of the investigated product, the domestic like product, and the like product are the same/similar;
- ii. all the three products (the investigated product, the domestic like product and the like product) are produced with a similar manufacturing process;
- iii. all the three products have similar appearance;
- iv. all the three products are substitutable in use. They are generally used as raw material in the manufacturing of art silk fabrics and other fabrics.
- v. all the three products are classified under the same PCT/HS heading Nos. 5402.3300, 5402.4700 and 5402.6200..

The Commission has determined that the investigated product, the domestic like product and the like product are alike products.

13. Period of Investigation

13.1 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".

13.2 The Commission received the application on January 01, 2016 and initiated the investigation on February 27, 2016. The Applicants have 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:	October 01, 2014 to September 30, 2015
For determination of injury:	October 01, 2012 to September 30, 2015

14. Information/Data Gathering

14.1 The questionnaire was sent to China Chamber of Commerce for Imports and Export of Textiles on March 08, 2016 via email for circulating among its members. Questionnaire was also sent directly to all known exporters/foreign producers of the Exporting Countries whose addresses were available with the Commission on March 14, 2016 for collection of data/information. The exporters/foreign producers were asked to respond within 37 days of dispatch of the Questionnaire. On March 16, 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 the Exporting Countries.

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14.2 The exporters/foreign producers were required to submit information on prescribed questionnaire latest by April 20, 2016. On April 19, 2016, the Commission received requests for extension in time period for submission of information from twenty-five exporters/ foreign producers of the Exporting Countries. After taking into account the due causes shown by these exporters/foreign producers in their requests, the Commission acceded to the requests and granted extension in time period for submission of information on exporter's questionnaire till April 30, 2016.

14.3 The Commission received filled-in exporter's questionnaires from following 29 exporters/ foreign producers from China and 01 exporter/producer from Malaysia on May 02, 2016:

Table-II
Cooperating Exporters/Foreign Producers

S.No.	Exporter/Foreign Producer Name	S.No.	Exporter/Foreign Producer Name
Chinese Origin			
1	Shaoxing Huaqing Polyester and Textile Co., Ltd	16	Jiangsu Zhonglu Technology Development Co Ltd
2	Zhejiang Hengyi Petrochemicals Co., Ltd, China	17	Hangzhou Xiaoshan Donglong Chemical Fiber Limited Company
3	Tongkun Group Co., Ltd, China	18	Shaoxing Huamao Co., Ltd
4	Jiangsu Shenghong Science and Technology Corp. Ltd	19	Taicang City Xinwanli Textile & Taicang Jiwei Chemical Fiberspin
5	Tongxiang Zhongchi Chemical Fiber Co., Ltd	20	Zhejiang Jiabao New Fiber Group Co. Ltd,
6	Fuzhou Huafeng Textile & XIAMEN MC GROUP	21	Zhejiang Huaxin Advanced Materials Co., Ltd
7	Zhejiang Materials Industry Chemical Group	22	Zhejiang ShengYuan Chemical Fibre Co., Ltd
8	Tongxiang Zhongxin Chemical Fiber Co., Ltd	23	Suzhou Guoxin Group Fengyuan Imp and Exp Co., Ltd
9	Fujian Jinlun Fiber Shareholding Co. Ltd.	24	Shaoxing Keqiao Lianzhong Textiles Co., Ltd.
10	Hangzhou Zhongli Chemical Fiber Co., Ltd	25	Xiamen Xianglu Chemical Fiber Co., Ltd, China
11	Shaoxing Yuanzheng Chemical Fiber Co., Ltd.	26	Hangzhou Legend Export & Import Co. Ltd.
12	Tongkun Group Zhejiang Hengsheng Chemical Fiber Co., Ltd.	27	Tongxiang Zhongchen Chemical Fiber Co., Ltd.
13	Hangzhou Zhongcai Chemical Fiber Co Ltd.	28	Jiangsu Shenghong Petro Chemical Group Ltd.
14	Jinjiang Jinfu Chemical Fibre & Fujian Zhengqi High-tech Fiber.	29	Jiangsu Shenghong Technology Trading Co., Ltd.
15	Jiangsu Guowang High-Technique Fiber Co., Ltd.		
Malaysian Origin			
1	Recron (M) Sdn, Bhd, Malaysia		

14.4 Due to large number of exporter/foreign producers from China, the Commission decided to limit the number of exporters/foreign producers from China for detailed examination on the basis of largest volume of exports among responding exporters/ foreign producers in accordance with Section 14(3) of the Act. However, the exporters/ foreign producers pointed out that on the basis of volume of exports only, not even one FDY exporter/foreign producer was selected in sample as all sampled exporter were exporting DTY. Therefore, the Commission selected following 10 exporters/producers from China for detailed investigation on the basis of highest import volume, affiliated companies and varieties of the investigated product i.e. DTY and FDY in consultation with the cooperating exporters/producers. The selected exporters/producers represent 50.20 percent of the total volume of exports of the investigated product from China. Names of the selected exporters/ foreign producers from China are given below:

- i. Shaoxing Huaqing Polyester and Textile Co. Ltd.
- ii. Zhejiang Hengyi Petrochemicals Co. Ltd.
- iii. Fujian Jinlun Fiber Shareholding Co. Ltd.
- iv. Tongkun Group Co. Ltd.
- v. Tongkun Group Zhejiang Hengsheng Chemical Fibre Co. Ltd.
- vi. Jiangsu Shenghong Science and Technology Corp. Ltd
- vii. Jiangsu Guowang High-Technique Fiber Co., Ltd.
- viii. Jiangsu Zhonglu Technology Development Co Ltd.
- ix. Jiangsu Shenghong Petro Chemical Group Ltd
- x. Jiangsu Shenghong Technology Trading Co., Ltd

14.5 Upon examination of the information received from the selected exporters/foreign producers (10 from China and 1 from Malaysia) certain deficiencies were found in the information supplied. These deficiencies were communicated to them to supply the deficient information. The information provided by these exporters/ foreign producers is accepted by the Commission and individual dumping margins for them in the final determination will be determined on the basis of that information.

14.6 On March 14, 2016, Questionnaires were also sent to 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.

14.7 The Commission has access to database of import statistics of Pakistan Revenue Automation Limited (PRAL) the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this investigation, the Commission has also used import data obtained from PRAL in addition to the information provided by the Applicants and the exporters/foreign producers.

14.8 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Many interested party made comments /submitted information, which is also considered for the purposes of this investigation.

14.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of final determination of dumping and injury therefrom in this investigation.

15. Questionnaire(s) Response by Chinese Producers/Exporters:

As stated earlier, producers/exporters mentioned at Para 14.3 responded on the exporters questionnaires detailed below:-

15.1 Questionnaire Response by Recron (M) Sdn, Bhd, Malaysia

15.1.1 The Commission sent the Exporter's Questionnaire to Recron (M) Sdn, Bhd, ("Recron") on March 14, 2016. Recron applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.1.2 According to the information provided in response to the questionnaire, Recron is a private limited company incorporated in Malaysia. The principal activity of the Company are the manufacture of polyester resin, fibre, yarn and fabric; undertaking of fabrics' bleaching, dying, printing and finishing, providing engineering services and sale and marketing activities on behalf of its ultimate holding company.

15.1.3 The information submitted by Recron in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated January 20, 2017.

15.1.4 Recron was asked to provide the deficient information/data no later than 4 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Recron responded to the deficiencies vide its letter dated January 30, 2017.

15.2 Questionnaire Response by Shaoxing Huaqing Polyester and Textile Co. Ltd.

15.2.1 The Commission sent the Exporter's Questionnaire to Shaoxing Huaqing Polyester and Textile Co. Ltd. (hereinafter referred to as "Shaoxing Huaqing") on March 14, 2016. Shaoxing applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.2.2 According to the information provided in response to the questionnaire, Shaoxing Huaqing is established by Shaoxing Huating Knitting Composite Filament Co. Ltd, Zhu Weiping and Hong Kong Fuqiang Investment Inc on November 07, 2002. Shaoxing Huaqing is a public limited company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PFY to Pakistan as well as to other countries and in its domestic market during the POI.

15.2.3 The information submitted by Shaoxing Huaqing in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated January 23, 2017.

15.2.4 Shaoxing Huaqing was asked to provide the deficient information/data no later than 4 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Reply to deficiency letter was received on February 9, 2017.

15.3 Questionnaire Response by Zhejiang Hengyi Petrochemicals Co. Ltd.

15.3.1 The Commission sent the Exporter's Questionnaire to Zhejiang Hengyi Petrochemicals Co. Ltd. ("Zhejiang Hengyi") on March 14, 2016. Zhejiang Hengyi applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April

20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.3.2 According to the information provided in response to the questionnaire, Zhejiang Hengyi is a limited liability company incorporated under the Chinese company laws. It has been engaged in the manufacture, sale and export of PFY to Pakistan as well as to other countries and in its domestic market during the POI.

15.3.3 The information submitted by Zhejiang Hengyi in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated January 20, 2017.

15.3.4 Zhejiang Hengyi was asked to provide the deficient information/data no later than 4 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Reply to deficiency letter was received on February 9, 2017.

15.4 Questionnaire Response by Tongkun Group Co. Ltd.

15.4.1 The Commission sent the Exporter's Questionnaire to Tongkun Group Co. Ltd (hereinafter referred to as "Tongkun Group") on March 14, 2016. Tongkun Group applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.4.2 According to the information provided in response to the questionnaire, Tongkun Group is a limited company funded on the basis of Zhejiang Tongkun Chemicals Fiber Group Co., Ltd, got registered under Zhejiang Industry and Commerce Administration on September 27, 1999. The company falls in the category chemical fiber industry. It has been engaged in the manufacture, sale and export of PFY to Pakistan as well as to other countries and in its domestic market during the POI.

15.4.3 The information submitted by Tongkun Group in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated January 23, 2017.

15.4.4 Tongkun Group was asked to provide the deficient information/data no later than 4 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Tongkun Group responded to the deficiencies vide its letter dated January 30, 2017.

15.5 Questionnaire Response by Tongkun Group Zhejiang Hengsheng Chemical Fibre Co. Ltd.

15.5.1 The Commission sent the Exporter's Questionnaire to Tongkun Group Zhejiang Hengsheng Chemical Fibre Co. Ltd. ("Tongkun Group Zhejiang Hengsheng") on March 14, 2016. Tongkun Group Zhejiang Hengsheng applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.5.2 According to the information provided in response to the questionnaire, Hengsheng was funded by Tongkun Group Co., Ltd on November 13, 2000 and got registration in Tongxiang Industry and commerce by city administration. It has been engaged in the manufacture, sale and export of PFY to Pakistan as well as to other countries and in its domestic market during the POI.

15.5.3 The information submitted by Tongkun Group Zhejiang Hengsheng in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated January 23, 2017.

15.5.4 Tongkun Group Zhejiang Hengsheng was asked to provide the deficient information/data no later than 4 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Tongkun Group Zhejiang Hengsheng responded to the deficiencies vide its letter dated January 30, 2017.

15.6 Questionnaire Response by Fujian Jinlun Fiber Shareholding Co. Ltd

15.6.1 The Commission sent the Exporter's Questionnaire to Fujian Jinlun Fiber Shareholding Co. Ltd, ("Fujian Jinlun") on March 14, 2016. Fujian Jinlun applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after

considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.6.2 According to the information provided in response to the questionnaire, Fujian Jinlun was invested and funded by both Jinyuan Textile Company, Changle city, Fujian Province and a Hongkong businessman. The company received investment enterprise approval certificate for Hongkong, Macao of People's Republic of China and corporate business license issued by Fuzhou Business Administration Bureau. It has been engaged in the manufacture, sale and export of PFY specially FDY to Pakistan as well as to other countries and in its domestic market during the POI.

15.6.3 The information submitted by Fujian Jinlun in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated January 23, 2017.

15.6.4 Fujian Jinlun was asked to provide the deficient information/data no later than 4 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Fujian Jinlun responded to the deficiencies vide its letter dated January 30, 2017.

15.7 Questionnaire Response by Jiangsu Shenghong Science and Technology Corp. Ltd.

15.7.1 The Commission sent the Exporter's Questionnaire to Jiangsu Shenghong Science and Technology Corp. Ltd ("Jiangsu Shenghong") on March 14, 2016. Jiangsu Shenghong applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.7.2 According to the information provided in response to the questionnaire, Jiangsu Shenghong was setup by Shenghong Group Co., Ltd on July 31, 2011. The company is located at Shichang Road, Shengze Town , Woujiang City. The company is engaged in the manufacture, sale and export of PFY specially DTY to Pakistan as well as to other countries and in its domestic market during the POI.

15.8 Questionnaire Response by Jiangsu Guowang High Technique Fibre Co. Ltd.

15.8.1 The Commission sent the Exporter's Questionnaire to Jiangsu Guowang High Technique Fibre Co. Ltd (hereinafter referred to as "Jiangsu Guowang") on March 14, 2016. Jiangsu Guowang applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.8.2 According to the information provided in response to the questionnaire, Jiangsu Guowang was invested by Hongkong Guoxin International Holding Group Co., Ltd. The company is in control of Jiangsu Shenghong Science and Technology Co., Ltd. The company is in production of different chemical fiber and export of PFY specially DTY to Pakistan as well as to other countries and in its domestic market during the POI.

15.9 Questionnaire Response by Jiangsu Zhonglu Technology Development Co. Ltd.

15.9.1 The Commission sent the Exporter's Questionnaire to Jiangsu Zhonglu Technology Development Co. Ltd. (hereinafter referred to as "Jiangsu Zhonglu") on March 14, 2016. Jiangsu Zhonglu applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.9.2 According to the information provided in response to the questionnaire, Jiangsu Zhonglu was established jointly by natural persons including ZHU Hongmei, ZHU Yuqin and MIAO Hanlin on July 16, 2007 as a stock company with liability. The business license is issued by Administration Bureau for industry and Commerce of Jiangsu province. The company is in control of Jiangsu Shenghong Science and Technology Co., Ltd. The company is engaged in the manufacture, sale and export of PFY specially DTY to Pakistan as well as to other countries and in its domestic market during the POI.

15.10 Questionnaire Response by Jiangsu Shenghong Petrochemical Group Co. Ltd

15.10.1 The Commission sent the Exporter's Questionnaire to Jiangsu Shenghong Petrochemical Group Co. Ltd (hereinafter referred to as "Jiangsu Shenghong") on March 14, 2016. Jiangsu Shenghong applied to the Commission in its letter dated April 13, 2016 for

extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.10.2 According to the information provided in response to the questionnaire, Jiangsu Shenghong was set by Shenghong Group Co., Ltd on December 31, 2010. The company license was released by Department of Foreign Trade and Economic cooperation of Suzhou City. The company is located at Wujiang City. The company is a trading company only.

15.11 Questionnaire Response by Jiangsu Shenghong Technology Trading Co. Ltd.

15.11.1 The Commission sent the Exporter's Questionnaire to Jiangsu Shenghong Petrochemical Group Co. Ltd (hereinafter referred to as "Jiangsu Shenghong Petrochemical") on March 14, 2016. Jiangsu Shenghong Petrochemical applied to the Commission in its letter dated April 13, 2016 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its letter dated April 20, 2016 after considering the reasons given in the request for extension till April 30, 2016. Its response was received in the Commission on May 02, 2016.

15.11.2 According to the information provided in response to the questionnaire, the company is a trading company only.

16. Verification of the Information

16.1 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.

16.2 In order to verify information/data provided by the Applicants and to obtain further information (if any), officers of the Commission conducted on-the-spot investigation at the office and plant of the Applicants from March 06 to 11, 2017. Non-confidential summaries of the verification reports are placed in the public file maintained under Rule 7 of the Rules.

16.3 In order to verify information/data provided by the cooperating producers/exporters and to obtain further information (if any), officers of the Commission conducted on-the-spot

investigation at the office and plant of the sampled cooperating exporters/producers Applicants from April 17, 2017 to May 13, 2017. Non-confidential version of the verification reports are placed in the public file maintained under Rule 7 of the Rules.

17. 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.

18. Confidentiality

18.1 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.

18.2 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.

18.3 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.

18.4 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.

19. Preliminary Determination

The Commission made preliminary determination in this case on February 14, 2017 and in terms of Section 37 of the Act issued a notice of preliminary determination, which was published on February 15, 2017 in official Gazette of Pakistan and in three widely circulated national newspapers (one English "Daily Business Recorder" and two Urdu Language ("Daily Dunya and Jang") notifying preliminary determination. The Commission made affirmative determination of dumping, injury and causal link in the preliminary determination. However, the Commission was of the view that imposition of provisional anti-dumping duties on the investigated product is not necessary to prevent injury being caused to the domestic industry due to dumped imports during the course of the investigation. Therefore, the Commission decided not to impose provisional antidumping duties on the investigated product.

19.2 The Commission sent copy of the notice of preliminary determination to all registered interested parties on February 16, 2017. The notice of preliminary determination along with non-confidential version of the report of preliminary determination was also posted on the Commission's official website.

20. Disclosure after Preliminary Determination

The exporters/foreign producers for whom individual dumping margins were determined in the preliminary determination requested for disclosure of dumping calculations in accordance with Rule 11 of the Rules. On February 27, 2017 the Commission accordingly provided them with the disclosure documents explaining dumping calculation methodology applied for those exporter/foreign producers and dumping calculations. The exporter/foreign producers have submitted their views/ comments on dumping calculations, which have been duly considered by the Commission for dumping calculations in the final determination of this investigation.

21. Hearing

Upon request of the Pakistan Yarn Merchants Association (PYMA) and exporters/foreign producers, a hearing in this investigation was held on June 20, 2017 under Rule 14 of the Rules. The information submitted by the participants during the hearing, whether orally (oral statements were subsequently confirmed in writing as per Rules 14 of the Rules) or in writing and record note of the hearing prepared by the Commission are available in the public file.

22. Written Submissions by the Interested Parties

22.1 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. The Commission has received written submissions/comments from the following parties:

- i. S. U. Khan Associates Management Consultants (Consultant of PYMA, Exporters/Producers)
- ii. Pakistan Yarn Merchant Association (PYMA)
- iii. Yarn Master
- iv. Dua Industries
- v. Western Silk Mills
- vi. Khalid Corporation
- vii. Gogar Enterprises
- viii. Ayesha Impex
- ix. J.K. Traders
- x. Y & F Corporation
- xi. Qasimi Inindustries Limited
- xii. Furqan Enterprises
- xiii. R.A.D Enterprises
- xiv. Yarn Solution
- xv. Goodluck Associates
- xvi. Hassan Impex
- xvii. Goodluck Hosiery House
- xviii. Pask Impex Enterprises
- xix. M/s M. Usman
- xx. I.I. International
- xxi. Ismail Hamed & Sons
- xxii. Western Silk Mills
- xxiii. Landmark Trading Company
- xxiv. Khurshid Weaving Factory
- xxv. Naveed Industries
- xxvi. The Gujranwala Art Silk Yarn Merchants Association
- xxvii. A.B International Agency
- xxviii. China Chamber of Commerce for import & export of textiles

22.2 Views/comments and the information submitted by the interested parties have been duly considered by the Commission while arriving at the essential facts of this case. The interested parties have broadly raised issues with respect to the following:

- i. Variants of PFY not manufactured by the Applicants;
- ii. Separate injury analysis for DTY and FDY;
- iii. Industry Identification;
- iv. Commission's examination of Injury factors;
- v. Non-attribution of injury to other factors;
- vi. No causal link between injury and the dumped imports;
- vii. Limiting of the investigation to certain exporters (issues in selection of samples);
- viii. Calculation of individual dumping margins; and
- ix. Non-imposition of provisional measures and its effects on domestic industry.

22.3 Comments received and germane to this investigation under the Act are placed at Annexure – I.

23. Disclosure of Essential Facts

23.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Agreement on Antidumping, the Commission disclosed essential facts, and in this context dispatched Statement of Essential Facts ("SEF") on July 20, 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.

23.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Commission received comments from following interested parties:

- i. Ministry of International Trade and Industry, Malaysia
- ii. The Applicants
- iii. Cooperating exporters/foreign producers
- iv. Importers of investigated product

23.3 The comments received on SEF and germane to this investigation under the Act are placed at Annexure – I.

B. DETERMINATION OF DUMPING

24. 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”.

25. Normal Value

25.1 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”.

25.2 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:”.

25.3 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.”

26. 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”.

27. Dumping Determination

27.1 As stated earlier (paragraph 16 supra) the Commission has selected the following exporters/foreign producers for detailed examination in this investigation from China and one exporter/ foreign producer from Malaysia:

- i. Shaoxing Huaqing, China;
- ii. Zhejiang Hengyi, China;
- iii. Fujian Jinlun, China;
- iv. Tongkun Group, China;

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- v. Tongkun Group Zhejiang Hengsheng, China;
- vi. Jiangsu Shenghong, China;
- vii. Jiangsu Guowang, China;
- viii. Jiangsu Zhonglu, China;
- ix. Jiangsu Shenghong Petrochemical Company, China;
- x. Jiangsu Shenghong Technology Trading Co Ltd China; and
- xi. Recron (M) Sdn, Bhd, Malaysia.

27.2 Individual dumping margins will be determined for the above mentioned exporters/foreign producers on the basis of information provided by them and verified by the Commission. However, the Commission has decided that a single duty rate, based on the weighted average of dumping margins, will be applied for the all related companies of a group. The duty rate for exporters/foreign producers who have cooperated and provided information will be determined in accordance with provisions of Sub-sections 3 and 4 of the Section 51 of the Act. Duty rate/dumping margin for all other non-cooperating exporters/foreign producers of the Exporting Countries will be determined on the basis of the best information available in accordance with Section 32 of the Act.

28. Determination of Normal Value

28.1 The Commission received information on domestic sales and cost of production etc. of the like product from sampled exporters/producers from China and Recron, Malaysia. The information submitted by exporters selected for detailed examination has been used for determination of normal value as discussed below. Normal value for other non-cooperating Chinese exporters/producers will be determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

28.2 Determination of Normal Value for Shaoxing Huaqing

28.2.1 Normal value for Shaoxing Huaqing is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.2.2 According to the information, Shaoxing Huaqing sold PFY (DTY only) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Shaoxing Huaqing exported ten models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is

determined only for those models which were comparable to the models of the investigated product.

28.2.3 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.2.4 According to Shaoxing Huaqing, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-II.

28.3 Determination of Normal Value for Zhejiang Hengyi, China

28.3.1 Normal value for Zhejiang Hengyi is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.3.2 According to the information, Zhejiang Hengyi sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Zhejiang Hengyi exported twenty four models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.3.3 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount added for profit. Cost to make & sell, of variants not sold in the domestic market, was determined by taking the raw material cost of the closest variant produced for domestic sales and conversion cost of the same variant, if available in cost of production for exports, was used.

28.3.4 According to Zhejiang Hengyi, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-III.

28.4 Determination of Normal Value for Tongkun Group

28.4.1 Normal value for Tongkun Group is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.4.2 According to the information, Tongkun Group sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Tongkun Group exported twenty one models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.4.3 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.4.4 According to Tongkun Group, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of VAT. Normal value at ex-factory level for the like product is worked out by deducting value of this adjustment. Summary calculation of normal value is placed at Annexure-IV.

28.5 Determination of Normal Value for Tongkun Group Zhejiang Hengsheng

28.5.1 Normal value for Tongkun Group Zhejiang Hengsheng is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.5.2 According to the information, Tongkun Group Zhejiang Hengsheng sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Tongkun Group Zhejiang Hengsheng exported ten models of investigated product to Pakistan. For the purposes

of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.5.3 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.5.4 According to Tongkun Group Zhejiang Hengsheng, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed adjustment in domestic sales on account of VAT. Normal value at ex-factory level for the like product is worked out by deducting value of this adjustment. Summary calculation of normal value is placed at Annexure-V.

28.6 Determination of Normal Value for Jiangsu Shenghong

28.6.1 Normal value for Jiangsu Shenghong is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.6.2 According to the information, Jiangsu Shenghong sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Jiangsu Shenghong exported sixteen models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.6.3 Jiangsu Shenghong sold comparable types to related and un-related parties in its domestic market during the POI. Analysis of the information revealed that sales to related parties were at arm's length. Thus in determination of normal value, sales of the comparable types to both, related and un-related, parties have been taken into account.

28.6.4 Sales of some of the models in domestic market where in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the

normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.6.5 According to Jiangsu Shenghong, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-VI.

28.7 Determination of Normal Value for Jiangsu Guowang

28.7.1 Normal value for Jiangsu Guowang is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.7.2 According to the information, Jiangsu Guowang sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Jiangsu Guowang exported twenty four models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.7.3 Jiangsu Guowang sold comparable types to related and un-related parties in its domestic market during the POI. Analysis of the information revealed that sales to related parties were at arm's length. Thus in determination of normal value, sales of the comparable types to both, related and un-related, parties have been taken into account.

28.7.4 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.7.5 According to Jiangsu Guowang, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-VII.

28.8 Determination of Normal Value for Jiangsu Zhonglu

28.8.1 Normal value for Jiangsu Zhonglu is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.8.2 According to the information, Jiangsu Zhonglu sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Jiangsu Zhonglu exported eleven models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.8.3 Jiangsu Zhonglu comparable types to related and un-related parties in its domestic market during the POI. However, analysis of the information revealed that sales to related parties were at arm's length. Thus in determination of normal value, sales of the comparable types to both, related and un-related, parties have been taken into account.

28.8.4 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.8.5 According to Jiangsu Zhonglu, during the POI, it sold like product in its domestic market at Ex-mill. The company receives payment in advance. The company has claimed no adjustment in domestic sales. Summary calculation of normal value is placed at Annexure-VIII.

28.9 Determination of Normal Value for Fujian Jinlun

28.9.1 Normal value for Fujian Jinlun is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.9.2 According to the information, Fujian Jinlun different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Fujian Jinlun exported fifteen models of

investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models (grade wise) which were comparable to the models of the investigated product.

28.9.3 Sales of some of the models in domestic market were in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount for profit.

28.9.4 Determination of ordinary course of trade in terms of Section 7 of the Act requires determination of cost to make and sell of an investigated product. As per information provided by the company, it is manufacturing grades namely AA/AT/A/A1/B/D/AAS. The company inflates the cost of AAS grade by 10% as compared to other grades. The company informed that difference between cost of AAS grade and other grades because better quality raw material i.e. PTA is used in manufacturing of AAS grade. The company further stated that quality of same quality MEG is used for AAS grade and other grades. The company was asked to provide raw material issuance record of better quality PTA used for manufacturing of AAS grade which it could not. Due to unavailability of inventory details of inferior and superior quality PTA, it is not possible to determine that for which grades inferior or superior grade PTA was used. Furthermore, the investigating team has asked the company to provide laboratory reports of superior quality PTA and inferior quality PTA. The same were sent via email after on-the-spot verification. The aforementioned reports were in Chinese language. Afterwards, the company has provided English translation of the same. The lab test reports do not mention as to which PTA purchase invoices they relate to. Furthermore, the description column of PTA purchase invoice does not show any grades of the product in question. The Commission does not agree to the costing methodology adopted by the company for AAS grade and other grades. The per unit cost to make & sell of the variants exported has been determined by summing up cost of purported AAS grade and other grades divided by number of units sold. This per unit cost to make & sell has been used to determine sales falling in ordinary course of trade.

28.9.5 According to Fujian Jinlun, during the POI, it sold like product in its domestic market at Ex-mill or delivered basis. The company has claimed adjustment in domestic sales on account of freight. Normal value at ex-factory level for the like product is worked out by deducting value of this adjustment. Summary calculation of normal value is placed at Annexure-IX.

28.10 Determination of Normal Value for Recron (M) Sdn, Bhd

28.10.1 Normal value for Recron is determined on the basis of the information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

28.10.2 According to the information, Recron sold different types of PFY (DTY and FDY) in its domestic market including the types, which were comparable to the types of the investigated product exported by it to Pakistan during the POI. Recron exported one hundred and forty six models of investigated product to Pakistan. For the purposes of like to like comparison, normal value is determined only for those models which were comparable to the models of the investigated product.

28.10.3 Sales of some of the models in domestic market where in ordinary course of trade while others were not in ordinary course of trade. In cases where sales in ordinary course of trade were more than 5% of export sales to Pakistan of relevant model, the normal value has been worked out on the basis of domestic sales in ordinary course of trade. In all other models, the normal value was determined on the basis of cost to make and sell plus a reasonable amount has been added for profit.

28.10.4 According to Recron, during the POI, it sold like product in its domestic market at delivered basis. The company has claimed adjustment on account of freight, insurance and value loss adjustment. The Commission these adjustments and normal value at ex-factory level for the like product is worked out by deducting values of this adjustment. Summary calculation of normal value is placed at Annexure-X.

29. Determination of Export Price

The Commission received information on export sales of the investigated product from sampled exporters in response to the questionnaires sent to various exporters/foreign producers of China. The information submitted by exporters selected for calculation of dumping margin has been used for determination on export price as discussed below. Export price for non-cooperating exporters/foreign producers has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

29.2 Determination of Export Price for Shaoxing Huaqing

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

29.2.2 According to the information, Shaoxing Huaqing exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during the POI were *** MT. All export sales to Pakistan, during the POI, were made to un-related customers.

29.2.3 During the POI, Shaoxing Huaqing exported investigated product on Payment against documents and LC basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight and bank charges. The Commission has calculated credit cost for export sales to Pakistan. On average Shaoxing Huaqing received payment after ** days where payment terms are D/P or LC at sight. The company claimed credit cost at interest rate @ ** percent. However, for the POI, the bank of China has published the annual interest rate @ ** percent which was adopted by the Commission for calculation of credit cost. The export price at ex-factory level is worked out by deducting values reported for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XI.

29.3 Determination of Export Price for Zhejiang Hengyi

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

29.3.2 According to the information, Trident exported the investigated product to *** MT. All export sales to Pakistan, during POI, were made to un-related customers.

29.3.3 During the POI, Zhejiang Hengyi exported investigated product LC at sight or 90 days duration and at delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, ocean freight, handling cost and bank charges. The export price at ex-factory level is worked out by deducting values reported for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XII.

29.4 Determination of Export Price for Tongkun Group

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

29.4.2 According to the information, Tongkun Group exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during the POI were *** MT during POI. All export sales to Pakistan, during the POI, were made to un-related customers.

29.4.3 During the POI, Tongkun Group exported investigated product mostly at delivered basis. The payment terms were LC at sight. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, insurance, ocean freight and bank charges. As per the evidence collected for sampled export transactions, there were some difference in the amount reported for commission, inland freight and bank charges. The Commission has calculated commission, inland freight and bank charges paid per MT for sampled export transactions and applied the same rate per MT for other transactions. The Commission has calculated the credit cost for the company. On average Tongkun Group received payment after ** days where payment terms are D/P or LC at sight. The Commission has adopted interest rate @ ** percent, published by the bank of China during the POI, for calculation of credit cost. The export price at ex-factory level is worked out by deducting values reported for accepted adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XIII.

29.5 Determination of Export Price for Tongkun Group Zhejiang Hengsheng Chemical Fiber

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

29.5.2 According to the information, Zhejiang Hengsheng exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during the POI were *** MT. All export sales to Pakistan, during the POI, were made to un-related customers.

29.5.3 During the POI, Zhejiang Hengsheng exported investigated product mostly at delivered basis. The payment terms were LC at sight. To arrive at the ex-factory level, it has reported adjustments on account of credit cost, commission, inland freight, insurance, ocean freight and bank charges. As per the evidence collected for sampled export transactions, there were some difference in the amount reported for commission, inland freight and bank charges. The Commission has calculated commission and inland freight paid per MT for sampled export transactions and applied the same rate per MT for other transactions. For bank charges, it was agreed that bank charges calculated for sister company, i.e. Tongkun Group will be applied to Zhejiang Hengsheng as well. The Commission has calculated the credit cost for the company.

On average Zhejiang Hengsheng received payment after ** days where payment terms are D/P or LC at sight. The company claimed credit cost at interest rate @ ** percent. However, for the POI, the bank of China has published the annual interest rate @ ** percent which was adopted by the Commission for calculation of credit cost. The export price at ex-factory level is worked out by deducting values for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XIV.

29.6 Determination of Export Price for Jiangsu Shenghong Science and Technology Corporation Limited.

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

29.6.2 According to the information, Jiangsu Shenghong exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during POI were *** MT. All export sales to Pakistan, during POI, were made to un-related customers.

29.6.3 During the POI, Jiangsu Shenghong exported investigated product on payment against documents or LC at sight and at delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated the credit cost for the company. On average Jiangsu Shenghong received payment after 43 days where payment terms are D/P or LC at sight. The Commission has used annual interest rate @ ** percent, published by bank of China, for calculation of credit cost. The export price at ex-factory level is worked out by deducting values for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XV.

29.7 Determination of Export Price for Jiangsu Guowang High-Technique Fiber Co. Ltd

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

29.7.2 According to the information, Jiangsu Guowang exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during POI were *** MT. All export sales to Pakistan, during POI, were made to un-related customers.

29.7.3 During the POI, Jiangsu Guowang exported investigated product on payment against documents or LC at sight and at delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, handling cost and bank

charges. The Commission has calculated the credit cost for the company. On average Jiangsu Guowang received payment after ** days where payment terms are D/P or LC at sight. The Commission has used annual interest rate @ ** percent, published by bank of China, for calculation of credit cost. The export price at ex-factory level is worked out by deducting values for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XVI.

29.8 Determination of Export Price for Jiangsu Zhonglu Technology Development Co. Ltd

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

29.8.2 According to the information, Jiangsu Zhonglu exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during POI were *** MT. All export sales to Pakistan, during POI, were made to un-related customers.

29.8.3 During the POI, Jiangsu Zhonglu exported investigated product on payment against documents or LC at sight and at delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, handling cost and bank charges. The Commission has calculated the credit cost for the company. On average Jiangsu Zhonglu received payment after ** days where payment terms are D/P or LC at sight. The Commission has used annual interest rate @ ** percent, published by bank of China, for calculation of credit cost. The export price at ex-factory level is worked out by deducting values for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XVII.

29.9 Determination of Export Price for Fujian Jinlun

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

29.9.2 According to the information, Fujian Jinlun exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during POI were *** MT. All export sales to Pakistan, during POI, were made to un-related customers.

29.9.3 During the POI, Fujian Jinlun exported investigated product on payment against documents or LC at sight and at delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, credit cost, inland freight, ocean freight and bank

charges. The Commission has calculated the credit cost for the company. On average Fujian Jinlun received payment after ** days where payment terms are D/P or LC at sight. The Commission has used annual interest rate @ *** percent, published by bank of China, for calculation of credit cost. The export price at ex-factory level is worked out by deducting values for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XVIII.

29.10 Determination of Export Price for Recron (M) Sdn, Bhd, Malaysia

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

29.10.2 According to the information, Recron exported the investigated product to Pakistan during the POI. Its exports of the investigated product to Pakistan during POI were *** MT. All export sales to Pakistan, during POI, were made to un-related customers.

29.10.3 During the POI, Recron exported investigated product on cash or credit basis and at delivered basis. To arrive at the ex-factory level, it has reported adjustments on account of commission, inland freight, ocean freight, insurance, handling cost, bank charges and value loss adjustment. The Commission has calculated the credit cost for the company. On average Recron received payment after ** days where payment terms are D/P or LC at sight. The Commission has used annual interest rate @ ** percent for calculation of credit cost. The export price at ex-factory level is worked out by deducting values for adjustments from the gross value of sales transactions. Summary calculations of export price are placed at Annexure-XIX.

30. Dumping Margin

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

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

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

“the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place”.

30.4 Taking into account all requirements set out above, the dumping margins have been determined as follows. Calculations of dumping margin are placed at Annexure-XVIII:

**Table-III
Dumping Margin**

Country	Exporter Name	Dumping margin as % of C & F Export price
China	i) Shaoxing Huaqing Polyester and Textile Co. Ltd.	4.90
	ii) Zhejiang Hengyi Petrochemicals Co. Ltd.	11.35
	iii) Fujian Jinlun Fiber Shareholding Co. Ltd	6.90
	iv) Tongkun Group Co. Ltd.	3.25
	v) Tongkun Group Zhejiang Hengsheng Chemical Fibre Co. Ltd.	
	vi) Jiangsu Shenghong Science and Technology Corp. Ltd	4.97
	vii) Jiangsu Guowang High-Technique Fiber Co., Ltd.	
	viii) Jiangsu Zhonglu Technology Development Co Ltd.	
	ix) Jiangsu Shenghong Petro Chemical Group Ltd	
	x) Jiangsu Shenghong Technology Trading Co., Ltd	
	xi) All other cooperating exporters/producers	7.04
	xii) All other exporters/producers	11.35
Malaysia	xiii) Recron (M) Sdn, Bhd	6.36
	xiv) All other exporters/producers	6.36

30.5 As mentioned earlier, the Commission has selected exporter mentioned at Serial (v) because it is related to exporter mentioned at Serial (iv). Similarly exporter mentioned at (vi), (vii), (viii), (ix) and (x) are related companies. The Commission has worked out a weighted average dumping margin which will be applied on the companies falling in same group.

30.6 A residual dumping margin/duty rate has been determined for all other exporters/foreign producers of the Exporting Countries who did not cooperate with the Commission in this investigation. The Commission has determined that dumping margin calculated for Zhejiang Hengyi, China will be applied to all other Chinese exporters/foreign producers. Similarly, dumping margin calculated for Recron, Malaysia will be applied to all other Malaysian exporters/foreign producers.

30.7 Weighted average duty rate has been calculated for nineteen cooperating exporters/foreign producers not included for detailed investigation in this preliminary determination on the basis of the weighted average dumping margin of the exporters/foreign producers selected for detailed examination in terms of Section 14 of the Act. Weighted average duty rate for others cooperating Chinese exporters/producers is 7.04%. Calculation of Weighted average duty rate for others cooperating Chinese exporters/producers is placed at (Annexure – XX).

31. De minimis Dumping Margin and Negligible Volume of Alleged Dumped Imports

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

31.2 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 margin for the alleged dumped imports of the investigated product appear to be above negligible (*de minimis*) level.

31.3 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. The information/data on alleged dumped imports of the investigated product and other imports of PFY has been obtained from PRAL. Volume of alleged dumped imports of the investigated product and PFY imported from other sources during the POI (October 1, 2014 to September 30, 2015) is given in a table below:

Table-IV
Volume of Imports of PFY during POI

Country	Volume of Imports (%)
China	77.11
Malaysia	15.79
Others Countries	7.11
Total	100.00

Period: July 1, 2014 to June 30, 2015

Source: PRAL

31.4 On the basis of above information, the Commission has determined that the volume of dumped imports of the investigated product from the Exporting Countries was well above the negligible threshold (less than three percent of volume of total imports of the like product) during the POI.

C. INJURY TO DOMESTIC INDUSTRY

32. Determination of Injury

32.1 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...”*

32.2 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”.

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

33.1 Domestic Industry

33.1 As stated in Para 7.2 above, the information and documents provided in the application show that the domestic industry of PFY comprises of following five units:

- (i) Gatron Industries Limited
- (ii) Rupali Polyester Limited
- (iii) Rupafil Limited
- (iv) Kamal Industries
- (v) Sindh Industries

33.2 The units mentioned at Serial (i) and (ii) are Applicants in this antidumping application. Gatron Industries Limited is a public limited company. The principal business of the company is manufacturing of Polyester Filament Yarn and its raw material i.e. Yarn Grade Polyester Chips. The company also produces bottle grade polyester chips and PET Preforms. Rupali Polyester Limited is also a public limited company. The company has a composite facility to manufacture Polyester Staple Fiber and Polyester Filament Yarn.

33.3 The information supplied in the application shows that the Applicants produced 69 percent of the total domestic production of PFY during the period from October 2014 to September 2015. Details of the production during the year are as follows:-

Table - V

Unit Name	October 14 – September 15
	% share in total production
Gatron Industries Limited	53.48
Rupali Polyester Limited	15.33
Rupafil Limited	21.34
Kamal Industries	9.03
Sindh Industries	0.82
Total	100.00

Source: the Applicants

33.4 The Applicants represent 69 percent of the domestic production by the domestic industry. Thus the standing requirements as given in section 24 of the Act are met and it is determined that the application was made by or on behalf of the domestic industry.

33.5 On the basis of the above information and analysis, for the purposes of this investigation, the Applicants are considered as the “domestic industry” in terms of Section 2(d) of the Act as

they constitute a major proportion of the total domestic production of the domestic like product produced by the domestic industry.

33.6 Analysis of injury factors carried out in this investigation in the following paragraphs is, therefore, based on the information submitted by Applicants.

34. Cumulation of Dumped Imports

34.1 Section 16 of the Act states that:

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

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

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

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

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

34.2 Investigation by the Commission has revealed that the volume of dumped imports during the POI from the Exporting Countries was above the negligible quantity. Furthermore, dumping margins for each country was also more than the negligible amount.

34.3 It is evident from the weighted average export price charged by the exporters during the POI that there was a price competition between the imports of the investigated product exported from the Exporting Countries. Weighted average export price of the investigated product during the POI from the Exporting Countries is given in a table below:

Table-VI
Weighted Average C&F Price of the Investigated Product

Country	Weighted Average C&F Price
China	100.00
Malaysia	87.58

Sources: PRAL

34.4 The investigation revealed that there was 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 35 to 42 infra.

34.5 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:-

35. Volume of Dumped Imports

35.1 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. In order to assess the impact of volume of dumped imports of the investigated product in relation to production and consumption of the domestic like product, the information obtained from PRAL has been used. Following table shows the change in imports of the investigated product in absolute terms during POI:

Table-VII
Absolute change in Dumped Imports

Period	Volume of Dumped Imports	% of dumped imports to domestic production
2012-13	100.00	254.31
2013-14	111.42	317.62
2014-15	119.50	350.36

Source: PRAL & Cooperating exporters Year is from October to September.

Note: Actual figures have been indexed with reference to the figure of volume of dumped imports for the year 2012-13.

35.2 It appears from the above table that the dumped imports increased by 11.42 percent in the year 2013-14 over the imports of the year 2012-13. Imports of the investigated product increased by 7.26 percent in the year 2014-15 over the imports in the year 2013-14.

35.3 It appears from the above table that the dumped imports were 254.31 percent of the domestic production in the year 2012-13. The dumped imports increased to 317.62 percent and to 350.36 percent of the domestic production during the year 2013-14 and 2014-15 respectively. Above information and analysis shows that the volume of alleged dumped

imports of the investigated product increased significantly in absolute terms and relative to domestic production during the POI.

36. Price Effects

36.1 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.

36.2 Price Undercutting

36.2.1 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-VIII
Calculation of Price Undercutting

Period	Average Domestic Price	Average Landed Cost of Dumped Imports	Price Undercutting	Price Undercutting
2012-13	100.00	93.85	6.15	6.15
2013-14	102.95	94.64	8.30	8.06
2014-15	90.84	81.34	9.51	10.47

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of average domestic price for year 2012-13.

Analysis

36.2.2 The information provided in the above table shows that the weighted average landed cost of the investigated product imported from the Exporting Countries was lower than ex-factory price of the domestic like product during the years 2013, 2014 and 2015. Resultantly, the investigated product undercut prices of the domestic like product at the rate of 6.15 percent, 8.06 percent and 10.47 percent during the year 2013, 2014 and 2015 respectively.

36.3 Price Depression

36.3.1 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-IX
Ex-factory Price

Year	Prices of domestic like product	Price Depression
2012-13	100.00	
2013-14	102.95	
2014-15	90.84	12.10

Source: the Applicants Year is from October to September.

Note: Actual figures have been indexed with reference to the figure of price of domestic like product for the year 2012-13.

36.3.2 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 Rs. ** Kg showing a decrease of 13.32 %.

36.4 Price Suppression

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

Table-X
Cost to Make and Sell and Ex-factory Price of the Domestic Like Product

Period	Average Cost to Make & Sell	Domestic Average Price	Increase/ (Decrease) in Average Cost to Make and Sell	Increase/ (Decrease) in Average Domestic Price	Price Suppression
2012-13	100.00	95.72	---	---	---
2013-14	104.11	98.54	4.11	2.83	1.28
2014-15	96.59	86.96	(7.51)	(11.59)	---

Source: the Applicant Year is from October to September.

Note: Actual figures have been indexed with reference to the figure of average cost to make & sell for the year 2012-13.

Analysis

36.4.2 The domestic industry experienced significant price suppression during 2013-14. However, the domestic industry did not experience price suppression during the POI for dumping.

37. Market Share

Facts

37.1 The total domestic demand of the PFY in Pakistan is met through local production and imports. To establish the size of Pakistani market, the Applicants have used their own and Rupafil sales, estimated sales of Kamal Industries and Sindh Industries, imports of the investigated product and imports of PFY from other sources. Following table shows the market share from each source of supply during the POI:

**Table-XI
Market Share**

Period	Volume of Sales of Local Industries	Volume of Dumped Imports	Volume of Other Imports	Total Domestic Market (sales of local industry plus all imports)
2012-13	33.97	58.07	7.95	100.00
2013-14	28.91	64.70	7.18	100.79
2014-15	31.65	69.40	5.24	106.29

Source: the Applicants and PRAL Year is from October to September

Note: Actual figures have been indexed with reference to the figure total domestic market for the year 2012-13.

Analysis

37.2 The above table shows that the domestic market of PFY expanded by 0.79 percent and 5.46 percent in the year 2013-14 and 2014-15 respectively. It is evident from the table above that share of dumped imports increased whereas share of domestic industry and other imports decreased during the POI for injury.

38. Effects on Sales

Facts

38.1 Sales of the domestic like product are given in the following table:

**Table-XII
Sales of the Applicants**

Year	Sales of the Applicants	Increase/ (Decrease)
2012-13	100.00	
2013-14	84.35	(15.65)
2014-15	84.12	(0.23)

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of sales of the Applicants for the year 2012-13.

Analysis

38.2 The above table shows that the sales by the Applicants decreased by *** MT during 2014 as compared to 2013. Furthermore, the sales of the Applicants decreased by *** MT during 2015 as compared to 2014.

39. Production and Capacity Utilization

Facts

39.1 The installed capacity, quantity produced and the capacity utilization of the Applicants during the POI are provided in following table:

Table-XIII
Installed Capacity, Quantity Produced and Capacity Utilization

Period	Capacity	Capacity Utilization
2012-13	100	100.00
2013-14	100	85.28
2014-15	100	90.05

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of capacity and capacity utilization for the year 2012-13.

Analysis

39.2 The capacity and production of the Applicants have been calculated at 75 denier equivalent based on an accepted industry norms. Domestic market of PFY experienced expansion during the POI for injury, however, the domestic industry was not able to utilize its installed capacity due to alleged dumped imports. It may be noted from the above table that the capacity utilization of the domestic industry increased during the year 2014-15 but it was still significantly lower than the year 2012-13.

40. Effects on Inventories

Facts

40.1 The Applicants provided data relating to its inventories of the domestic like product during the POI. Data for opening and closing inventories for the domestic like product of the POI is given in the following table;

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**Table-XIV
Inventories**

Period	Opening inventory	Production	Sales	Closing inventory
2012-13	11.61	100.00	103.72	7.89
2013-14	7.89	89.21	87.48	9.62
2014-15	9.62	86.75	87.25	9.12

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of production for the year 2012-13.

Analysis

40.2 The above table shows that closing inventory increases from *** MT to *** MT. However, it decreased to *** MT in year 2014-15.

41. Profit and Loss

Facts

41.1 Information submitted by the Applicants on its profits on production and sale of the domestic like product is given in the following table:

**Table-XV
Profit/Loss of the Applicants**

Year	Net profit/(loss)
2012-13	(100)
2013-14	(109.65)
2014-15	(189.46)

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of the Applicants for the year 2012-13.

Analysis

41.2 It appears from the above table that the Applicants loss, which was Rs. *** in the year 2013-14 increased to Rs. *** in year 2014 which further increased to Rs. *** in year 2014-15.

42. Employment, Productivity and Wages

Facts

42.1 The Applicants employment, production and the salaries and wages paid during the POI is given in following table:

Table-XVI
Employment, Productivity and Salaries & Wages per MT

Year	No. of Employees	Salaries & Wages Amount	Production	Productivity per worker	Salaries & Wages per
2012-13	100.00	100.00	100.00	100.00	100.00
2013-14	80.88	102.86	89.21	110.30	115.30
2014-15	95.35	114.54	86.75	90.96	132.04

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of no. of employees, salaries & wages, production, productivity per worker and salaries & wages per MT for the year 2012-13.

Analysis

42.2 The above table shows that the employment in the domestic industry increased during the POI. However, productivity per worker decreased in the year 2014-15 as compared to the productivity in the year 2013-14. Salaries and wages per MT increased during the POI.

43. Effects on Cash Flow

Facts

43.1 The Applicants are multi-product companies and the cash flows cannot be determined separately for different products, as number of factors of cash flows is combined for all products. Therefore, the Commission has assessed effects of dumped imports on total cash flows of the Applicants in accordance with Section 17(2) of the Act. Position of cash flows of the Applicant during the POI is given in the following table:

Table-XVII
Cash Flows of the Applicants

Period	Cash Flows
2012-13	(100.00)
2013-14	(60.22)
2014-15	(69.30)

Source: the Applicants Year is from October to September

Note: Actual figures have been indexed with reference to the figure of cash flow for the year 2012-13.

Analysis

43.2 The Applicants Cash Flow position for the POI for Injury is provided in table above. Cash flow of the Applicants remained negative during the POT for injury. It is pertinent to mention in this regard that cash flows of both Rupali and Gatron are reported on consolidated basis for all business segments. Therefore, it is not possible to calculate cash flow of GIL and RPL for PFY business segment separately.

44. Effects on Return on Investment

Facts

44.1 Return on investment realized by the domestic industry during the POI is given in following table:

**Table-XVIII
Return on Investment**

Period	Return on Investment (%)
Jul 2012 – June 2013	(100.00)
Jul 2013 – June 2014	(129.61)
Jul 2014 – June 2015	(267.88)
July 2015 – Sept 2015	(165.60)

Source: the Applicants Year is from October to September
Note: Actual figures have been indexed with reference to the figure of return on investment for the year 2012-13.

Analysis

44.2 The above table shows that the return on investment remained negative during the POI for injury.

45. Ability to Raise Capital

Facts/Analysis

The Applicants have stated, “the Applicants ability to raise capital is significantly impacted on account of loss of sales volume and market share, margin erosion and resulting serious financial losses, declining utilization of production capacity, negative cash flows, increasing inventory, declining output per worker and negative ROI, all resulting on account of dumping of PFY from China and Malaysia. It is also evident that the capacity of domestic industry has been stagnant for last few years despite growth in the domestic market. However, due to under-utilization of even existing capacity, there are no avenues for raising capital for expansion of domestic industry as long as dumping of PFY from China and Malaysia remains unchecked”.

46. Summing up of Material Injury

It appears from above that volume of dumped imports has increased significantly in year 2013-14 and further increased in year 2014-15. Dumped imports are undercutting prices of the domestic industry for last three years. There is significant price depression of the domestic like product. Though the cost to make and sell has decreased in the period of investigation due to reduction in petroleum prices in this period. However, it did not benefit the domestic industry

due to further decrease in the prices of dumped imports as the domestic industry had to further decrease its prices. As a result market share of the dumped imports is continuously increasing and the domestic industry could not maintain market share despite reduction of prices to compete dumped imports. This has also resulted in reduction in decrease in capacity utilization of the domestic capacity available in the market. Though the capacity utilization has decreased but due to unfair competition being given by dumped imports inventories of domestic like product has increased. The unfavourable market conditions have led to huge losses incurred by the domestic industry resulting in negative return on investment. If these condition continues that may result in closure of the domestic industry as a result of injury caused by the domestic industry.

D. CAUSATION

47. Effect of Dumped Imports

47.1 On the basis of the analysis and conclusions, the Commission has concluded that there was a causal link between dumped imports of the investigated product and material injury suffered by the domestic industry.

47.2 The investigation has revealed that the following happened simultaneously during the POI:

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to domestic production;
- ii. Domestic industry experienced price undercutting due to dumped imports of the investigated product;
- iii. Market share of dumped imports of the investigated product increased significantly whereas market share of the domestic like product declined simultaneously;
- iv. Sales of the domestic like product decreased due to increased share of dumped imports in domestic market;
- v. Production of the domestic like product decreased due to increased share of the dumped imports in domestic market;

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- vi. The capacity utilization of the domestic industry decreased due to dumped imports;
- vii. Domestic industry faced negative effect on profitability;
- viii. Domestic industry faced negative effect on productivity and salaries and wages per MT;
- ix. Domestic industry faced negative effect on cash flows;
- x. Domestic industry faced negative effect on return on investment;

48. Other Factors

48.1 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.

48.2 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 the Exporting Countries were in lesser quantities. The landed cost of such imports was higher than ex-factory price of the domestic like product and landed cost of investigated product. Following table shows volume and landed cost of PFY Yarn imported from other sources during the POI:

**Table XIX
Imports from Other Sources**

Year	Volume of Dumped Imports	Imports from Other Sources	Landed Cost from dumped sources	Landed cost from other sources
2012-13	100.00	14.01	100.00	115.72
2013-14	108.43	12.64	85.56	123.08
2014-15	109.46	9.23	87.75	109.95

Note: Actual figures have been indexed with reference to the figure of imports from volume of dumped imports and landed cost from dumped sources for the year 2012-13.

48.3 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 change in technology to produce PFY; and
- iii. The domestic industry did not export PFY 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.

E. CONCLUSIONS

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

- i. the application was filed on behalf of the domestic industry as the Applicants represent 69% of the domestic production. Application is supported by 100% of the producers who are expressing their opinion on application;
- ii. the investigated product and the domestic like product are like products;
- iii. 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.
- iv. the domestic industry suffered material injury during the POI on account of increase in volume of dumped imports, price undercutting, decline in production, decline in sales, decline in market share, negative effect on productivity and wages, decline in profits and negative effect on return on investment in terms of Section 15 and 17 of the Act; and
- v. there was a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

- iv. The Commission is of view that injury to the domestic industry is material to justify imposition of definitive measures. Therefore, definitive measures are recommended.

50. In reaching this final affirmative determination, the Commission is satisfied that the investigated product has been imported at dumped prices from the Exporting Countries. This has caused material injury to domestic industry during the POI.

F. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTIES

51. 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.

52. Individual dumping margins have been determined for exporters/foreign producers of the investigated product who cooperated and supplied information necessary and requested for individual dumping margin. Rate of definitive antidumping duty for these exporters is determined on the basis of their individual dumping margins.

53. A residual dumping margin and antidumping duty rate for all other exporters from the Exporting Countries, who did not cooperate, is determined on the basis of best available information in terms of Section 32 of the Act.

54. For the purpose of imposition of lesser duty rule in terms of Section 50 (2) of the Act the Commission has considered injury margin to see whether a lower duty would be adequate to remove injury of the domestic industry. Injury margins works out to be higher than the dumping margins. The calculations of injury margin are given below:

Table-XX
Calculation of Injury Margin (Rs./MT)

Exporter Name	C&F Price	Landed Cost			Non-Injurious Price	Injury Margin
		Incl. Incidentals	Incl. Customs Duty	Incl. R.D		
Tongkun Group Co.	***	***	***	***	***	33.12
Tongkun Hengsheng Co.	***	***	***	***	***	25.61
Hengyi	***	***	***	***	***	34.04
Shaoxing Huaqing	***	***	***	***	***	31.55
Fujian Jinlun	***	***	***	***	***	27.66

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Jiangsu Shenghong	***	***	***	***	***	26.83
Jiangsu Zhonglu	***	***	***	***	***	22.06
Guowang	***	***	***	***	***	18.56
other exporter	***	***	***	***	***	24.76
Recron (M) Sdn, Bhd	***	***	***	***	***	41.65

55. In terms of Section 50 of the Act, definitive antidumping duties given in the following table are hereby imposed on the dumped imports of the investigated product importable from the Exporting Countries for a period of five years effective from August 26, 2017. The definitive antidumping duty rates are determined on C&F value in *ad val.* terms. Definitive antidumping duties at C&F value are equivalent to the final dumping margins determined at ex-factory price level. The dumped investigated product is classified under PCT heading No. 5402.3300, 5402.4600 and 5402.6600 excluding colored PFY.

Table-XXI
Definitive Antidumping Duty Rates

Country	Exporter Name	Definitive Antidumping Duty (%)
China	i) Shaoxing Huaqing Polyester and Textile Co. Ltd.	4.90
	ii) Zhejiang Hengyi Petrochemicals Co. Ltd.	11.35
	iii) Fujian Jinlun Fiber Shareholding Co. Ltd	6.90
	iv) Suzhou Shenghong Fiber Co. Ltd formerly known as Jiangsu Shenghong Science and Technology Corp. Ltd	4.97
	v) Jiangsu Guowang High-Technique Fiber Co., Ltd.	
	vi) Jiangsu Zhonglu Technology Development Co Ltd.	
	vii) Jiangsu Shenghong Petro Chemical Group Ltd	
	viii) Jiangsu Shenghong Technology Trading Co., Ltd	
	ix) Tongkun Group Co. Ltd.	3.25
	x) Tongkun Group Zhejiang Hengsheng	
	xi) All other cooperating exporters/producers	
	xii) All other exporters/producers	11.35
Malaysia	xiii) Recron (M) Sdn, Bhd	6.36
	xiv) All other exporters/producers	6.36

56. PFY imported from sources, other than the Exporting Countries shall not be subject to definitive antidumping duties.

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

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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.

(Abdul Khaliq)
Member
August 25, 2017

(Robina Athar)
Member
August 25, 2017

(Tippu Sultan)
Member
August 25, 2017

(Qasim M. Niaz)
Chairman
August 25, 2017

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Annexure-I

The comments received from the interested parties during the course of the investigation which are germane to this investigation under the Act are reproduced in Column A below and the Commission's response thereto is set out in Column B in the following table:

Comments of Interested Parties

	The importers/users, PYMA, Consultants of Exporters/Producers of PFY mentioned below made following comments during the course of investigation;	
	<ul style="list-style-type: none">i. S. U. Khan Associates Management Consultants (Consultant of PYMA, Exporters/Producers)ii. Pakistan Yarn Merchant Association (PYMA)iii. Yarn Masteriv. Dua Industriesv. Western Silk Millsvi. Khalid Corporationvii. Gogar Enterprisesviii. Ayesha Impexix. J.K. Tradersx. Y & F Corporationxi. Qasimi Industries Limitedxii. Furqan Enterprisesxiii. R.A.D Enterprisesxiv. Yarn Solutionxv. Goodluck Associatesxvi. Hassan Impexxvii. Goodluck Hosiery Housexviii. Pask Impex Enterprisesxix. M/s M. Usmanxx. I.I. Internationalxxi. Ismail Hamed & Sonsxxii. Western Silk Millsxxiii. Landmark Trading Companyxxiv. Khurshid Weaving Factoryxxv. Naveed Industriesxxvi. The Gujranwala Art Silk Yarn Merchants Associationxxvii. A.B International Agencyxxviii. China Chamber of Commerce for import & Export of Textiles	
S. No.	Column-A (Comments of interested parties)	Column – B (Commission's replies/comments)
1.	FDY and DTY are distinct and separate products hence cannot be combined in one investigation. However, if these are combined in the investigation, at least Injury analysis should be made separately for DTY and FDY because imports of one cannot injure the operations and profitability of other.	The investigated product is Polyester Filament Yarn (PFY). Fully Drawn Yarn (FDY) and Drawn Textured Yarn (DTY) are varieties of PFY and are being manufactured locally. Separate injury analysis for investigated product from different sources can be conducted only if the conditions of Section 16 of the Act are not met. In this investigation the conditions of Section 16 are met hence only cumulative analysis

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		of injury is appropriate for the investigated product and not segments thereof.
2.	Domestic industry produces a negligible quantity of FDY around 3% of the total domestic demand. Therefore, levy of Antidumping Duty on imports of FDY will not benefit the domestic industry but will cause unnecessary burden on the user industry.	As in 1 above.
3.	PCT code 5402.6200 is included in the scope of investigated product merely on the basis that the investigated product will be mis-declared in the said PCT. The investigated product actually does not fall under this PCT. Therefore, its inclusion is unlawful.	PCT 5402.6200 is composed of varieties of investigated product hence included in scope of investigated product.
4.	There are many variants of PFY which are not being produced by the domestic industry e.g. 30/12, 40/12, 50/24 in semi dull, 75D, 100D, 108D, 150D, 200D and 300D in Bright Trilobe and Semidull lusters, Mono yarn of 20D, 30D, 40D and 50D, FDY cationic yarn of 30/12, 40/12, 50/24, 60/36, 75/36, 150/48 and 300/96, FDY dyed yarn and FDY dyed 2ply. Hence these types should not have been included the investigated product. PYMA requests the Commission to exclude the types and variants not being produced by the domestic industry from the scope of investigated product. Imposition of antidumping duties, on all such items/models/variants which are not produced by the domestic industry, would not be justifiable.	The domestic industry is manufacturing Polyester Monofilament yarns and micro Filament yarn. Moreover, domestic industry is also manufacturing polyester cationic yarn.
5.	In the instant investigation, around 75% of the domestic demand of polyester filament yarn is being met through imports. The domestic industry does not have sufficient capacity as well as indigenous capacity also lacks the quality due to technologies. Therefore the user industry has to rely upon the imports to meet their quality commitments. Safeguarding the interest of domestic industry which merely meets 25% of the domestic demand would adversely affect the user industry employing more than 2 million people all over Pakistan and obviously would not be in any case justifiable.	The domestic industry is defined in Section 2(d) of the Act which does not Commission is not obliged to safeguard the interests of the domestic industry. However, as per the provisions of the Anti-Dumping Duties Act, 2015, the Commission is mandated to impose antidumping duties on dumped imports.
6.	Gatron, one of the applicant in this investigation, itself has imported FDY which is the part of investigated product from Recron – Malaysia. A domestic producer who is itself an importer of the investigated product does not fall under the definition of the domestic industry under Section 2(d) of the Act.	The issue has been deliberated upon in detail in previous investigations. A domestic producer cannot be excluded from definition only because it is related to an importer of IP.
7.	The hearing conducted by the Commission was in violation of 12(3) of the Rules since the Commission is bound to complete on-the-spot verification prior to the date of any hearing in an investigation. The Commission held hearing on June 20, 2017 without issuing its draft on-the-spot verification report which is in violation of Rule 12(3) of the Act.	As per Section 12(3) of the Act “.... The Commission shall endeavor to complete any such verification prior to the date of any hearing in an investigation.” As per Merriam-Webster word endeavor means, to strive to achieve or reach, to seriously or continually try to do something. Plain reading of the law suggests that Commission should seriously try to complete verification prior to date of any hearing in the investigation. The Commission is not bound to issue verification reports before the date of hearing. It is stated that the Commission conducted on the

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		spot verification at the premises of exporters before the date of hearing i.e. June 20, 2017. However, verification reports were sent to exporters for their comments on June 23, 2017. The exporters submitted comments on such reports. The Commission again sent verification reports, after taking into accounts, the comments of exporters. The exporters again submitted comments on verification reports which were taken into consideration while making final determination. Hence a due opportunity was given to exporters to explain their respective viewpoints.
8.	Statement of Essential Facts (SEF) has been issued by the Commission on July 21, 2017 whereas the final reports for on-the-spot verification issued by the Commission on August 04, 2017. Therefore, the SEF issued by the Commission is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing FINAL reports for on-the-spot verification. This show the biasness of the Commission against the exporters and its commitment to levy antidumping duty in this investigation in any case.	The exporters were given full opportunity to make their comments on the reports of on the spot investigations. The exporters submitted comments during the course of investigation which were taken into account while making final determination. The exporters even submitted comments on FINAL reports of on spot investigation which were also considered.
9.	Sampling made by the Commission is unlawful under Section 14(1) of the Act since it does not represent the highest percentage of imports. The Commission should have considered distinct types of the products such as DTY, FDY, colored yarns etc. while making sampling.	The Commission has made sampling in consultation with cooperating exporters/foreign producers. Basis of sampling were volume of imports, affiliated companies as a group and variants of the investigated product i.e. FDY and DTY.
10.	There is no injury on account of decreased production and sales due to volume of imports from China. Production and sales of Gatron (one of the applicant) decreased due to other factors like breakdown of electricity, shutdown of plant due to rain, prolonged technical disruption. However, production of Rupali and Rupafil increased despite of presence of alleged dumped imports which is evident of the fact that imports are not a cause of decrease in production.	China is the largest source of imports accounting for 78% of total imports of PFY.
11.	Cost of production of the domestic industry is high due to two stage production process which cannot be attributed to the imports. Cost to make and sell of the domestic industry is high due to their production inefficiencies as also reported in their financial reports.	One of the Applicant i.e. Gatron Industries Limited is having direct spinning and textile grade polymer melt from the polymer plant is directly taken to spinning section.
12.	Landed cost calculation by the NTC is not correct since it should also include other charges borne by the importers on account of L/C opening charge and other bank charges, Insurance which is borne by the importers and not the exporters, Terminal handing charge at the port of Pakistan, Wharfage, Provisional Excise tax, Clearing Charges, Inland transportation to warehouse, etc.	Landed cost has been calculated by adding customs duty and Incidentals @ 2% for the purposes of final determination.
13.	Injury on account of profitability is not attributable to the dumped imports. There are several other reasons including higher cost of production due to two stage production process, higher cost of ending inventories, increase in prices of raw material, higher fuel cost, increased financial charges, increase in the rates of GIDC, shortage of water,	Price undercutting experienced by the domestic industry is the major cause of the losses faced by the domestic industry.

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	rising minimum wage level, accelerated inflation, poor security conditions, availability of low priced smuggled fabrics, excessive cost of transportation of water from wells etc. which added to the cost of production of Applicants and subsequently reduced their contribution margin which resulted into losses of domestic industry.	
14.	Mere presence or increase in imports does not establish a causal relationship between allegedly dumped imports and injury to the domestic industry. Rather, injury must be by reason of dumped imports. Objective analysis is required to determine whether in the absence of alleged dumped imports, the domestic industry would have been able to achieve high production, sales and capacity utilization, profitability, return on investment etc. with such a huge number of other injury factors.	The Commission has established causal link between dumped imports and injury suffered by the domestic industry.
15.	In the instant investigation the Commission has acceded to any request for calculation of individual dumping margin from the exporters not included in the sample. Hence, despite of the fact that calculation of individual dumping margin was not burdensome for the Commission since it has examined much larger number of exporters in previous investigation, the Commission did not calculate individual dumping margin for the any other exporter not included in the sample which is in violation of Section 14(4) of the Act.	The sampling of the exporters/foreign producers was done in consultation with them. The Commission in fact revised its proposed sample in light of comments received from exporters.
Comments of Exporters/Producer from China and Malaysia		
<u>M/s Zhejiang Hengyi Petrochemicals Co., Ltd (Hengyi)</u>		
16.	The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. DTY and FDY have different raw materials, production process, cost of production, sales price and both also fall under the separate PCT heads. Both DTY and FDY have also different set of applications that is why are not interchangeable in use. Hence being distinct products cannot be combined in one investigation.	As in 1 above.
17.	The Commission not allowed sufficient time to the Hengyi to respond the deficiency letter (supplementary questionnaire), therefore, the Commission violated the provisions of Rule 8(d) of the Act.	The Commission has provided number of opportunities to Hengyi for defending its interests throughout the investigation. The Commission conducted on-the-spot verification at the premises of Hengyi and sent draft report on which the company submitted its comments. The Commission again sent on-the-spot verification report after taking into account the comments of Hengyi. Hengyi again submitted comments which were taken into account while making final determination.
18.	The hearing conducted by the Commission was also in violation of Rule 12(3) of the Rules since the Commission is bound to complete on-the-spot verification prior to the date of any hearing in an investigation. In the instant investigation, the Commission issued the final reports on on-the-spot investigation after the hearing.	As above.

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19.	The SEF issued by the Commission in this investigation is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing FINAL report for on-the-spot verification.	As in 8 above.
20.	Adjustment of VAT of 1% in the export price is not justified since it is not an expense incurred by the exporters during the POI.	The Commission has not taken adjustment of VAT @1% while calculating export price in the report of Final Determination.
<u>M/s Shaoxing Huaqing Polyester and Textile Co., Ltd. (Huaqing)</u>		
21.	The Commission unlawfully not allowed sufficient time to Huaqing to respond the deficiency letter (supplementary questionnaire), therefore, the Commission violated the provisions of Rule 8(d) of the Act.	Rule 8(d) of the Rules states that "... and sufficient time shall be granted by the Commission in order to allow meaningful replies." Given the quantum of the deficiencies identified vide deficiency letter, the Commission is of the view that time granted to the exporter to respond to such deficiencies was enough. Furthermore, any comments/views offered till Final Determination has been considered.
22.	The hearing conducted by the Commission was also in violation of Rule 12(3) of the Rules since the Commission is bound to complete on-the-spot verification prior to the date of any hearing in an investigation. In the instant investigation, the Commission issued the final reports on on-the-spot investigation after the hearing.	As in 7 above.
23.	The SEF issued by the Commission in this investigation is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing FINAL report for on-the-spot verification.	As in 8 above.
24.	Adjustment of VAT of 1% in the export price is not justified since it is not an expense incurred by the exporters during the POI.	As in 20 above.
<u>M/s Jiangsu Shenghong Science and Technology Corporation Limited (Shenghong), Jiangsu Guowang High Technique Fiber Co., Ltd (Guowang) and Jiangsu Zhonglu Technology Trading Co. Ltd. (Zhonglu) (hereinafter collectively referred to as Shenghong Group)</u>		
25.	The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. Drawn Textured Yarn (DTY) and Fully Drawn Yarn (FDY) are two separate and distinct products of Polyester Filament Yarn having separate raw materials, production process, different cost of production and sales price and falling under the separate PCT heads. Both DTY and FDY have also different set of applications which, in most of the cases, are not interchangeable in use. Hence both these products cannot be combined in one investigation.	As in 1 above.
26.	The hearing conducted by the Commission was also in violation of Rule 12(3) of the Rules since the Commission is bound to complete on-the-spot verification prior to the date of any hearing in an investigation. In the instant	As in 7 above.

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	investigation, the Commission issued the final reports on on-the-spot investigation after the hearing.	
27.	The SEF issued by the Commission in this investigation is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing FINAL report for on-the-spot verification.	As in 8 above.
28.	The Commission has mentioned in the SEF that Shenghong exported 14 different models of the investigated product to Pakistan. In fact Shenghong exported 16 different types to Pakistan. While calculating the dumping margin for Shenghong at the preliminary determination stage, the Commission incorrectly merged different types for 2 different deniers which resulted in 14 different types that were exported to Pakistan. Therefore, Shenghong Group requests the Commission to carefully check the types exported to Pakistan for calculation of final dumping margins for all three companies of Shenghong Group.	The Commission has calculated dumping margin on the basis of 16 different types exported to Pakistan for the purposes of final determination.
29.	Shenghong would like to submit that it provided grade wise sales not only for the transactions sold in the domestic market but also for the transactions for exports to Pakistan but there is no mention in the SEF, of the grade wise dumping margin of Shenghong Group. Shenghong requests the Commission to kindly compare export prices for Pakistan with domestic prices of the same grade sold in the domestic market to ensure compliance with Section 11 of the Act.	Grade wise sales are not available for export sales to Pakistan.
30.	As per disclosure documents received from the Commission, dumping margin calculation methodology was showing a profit of 5% on cost to make and sell for construction of normal value. However no basis were provided showing that such 5% profit margin is reasonable for the yarn industry. The Commission is requested to re-consider the profit rate used for construction of normal value.	The Commission has added profit @5% for all cooperating exporters/foreign producers considering it as a reasonable profit.
31.	Adjustment of VAT of 1% in the export price is not justified since it is not an expense incurred by the exporters during the POI.	As in 20 above.
<u>M/s Tongkun Group Co., Ltd and M/s Tongkun Group Zhejiang Hengsheng Chemical Fiber Co., Ltd (hereinafter referred to as Tongkun Group)</u>		
32.	The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. Drawn Textured Yarn (DTY) and Fully Drawn Yarn (FDY) are two separate and distinct products of Polyester Filament Yarn having separate raw materials, production process, different cost of production and sales price and falling under the separate PCT heads.	As in 1 above.

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	Both DTY and FDY have also different set of applications which, in most of the cases, are not interchangeable in use. Hence both these products cannot be combined in one investigation.	
33.	The Commission unlawfully not allowed sufficient time to the Tongkun Group to respond the deficiency letter (supplementary questionnaire), therefore, the Commission violated the provisions of Rule 8(d) of the Act.	As in 21 above.
34.	The hearing conducted by the Commission was also in violation of Rule 12(3) of the Rules since the Commission is bound to complete on-the-spot verification prior to the date of any hearing in an investigation. In the instant investigation, the Commission issued the final reports on on-the-spot investigation after the hearing.	As in 7 above.
35.	The SEF issued by the Commission in this investigation is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing final report for on-the-spot verification.	As in 8 above.
36.	As per the methodology for calculation of normal value for Tongkun Group, the Commission has mentioned that Tongkun exported nineteen models of the investigated product whereas Hengsheng exported ten models of the investigated product to Pakistan. Here, Tongkun Group would like to clarify that Tongkun exported 21 models instead of 19 models to Pakistan. While calculating the dumping margin for Tongkun at the preliminary determination stage, the Commission incorrectly merged two different specification of certain deniers due to which Commission calculated the number of types exported to Pakistan. Tongkun Group requests the Commission for both of its companies to carefully check the types exported to Pakistan for calculation of final dumping margins for all three companies of Tongkun Group in the final determination.	Export price for Tongkun Group Co. Ltd and Tongkun Group Zhejiang Hengsheng has been determined on the basis of 21 and 10 models respectively for the purposes of final determination.
37.	The Commission does not provided model wise costing for different variants of FDY and DTY produced and sold by Tongkun. It only mentioned total cost to make and sell for broader category of yarn which are DTY and FDY. Tongkun requests the Commission to allocate production cost on the basis of ratio determined from the sales price instead of production time. Tongkun also requests the Commission to provide denier wise costing made by the Commission which will ultimately be used to determine dumping margin.	The Commission has provided model wise costing for different variants of FDY and DTY along with FINAL on the spot verification report. Moreover, basis for allocation of different expenses into different variants were provided in the above mentioned report.
38.	Cost allocation methodology provided in table XIII of para 10.8 of the final verification report mentions that raw material for DTY is allocated on the basis of POY whereas	The Commission has adopted the variant wise modified cost of production provided by the cooperating exporter/foreign producer to the investigating team during on the spot verification.

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	<p>raw material for FDY is allocated on the basis of quantity produced. The basis of allocation mentioned in here are not clear as to which details of POY (like consumption quantity of POY, sale price or any other) are used to allocate the cost of POY into different variants of DTY. Here, Tongkun would like to mention that in cost of raw materials for DTY provided alongwith the questionnaire response, Tongkun allocated raw materials costs on the basis of quantity produced being practice of most of the yarn manufacturing companies in China who do not have sophisticated accounting system. However, during on-the-spot investigation, the investigating team asked Tongkun to allocated cost of raw materials for DTY as per sale price of POY. Cost allocation methodology previously adopted by Tongkun was actually a practice of almost all of the companies, perhaps most of the companies selected in the sample, who have their own POY production and do not have sophisticated ERP systems like SAP. Having sophisticated ERP system (like SAP) could enable companies to record the actual raw material consumption to each batch of production. Tongkun believes that same cost allocation methodology (allocating raw material cost of DTY on the basis of sale price of POY) has been adopted for all of the sampled companies who have allocated raw materials cost on the basis of quantity produced. Otherwise, it will be highly discriminatory on the part of the Commission to adopt a different methodology for Tongkun. It appears that the Commission adopted this discriminatory practice for Tongkun just to calculate dumping margin for Tongkun which had de minimis dumping margin at the preliminary stage.</p>	
39.	<p>In the same para, the Commission also mentioned the basis of allocation of other production costs such as labor, energy, maintenance and other manufacturing overheads as "production time". Here, Tongkun would like to add that in the while calculating the cost provided in the questionnaire response, Tongkun allocates such costs on the basis of allocation ratio determined from the sale price of different types. The investigating officers didn't accept this basis of allocation and asked Tongkun to re-allocate the production cost based on the standard production time. Tongkun is surprised that for allocation of production cost, the investigating officers didn't find the sales prices as a reasonable base to allocate production cost of DTY and FDY into different variant but are satisfied to allocate cost of raw materials for DTY (i.e. POY) into different variants of DTY on</p>	<p>The Commission has adopted the variant wise modified cost of production provided by the cooperating exporter/foreign producer to the investigating team during on the spot verification.</p>

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	the basis of sale price of POY. This methodology of the Commission seems contradictory. Tongkun requests the Commission to use the ratio determined by sales price to allocate the cost of production into different variants of FDY and DTY.	
40.	Adjustment of VAT of 1% in the export price is not justified since it is not an expense incurred by the exporters during the POI.	As in 20 above.
<u>M/s Hangzhou Xiaoshan Donglong Chemical Fiber Company Limited</u>		
41.	The Commission has included various types of the products not produced by the domestic industry which is in violation of Section 2(e) of the Act. The domestic industry does not produce the dope dyed yarns. Domestic industry has a very little production of black colored yarn and no production of other colors of yarn. Hence dope dyed yarns cannot be termed as domestic like product.	The Commission has excluded colored yarn from the scope of investigated product.
42.	Donglong believes that dope dyed black yarn also falls in the category of colored yarns since it is also known as colored yarn. On-the-spot investigation of the domestic industry reveals that production of black yarn by Gatron is around 450 MT whereas Rupali didn't have any production of black yarn. On the other hand total imports of black yarn (from cooperating exporters) is more than 9,000 MT. Hence including black yarn in the scope of the investigation would not be fair for the user industry. This is totally against the intent of the Antidumping Duties Act 2015. Donglong hopes that after verification of the fact that domestic industry does not produce colored yarns, colored yarn will remain excluded from the scope of the investigated product.	As in 43 above.
43.	All other companies selected in the sample don't have any significant export of dope dyed black colored yarn. This means if dope dyed black yarn is included in the product scope, there is no representation of black yarn in average dumping margin.	As in 43 above.
44.	Donglong in its various submissions made in response to sampling lists issued by the Commission, requested to be included in the sample, since it is the biggest producer of colored yarns who have requested for individual dumping margin. It was a major plea of Donglong that since colored yarn has different cost and sales prices and none of the sampled companies exported colored yarns to Pakistan, average margin, if applied, for Donglong will not be representative of its exports to Pakistan.	As in 43 above.
45.	After exclusion of colored yarns in the preliminary determination, Donglong didn't agitated its request as Donglong believed, colored yarn has been excluded from the scope of the investigation. Donglong hopes that the	As in 43 above.

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	Commission will keep the colored yarn excluded from the scope of this investigation in the final determination as well otherwise, Donglong deserves individual dumping margin being unique than all other sampled companies.	
<u>M/s JINJIANG JINFU CHEMICAL FIBRE & POLYMER CO., LTD (Jinfu)</u>		
46.	The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. Drawn Textured Yarn (DTY) and Fully Drawn Yarn (FDY) are two separate and distinct products of Polyester Filament Yarn having separate raw materials, production process, different cost of production and sales price and falling under the separate PCT heads. Both DTY and FDY have also different set of applications which, in most of the cases, are not interchangeable in use. Hence both these products cannot be combined in one investigation. The Commission acted in violation of the spirit of Section 2(e), 2(k) and 2(m) of the Act by merging both DTY and FDY in one investigation.	As in 1 above.
47.	Even if both the products i.e. DTY and FDY are combined in one investigation, the Commission should have made separate injury analysis for both the products since imports of FDY cannot effect the domestic operations for DTY. Similarly imports of DTY cannot effect the domestic operations of FDY.	As in 2 above.
48.	There are also certain types of DTY not being produced by domestic industry e.g. 71/72, 75/72, 75/96, 75/144, 100/72, 100/96, 150/96, 150/288, 250/96, 300/144, 300/288, 300/576 in semi dull luster. Domestic industry also does not produce DTY cationic yarn and DTY dyed yarn. Major imports of DTY cationic yarn is for deniers 75/48, 75/72, 100/36, 150/48 & 300/96 and for DTY dyed yarn is for deniers 50/36, 75/36, 100/36, 150/48 and 300/96. The Commission has included various types of the products not produced by the domestic industry which is in violation of Section 2(e) of the Act.	As in 4 above.
49.	Since the Applicants do not produce including dope dyed colored yarns and certain types and deniers of DTY and FDY by themselves and have not provided any solid evidence for production by the other domestic producers, there is no domestic industry of such yarns. Hence, with incorrect definition of the domestic like product, the Commission also violated the provisions of the Section 2(d) of the Act regarding definition of the domestic industry.	The Commission has excluded colored yarn from the scope of investigated product and the domestic industry has provided variant wise detail of yarn manufactured by it during on the spot verification.
50.	In the instant investigation the Commission has not entertained any request for individual dumping margin and has not provided any reason for not acceding to their	The Commission has calculated individual dumping margins for 11 cooperating exporters/foreign producers.

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	request in its preliminary determination report. Hence despite of the fact that calculation of individual dumping margin was not burdensome for the Commission since it has examined much larger number of exporters in previous investigation, the Commission did not calculate individual dumping margin for the Appellant which is in violation of Section 14(4) of the Act.	
M/s Fujian Jinlun Fiber Shareholding Co., Ltd (Jinlun)		
51.	The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. Drawn Textured Yarn (DTY) and Fully Drawn Yarn (FDY) are two separate and distinct products of Polyester Filament Yarn having separate raw materials, production process, different cost of production and sales price and falling under the separate PCT heads. Both DTY and FDY have also different set of applications which, in most of the cases, are not interchangeable in use. Hence both these products cannot be combined in one investigation. The Commission acted in violation of the spirit of Section 2(e), 2(k) and 2(m) of the Act by merging both DTY and FDY in one investigation.	As in 1 above.
52.	Despite of its earlier submission of Jinlun, the Commission didn't exclude deniers less than 60 from the scope of the domestic like product which are not being produced by the domestic industry. Production of lower deniers requires technical expertise which is not possible for the domestic industry keeping in view its limitations. Inclusion of products not produced by the domestic industry in the definition of domestic like product is in violation of Section 2(e) of the Act.	Details of variant wise production provided by the domestic industry during on the spot verification showed that it has produced less than 60 deniers.
53.	The Commission unlawfully not allowed sufficient time to the Jinlun to respond the deficiency letter (supplementary questionnaire), therefore, the Commission violated the provisions of Rule 8(d) of the Act.	As in 21 above.
54.	The hearing conducted by the Commission was also in violation of Rule 12(3) of the Rules since the Commission is bound to complete on-the-spot verification prior to the date of any hearing in an investigation. In the instant investigation, the Commission issued the final reports on on-the-spot investigation after the hearing.	As in 7 above.
55.	The SEF issued by the Commission in this investigation is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing FINAL report for on-the-spot verification.	As in 8 above.
56.	The Commission has not mentioned in the SEF, grades of the Polyester Filament Yarn produced and sold by Jinlun in	Dumping margin for Fujian Jinlun was calculated by comparing grade wise domestic and export sales for

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	<p>the domestic market. Since different grades effect price comparability, it is necessary to compare export price with the same grades sold in the domestic market instead of average price of all grades. This is a very basic requirement of Section 11 of the Act for which the Commission had been comparing grade wise domestic and export prices for the purpose of calculation of dumping margin in the previous investigations against the same product dumped from various sources. SEF issued by the Commission neither mentions the Commission's decision about acceptance of grading provided by Jinlun nor it mentions any reason for its rejection. Since different grades have different prices, grades exported to Pakistan need to be compared with the same grades sold in the domestic market to ensure fair comparison of export price with normal value as per Section 11 of the Act.</p>	<p>the purposes of final determination.</p>
57.	<p>Adjustment of VAT of 1% in the export price is not justified since it is not an expense incurred by the exporters during the POI.</p>	<p>As in 20 above.</p>
<p><u>M/s ZHEJIANG SOUTH PETROLEUM CHEMICAL CO. LTD (South Petroleum)</u></p>		
58.	<p>The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. Drawn Textured Yarn (DTY) and Fully Drawn Yarn (FDY) are two separate and distinct products of Polyester Filament Yarn having separate raw materials, production process, different cost of production and sales price and falling under the separate PCT heads. Both DTY and FDY have also different set of applications which, in most of the cases, are not interchangeable in use. Hence both these products cannot be combined in one investigation. The Commission acted in violation of the spirit of Section 2(e), 2(k) and 2(m) of the Act by merging both DTY and FDY in one investigation.</p>	<p>As in 1 above.</p>
59.	<p>Even if both the products i.e. DTY and FDY are combined in one investigation, the Commission should have made separate injury analysis for both the products since imports of FDY cannot effect the domestic operations for DTY. Similarly imports of DTY cannot effect the domestic operations of FDY.</p>	<p>As in 2 above.</p>
60.	<p>As per the above provisions of Section 14(2) of the Act, the Commission is required to make sampling which is statistically valid on the basis of information available or represents the largest volume of exports. The methodology adopted by Commission shows that it carried out sampling on the basis of highest volume of exporters. Furthermore, revised sampling list issued by the Commission shows that</p>	<p>As per information provided by the consultant of the company, South Petroleum has not exported the investigated product to Pakistan. The Commission has selected sample on the basis of largest volume of imports, affiliated companies and varieties of investigated product.</p>

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	<p>the Commission has carried out sampling by considering DTY and FDY as separate products. That is why it included one exporter on the basis of being major exporter of FDY to Pakistan. While making its analysis for the revised sampling, the Commission didn't appreciate that the South Petroleum is the biggest exporter of FDY to Pakistan. The export quantity of the South Petroleum is around 5000 MT of FDY more than the exporter selected in the sample being major exporter of FDY. In view of the above, it becomes quite clear that the Commission violated the provisions of Section 14(2) of the Act by selecting a sample not representing the highest percentage of exports.</p>	
61.	<p>The Commission has not assigned individual dumping margin to any company which was not included in the sample. Hence, despite of the fact that calculation of individual dumping margin was not burdensome for the Commission since it has examined much larger number of exporters in previous investigation, the Commission did not calculate individual dumping margin for the South Petroleum which is in violation of Section 14(4) of the Act.</p>	<p>The cooperating exporters/foreign producers not selected in sample were assigned duty rate in terms of sub-section (3) and (4) of Section 51 of the Act.</p>
<p><u>M/s Hangzhou Zhongcai Chemical Fiber Company Limited (Zhongcai) & M/s Hangzhou Zhong Li Chemical Fiber Company Limited</u></p>		
62.	<p>The Commission has included various types of the products not produced by the domestic industry which is in violation of Section 2(e) of the Act. The domestic industry does not produce the dope dyed yarns. Domestic industry has a very little production of black colored yarn and no production of other colors of yarn. Hence dope dyed yarns cannot be termed as domestic like product.</p>	<p>The Commission has excluded colored yarn from the scope of investigated product.</p>
63.	<p>After determination by the Commission that colored yarns are not being produced by the domestic industry, it stands excluded from the scope of domestic like product. Since dope dyed colored yarns are not produced by the domestic industry the same does not fall under the scope of domestic like product. Therefore, there is no domestic industry of the colored yarns. In the absence of any domestic industry of dope dyed colored yarns, there is no application against imports of colored yarns including dope dyed yarn. Hence the investigation against colored yarns stands terminated.</p>	<p>The domestic industry is producing dope dyed yarn.</p>
64.	<p>The Exporters believe that dope dyed black yarn also falls in the category of colored yarns since it is also known as colored yarn. On-the-spot investigation of the domestic industry reveals that production of black yarn by Gatron is around 450 MT whereas Rupali didn't have any production of black yarn. On the other hand total imports of black yarn (from cooperating exporters) is more than 9,000 MT. Hence including black yarn in the scope of the investigation would not be fair for the user industry and this is totally against the intent of the Antidumping Duties Act 2015. All other companies selected in the sample don't have any significant</p>	<p>The Commission has excluded colored yarn from the scope of investigated product.</p>

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	export of dope dyed black colored yarn. This means if dope dyed black yarn is included in the product scope, there is no representation of black yarn in average dumping margin. Therefore, the Exporters believe that the Commission has not included them in the sample since dope dyed yarns of all colors including black color are out of the scope of this investigation.	
<u>Tongxiang Zhongchi Chemical Fiber Co., Ltd. (Zhongchi)</u>		
65.	Zhongchi has serious reservations on the sampling done by the Commission in this investigation. Zhongchi was included in the first sampling done by the Commission based on its volume of exports of the investigated product to Pakistan. But later on, the Commission issued second sampling list and excluded Zhongchi group from the list of sampled exporters/ producers. The Commission should have consulted Zhongchi before issuing revised sampling list as per the provisions of Section 14(3) of the Act. Even the Commission didn't provide any reason for exclusion for Zhongchi group from the list of sampled companies neither in preliminary determination nor in SEF. Hence the sampling done by the Commission is in violation of Section 14 of the Act.	The Commission has selected sample on the basis of largest volume of imports, affiliated companies and varieties of investigated product. The bases of selection of sample were provided in the report and notice of preliminary determination as well as in the SEF.
66.	In the instant investigation, the Commission has not assigned individual dumping margin to any company which was not included in the sample. Hence, despite of the fact that calculation of individual dumping margin was not burdensome for the Commission since it has examined much larger number of exporters in previous investigation, the Commission did not calculate individual dumping margin for the South Petroleum which is in violation of Section 14(4) of the Act.	As in 52 above.
<u>M/s Recron Malaysia, SDN. BHD, (Recron)</u>		
67.	The product definition by the Commission is unlawful since the Commission included two separate and distinct products in single investigation. Drawn Textured Yarn (DTY) and Fully Drawn Yarn (FDY) are two separate and distinct products of Polyester Filament Yarn having separate raw materials, production process, different cost of production and sales price and falling under the separate PCT heads. Both DTY and FDY have also different set of applications which, in most of the cases, are not interchangeable in use. Hence both these products cannot be combined in one investigation. The Commission acted in violation of the spirit of Section 2(e) and 2(k) of the Act by merging both DTY and FDY in one investigation.	As in 1 above.
68.	The hearing conducted by the Commission was also in violation of Rule 12(3) of the Rules since the Commission is	As in 7 above.

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	bound to complete on-the-spot verification prior to the date of any hearing in an investigation. In the instant investigation, the Commission issued the final reports on on-the-spot investigation after the hearing.	
69.	The SEF issued by the Commission in this investigation is in violation of Rule 14(8) of the Rules since the Commission issued the SEF without issuing FINAL report for on-the-spot verification.	As in 8 above.
70.	In the last investigation concerning sunset review of definitive antidumping duties levied against imports of the same product i.e. Polyester Filament Yarn (PFY), the Commission used the profit of rate of 0.41% for construction of normal value. This profit rate of 0.41% was very logically calculated from the latest audit report of Recron. However in the current investigation the Commission, in contradiction to its previous practice, have used 5% profit rate for construction of normal value for Recron. Such higher profit rate, in no way, is reasonable for yarn industry especially in Malaysia which is operating at very low returns. Hence use of higher profit rate by the Commission is in violation of Section 6(1)(b) of the Act.	The Commission has applied profit @ 5% for construction of normal value for all the cooperating exporters/foreign producers. The Commission applied profit rate of 0.41% due to the fact that the company as whole was in profit. However, during the current POI the company was making loss and the Commission considered that 5% profit is reasonable.
71.	It is believed that the Commission has resorted to the use of Section 8(2)(c) of the Act by considering 5% profit rate for construction of normal value. However, the Commission has not provided any basis for determining 5% profit rate and whether the use of such profit is reasonable for Recron. The above provision of the Act also requires the Commission to calculate a cap for determination of reasonability of the profit margin which the Commission neither did nor it made any attempt to do so and, straight away applied a profit rate of 5%. The Commission also did not ensure that amount of profit it established for Recron did not exceed the profit rate normally realized by other exporters or producers on sales of product of the same general category in the domestic market of the country of origin. Hence on the basis of the provisions of Section 8(2)(c) of the Act, the use of 5% profit rate by the Commission was unlawful and needs to be reconsidered in the final determination.	Section 8(2)(c) states that "any other reasonable method provided that the amount for profit so established shall not exceed the profit normally realised by other exporters or producers on sales of products of the same general category in domestic market of an exporting country of a like product." It is worthwhile mentioning that cooperating exporter/foreign producer i.e. Recron is the only exporter from Malaysia so the Commission does not know how much profit is normally earned by other exporters or producers on sales of products of the same general category in Malaysian market of a like product. However, it is common for Investigating Authorities to consider 5% as normal profit for polyester filament yarn business. Recron Malaysia is owned by Reliance Group, India. Reliance Group, India had applied for imposition of antidumping duties on imports of FDY originating in/and or exported from China, Thailand and Vietnam. Tongkun Group Co. Ltd, which is also a cooperating exporter/foreign producer in this investigation, was examined by the Indian Investigating Authority i.e. Directorate General of Anti-dumping & Allied Duties (DGAD). The DGAD while constructing normal value for Chinese and Thai exporters applied profit @5% in the investigation carried out by it.
72.	As mentioned by Recron in its comments on the dumping margin, cost used by the Commission for construction of	Selling expenses related to exports have not been made part of cost used for construction of normal value.

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	<p>normal value for the types not sold domestically contains selling expenses for export. Such selling expenses are a part of export sales and should not be included while calculating "ex-factory domestic price" of Recron. Since the Commission neither disclosed variant wise costing in its draft report nor it issued Final report for on-the-spot investigation, therefore Recron is unaware as to which cost will be used for calculation of normal value. Recron again requests the Commission to exclude selling expenses since they relate to export sales and should not be made part of cost to be used for construction of normal value.</p>	
73.	<p>Recron appreciates that the Commission has accepted value loss adjustment as stated in Para 21.10.4 of the SEF. However, Recron would like to submit in this regard that the way in which Recron reported adjustment was the most appropriate manner to account for price comparability of different grades. Any other way to account for such adjustment such as grade wise dumping margin will not serve the purpose, since it is effective only if all the types and grades exported to Pakistan are also sold in the domestic market and normal value of any type is not constructed from its cost to make and sell. If normal value is constructed from cost to make and sell, this gives normal value of the prime grade which further needs value loss adjustment to arrive at the required grade. Therefore, making value loss adjustment as it is reported by Recron will ensure fair comparison of export price with normal value which is the actually in true letter and spirit of Section 11 of the Act.</p>	<p>The Commission has accepted value loss adjustment.</p>
<u>Comments of Domestic Industry:</u>		
74.	<p>Export prices to Pakistan of Chinese PFY are significantly lower as compared to the export prices to India and Turkey. In a period up to December 2016 it was lower than India by 9% and from Turkey by 12%, however the prices of PFY in the period September 2015 were 27% lower than Indian and 23% lower than Turkey. At these prevailing prices, India and Turkey have imposed 10% to 37% anti-dumping duty against Chinese PFY. Since the prices to Pakistan are significantly lower than India and Turkey, the anti-dumping duty should be comparatively higher than what India and Turkey have imposed.</p>	<p>Dumping duties have been determined according to the data submitted by the cooperating exporters/foreign producers in the light of provisions of the Act. The dumping margins of Turkey and India, in their investigations, are not supported by the Act as various parameters like exporters, variants of product and POI etc may change.</p>
75.	<p>As per preliminary determination report issued by the Commission, the investigated product is being exported to Pakistan at dumped prices and domestic industry is suffering injury due to dumping, then it becomes binding on the Commission to imposed provisional anti-dumping duty but the Commission has not imposed anti-dumping duty in provisional determination.</p>	<p>The Commission has imposed definitive antidumping duties for the period of five years w.e.f August 26, 2017.</p>

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76.	The Commission has incorrectly determined on provisional basis as well as in SEF that domestic industry is not producing colored yarn and excluded from the scope of investigation. The fact is that domestic industry is producing and produced colored yarn and the same was verified to the investigating team.	The Commission, in the light of evidence gathered during the course of investigation, has excluded colored yarn from the scope of investigated product.
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