

(NON - CONFIDENTIAL)



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**FINAL DETERMINATION AND LEVY OF DEFINITIVE ANTIDUMPING
DUTY ON DUMPED IMPORTS OF DEFORMED CONCRETE
REINFORCING STEEL BARS ORIGINATING IN AND/OR EXPORTED
FROM THE PEOPLE'S REPUBLIC OF CHINA**

**ADC NO 48/2016/NTC/Rebars
October 20, 2017**

Final Determination and Levy of Definitive Antidumping Duty on Dumped Imports of Deformed Concrete Reinforcing Steel Bars into Pakistan Originating in and/ or Exported from the People's Republic of China

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (the "Act") and the Anti-Dumping Duties Rules, 2001 (the "Rules") is responsible to conduct anti-dumping investigations for imposition of anti-dumping duties to offset injurious impact of dumped imports on domestic industry and ensure fair competition thereof and to the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement").

2. The Commission has conducted an investigation on dumped imports of Deformed Concrete Reinforcing Steel Bars (hereinafter referred as "Rebars") into Pakistan originating in and/or exported from the People's Republic of China ("China"), 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.

3. In terms of Section 39(1) of the Act, the Commission shall make a final determination of dumping and injury within one hundred and eighty days of publication of a notice of preliminary determination in the official Gazette. Notice of preliminary determination in this investigation was published on May 23, 2017 in official Gazette.

A. PROCEDURE

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

5. Receipt of Application

5.1 On October 14, 2016, the Commission received a written application under Section 20 and 24 of the Antidumping Duties Act, 2015 from M/s Amreli Steels Limited Karachi, M/s Agha Steel Industries, Ltd. Karachi and M/s Abbas Engineering Ltd. Karachi (the "Applicants"). The Applicants are producers of Rebars. They have alleged that the Rebars originating in and/or exported from China are being dumped into Pakistan, which has caused and is causing material injury to the domestic industry, producing Rebars.

5.2 The Commission informed the Embassy of China in Islamabad through note verbal dated October 24, 2016, of the receipt of an 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 Rebars into Pakistan from China 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 whose collective output of that product constitutes a major proportion of the total domestic production of that product; except 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. 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 As per the information available with the Commission, the domestic Rebars manufacturing industry comprises of the following 30 units. Their installed production capacity is about 900,000 MT per annum:

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**Table-I
The Domestic Industry**

S.No.	Unit Name
i.	Amreli Steels Limited, Karachi
ii.	Agha Steel Industries, Karachi
iii.	Abbas Eng Limited, Karachi
iv.	Ayan Steel
v.	Faizan Steel
vi.	Rasheed Sons
vii.	Shalimar Steel R/R Mills Pvt Ltd
viii.	Karachi Steel Re-Rolling Mills
ix.	Nomee Steel
x.	Ittehad Steel Industries, Islamabad
xi.	New Shalimar Steel Industries Pvt Ltd
xii.	AFCO Steel Industries
xiii.	Madina Steel Industry
xiv.	Amir Asim Steel R/R Pvt Ltd
xv.	M.Y Brother Steel R/R Mills
xvi.	Mughal Steel
xvii.	Frontier Foundry
xviii.	Fazal Steel
xix.	Al Majeed Ibrahim Steel Industry
xx.	Barrat Steel Mills
xxi.	Bilal Steel
xxii.	Dewan Steel Mills
xxiii.	Ihehad Steel Industries, Karachi
xxiv.	King Steel Industry Pvt Ltd
xxv.	Majeed And Sons Steels Pvt Ltd
xxvi.	Makrah Steel
xxvii.	Nawab Brothers Steel Mills Pvt Ltd
xxviii.	New Shalimar Steel Industries
xxix.	Pak Steel Re-Rolling Mills
xxx.	Razaque Steels Pvt Ltd

Sources: the Applicants

7.3 As stated above (paragraph 7.1 supra) the Act defines domestic industry excluding the domestic producers who are related to the exporters or importers, or are themselves importers of the dumped product provided that there are grounds for believing or suspecting that the producer concerned behave differently from non-related producers. The Applicants have stated that the units mentioned at S. No. xix to xxx in the above table were themselves importers of Rebars during the period of investigation, therefore, these units may not be considered as part of the domestic industry for the purposes of this investigation in accordance with Section 2(d) of the Act. After initiation of the investigation the Commission approached these producers (by sending letters) and asked for their view point and necessary information,

however, they did not respond. The Commission also approached Pakistan Steel Rerolling Mills Association on November 8, 2016 and requested for information on domestic industry of Rebars, its capacity, production and sales etc. but the Association did not respond. Therefore, for the purposes of this final determination these producers have not been excluded from the definition of domestic industry and are considered as indifferent in this investigation.

8 Standing of the Application

8.1 Section 24 of the Act enjoins upon the Commission to assess the standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the domestic producers of the domestic like product. Section 24(1) of the Act states as follows:

“..... 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 is made by three domestic producers of Rebars namely M/s Amreli Steels Limited, M/s Agha Steel Industries and M/s Abbas Engineering Limited. Four other producers in the industry have supported the application. The Applicants have submitted their letters of support. Together, these seven units constitute 43 percent share in the total domestic production of the like product. Details of the production of different units during 2015-16 and their status with regard to the application are given below:

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**Table-II
Standing of the Application**

S.No.	Unit Name	Production % of total	Status
i.	Amreli Steels Limited, Karachi	17.00%	Applicant
ii.	Agha Steel Industries, Karachi	13.27%	Applicant
iii.	Abbas Engineering Limited, Karachi	1.27%	Applicant
iv.	Karachi Steel Re-Rolling Mills, Islamabad	2.28%	Supporting
v.	Nomee Steel, Islamabad	3.42%	Supporting
vi.	Ittehad Steel Industries, Islamabad	2.62%	Supporting
vii.	Fazal Steel, Islamabad, Islamabad	3.99%	Supporting
viii.	Ayan Steel, Karachi	0.86%	Indifferent
ix.	Faizan Steel, Karachi	2.05%	Indifferent
x.	Rasheed Sons, Karachi	0.86%	Indifferent
xi.	Shalimar Steel R/R Mills Pvt Ltd, Lahore	0.57%	Indifferent
xii.	New Shalimar Steel Industries Pvt Ltd, Lahore	0.68%	Indifferent
xiii.	AFCO Steel Industries, Lahore	5.48%	Indifferent
xiv.	Madina Steel Industry, Lahore	4.56%	Indifferent
xv.	Amir Asim Steel R/R Pvt Ltd, Lahore	2.51%	Indifferent
xvi.	M.Y Brother Steel R/R Mills , Lahore	1.03%	Indifferent
Xvii	Mughal Steel, Lahore	12.78%	Indifferent
xviii.	Frontier Foundry, Peshawar	6.85%	Indifferent
xix.	Al Majeed Ibrahim Steel Industry	1.03%	Indifferent
xx.	Barrat Steel Mills	2.05%	Indifferent
xxi.	Bilal Steel	0.68%	Indifferent
xxii.	Dewan Steel Mills	2.05%	Indifferent
xxiii.	Ittehad Steel Industries, Karachi	0.68%	Indifferent
xxiv.	King Steel Industry Pvt Ltd	1.03%	Indifferent
xxv.	Majeed And Sons Steels Pvt Ltd	2.05%	Indifferent
xxvi.	Makrah Steel	2.05%	Indifferent
xxvii.	Nawab Brothers Steel Mills Pvt Ltd	0.57%	Indifferent
xxviii.	New Shalimar Steel Industries	1.60%	Indifferent
xxix.	Pak Steel Re-Rolling Mills	1.60%	Indifferent
xxx.	Razaque Steels Pvt Ltd	2.51%	Indifferent

Source: the Applicants

8.3 The above table shows that the Applicants account for 31 percent of the total production, the four supporting producers account for 12 percent of the total production. Therefore, the Applicants and the supporting producers jointly account for 43 percent of the domestic production. After initiation of the investigation the Commission asked all other producers for their opinion and necessary information but they did not respond. Therefore, all other producers are treated as indifferent to this investigation.

8.4 Based on the above information the Commission has determined that the application fulfilled requirements of Section 24 of the Act as it is supported by the

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producers who account for 43 percent of the total domestic production and no producer has opposed the application.

9. Applicants' Views

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

- i. Exporters/ producers from China are exporting Rebars to Pakistan at dumped prices;
- ii. Rebars imported from China and produced in Pakistan by the domestic industry are like products; and
- iii. Imports of Rebars from China into Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing Rebars mainly through:
 - a. Price undercutting
 - b. Price depression
 - c. Decline in market share
 - d. Decline in sales
 - e. Negative effects on productivity per worker;
 - f. Negative effects on capacity utilization
 - g. Negative effects on return on investment

9.2 The Applicants have further alleged that there is a threat of material injury as well to the domestic industry due to increased/increasing trend of alleged dumped imports of the Rebars.

10. Initiation of Investigation

10.1 The Commission, in accordance with Section 23 of the Act examined the accuracy and adequacy of the evidence and information provided in the application, and established that there was sufficient evidence of alleged dumping of Rebars into Pakistan from China and consequent material injury to the domestic industry. Therefore, the Commission decided on November 24, 2016 to initiate an investigation in this case.

10.2 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

¹ The official Gazette of Pakistan (Extraordinary) dated November 26, 2016.

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widely circulated national newspapers² (one in English language and one in Urdu Language) on November 26, 2016. Investigation concerning alleged dumped imports of Rebars into Pakistan originating in and/or exported from China was thus initiated on November 26, 2016 in accordance with Section 27(2) of the Act.

10.3 In pursuance of Section 27 of the Act the Commission notified Embassy of China in Islamabad of the initiation of the investigation (by sending a copy of the notice of initiation and non-confidential version of the application) on November 28, 2016 with a request to forward it to all exporters/ producers involved in production, sales and export of Rebars from China. Copy of the notice of initiation was also sent to the Applicants on November 28, 2016. Copy of the notice of initiation and exporters questionnaire along with non-confidential version of the application was sent to Chinese exporters/ producers directly (whose addresses were available with the Commission) on November 29, 2016. Copy of the notice of initiation and questionnaires were also sent to Pakistani importers and others producers (other than the Applicants) directly (whose addresses were available with the Commission) on November 29, 2016. On November 30, 2016 the Commission also notified to the Pakistan Re-rolling Steel Mills Association initiation of the investigation with a request to forward it to all its members.

11. Investigated Product, Domestic Like Product and Like Product

11.1 Section 2(e), (k) and (m) 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".

11.2 For the purposes of this investigation and the definitions set out above, investigated product, domestic like product and like product are identified in the following paragraphs.

² The daily 'Dawn' and 'Dunya' of November 26, 2016 issues.

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11.3 Investigated Product:

11.3.1 The investigated product is deformed steel concrete reinforcing steel bars (“Rebars”) in straight lengths, U-bends or coils. Such Rebars are in various diameters upto and including 40 MM, in various finishes including indentation, ribs, groves or other deformations excluding plain round bars. It is classified under Pakistan Customs Tariff¹ (“PCT”) Heading Nos. 7214.2010, 7214.2090, 7214.3010, 7214.3090, 7214.9910, 7214.9990, 7215.1010, 7215.1090, 7215.5010, 7215.5090, 7215.9010, 7215.9090, 7228.2090, 7228.3090, 7228.1000, 7228.4000, 7228.5000, and 7228.6000.

11.3.2 Investigated product has large number of end-use applications which, *inter alia*, includes construction of houses, buildings, dams, bridges and other infrastructure projects. Rebars are most commonly used to reinforce concrete and masonry structures. It enhances the compression and tensile strength of concrete and prevents the concrete from cracking on load or changes in temperature etc.

11.3.3 Following was the customs tariff for import of Rebars during the POI:\

**Table-III
Tariff Structure 2016-17**

PCT No	Description	Customs Duty		Regulatory Duty	Sales Tax
		China	Others		
7214.2010	Other bars and rods of iron or non-alloy steel, of Secondary quality	16%	20%	30%	17%
7214.2090	Other	5%	11%	30%	17%
7214.3010	Of secondary quality	16%	20%	30%	17%
7214.3090	Other	5%	11%	30%	17%
7214.9910	Of secondary quality	16%	20%	30%	17%
7214.9990	Other	5%	11%	30%	17%
7215.1010	Of Secondary quality	16%	20%	30%	17%
7215.1090	Other	5%	11%	30%	17%
7215.5010	Of Secondary quality	16%	20%	30%	17%
7215.5090	Other	5%	11%	30%	17%
7215.9010	Other	16%	20%	30%	17%
7215.9090	Of Secondary quality	5%	11%	30%	17%
7228.2090	Other bars and rods of other alloy steel	0%	11%	30%	17%
7228.3090	Other	0%	11%	30%	17%
7228.1000	Bars and rods, of high speed steel	0%	11%	30%	17%
7228.4000	Other bars rods, not further worked than forged	0%	11%	30%	17%

¹ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

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7228.5000	Other bars and rods, not further worked than cold- formed or cold- finished	0%	11%	30%	17%
7228.6000	Other bars and rods	0%	11%	30%	17%

11.4 Domestic Like Product

11.4.1 The domestic like product is deformed steel concrete reinforcing steel bars commonly known as Rebars, produced by the domestic industry. It is classified under the same PCT numbers as the investigated product is classified. The domestic like product is also used for the same purposes as the investigated product is used.

11.4.2 In domestic market Rebars are made from different materials such as steel billets made from steel scrap, ship plates etc. Quality of the Rebars are dependent on the raw material used in production. High quality Rebars are made from steel billets which conform to international quality standards. Rebars made of other materials such as ship plates, baalas (also known as commercial grade) does not have standard quality.

11.4.3 According to the Applicants the domestically produced Rebars are generally, of grades 40 and 60 as specified in ASTM (American Section of the International Association for Testing Materials) 615 or grade 500 as specified in BS 4449. As per ASTM 615 standard, Rebars should have three minimum yield strength levels: namely 40,000 PSI [280 MPa] for grade 40, or 60,000 PSI [420 MPa] for grade 60 or 75,000 PSI [520 MPa] for grade 75. According to BS 4449-2005, Rebars of grade 500 should have yield strength of 72,500 PSI [500 MPa].

11.5 Like Product:

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

- i. basic raw materials used in the production of the investigated product, and the domestic like product are the same/similar;
- ii. the investigated product and the domestic like product are produced with a similar manufacturing process;
- iii. both the products have similar appearance. Further, physical properties, nature and quality of the investigated product and the domestic like product are also similar;
- iv. both the products are used for similar purposes and are substitutable

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in use; and

- v. both the products are classified under the same PCT/HS heading numbers.

11.6 In light of the above, the Commission has determined that the investigated product and the domestic like product are alike products.

12 Period of Investigation ("POI")

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

- i. *"for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months."*
- ii. *"for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:
"Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product".*

12.2 The POI for the purposes of this investigation for dumping and injury are, as follows:

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

13 Exporters/ Producers Involved in Dumping of Rebars

The Applicants identified 30 exporters/ foreign producers involved in dumping of the investigated product from China. The Applicants have stated that there may be other exporters and producers of the investigated product, which are not known to them, therefore, they have requested for imposition of antidumping duty on all imports of the investigated product originating in and/or exported from China.

14 Information/Data Gathering

14.1 The Commission sent exporter's questionnaire to 30 exporters/ foreign producers based in China and Pakistani importers whose addresses were available to the Commission on November 29, 2016 for collection of data and information necessary for this investigation. The exporters/ foreign producers and importers were asked to supply information within 37 days of dispatch of the questionnaire. None of the exporters/ foreign producers responded. On January 24, 2017 the exporters/ foreign producers were informed through a letter that in case they did not provide information within 15 days the Commission will be constrained to use best available information for preliminary and/or final determination of dumping in this case. However, no response was received from any of the exporter/ foreign producer and importer.

14.2 On November 28, 2016 a copy of the questionnaire was also sent to the Embassy of China in Islamabad with a request to forward it to all exporters/ foreign producers of the investigated product in China. However, no response was received from any exporter/ foreign producer from China.

14.3 The Commission also sent questionnaire on November 29, 2016 to Pakistani producers other than the Applicants, requesting them to provide information within 37 days of the issuance of the questionnaire. Only M/s Frontier Foundry provided some/partial data/ information on the prescribed questionnaire to the Commission.

14.4 The Commission has access to the 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 purposes of this final determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicants.

14.5 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of the initiation of this investigation. However, the Commission did not receive comments from any party.

14.6 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of determination of dumping of the investigated product and injury to the domestic industry in this investigation.

15. Verification of the Information

15.1 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

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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 and evidence supplied by the interested parties to the extent possible for the purposes of this final determination.

15.2 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 investigations at premises of the Applicants from 24th to 29th April 2017. Report of on-the-spot investigations were made available to interested parties by placing them in the public file.

16. Public File

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file at its office. This file remains available to the interested parties for review and copying from Monday to Thursday between 11.00 hours to 13.00 hours throughout the investigation (except public holidays). This file contains non-confidential versions of the application, notices, correspondence, and other documents for disclosure to the interested parties.

17. Confidentiality

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

17.2 The Applicants 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 flows, salaries & wages, number of employees and capacity etc. of the domestic like product.

17.3 On the basis of request made by the Applicants, 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. However, in terms of Sub-Section (5) of the Section 31 of the Act non-confidential summaries of all confidential information, which provides reasonable understanding of the substance have been placed in public file for

review and coping by the other interested parties.

18. Preliminary Determination

18.1 The Commission made a preliminary determination in this investigation on May 22, 2017 in terms of Section 37 of the Act. The Commission issued a notice of preliminary determination, which was published on May 23, 2017 in official gazette of Pakistan and in two widely circulated national newspapers (one English "The Nation" and one Urdu Language ("Dunya") notifying preliminary determination. The Commission did not impose provisional measures on the dumped imports of the investigated product in this case.

18.2 The Commission also sent copy of notice of preliminary determination and imposition of provisional antidumping duties to the Embassy of China in Islamabad, the exporters/producers, the importers and the Applicants in accordance with the requirements of section 37(4) of the Act. The findings of the Commission in the preliminary determination were as follows:

- i. The application was filed by the domestic industry;
- ii. The investigated product and the domestic like product are like products in terms of provisions of the Act;
- i. During POI, the investigated product was exported to Pakistan by the exporters/ producers from China at prices below its normal value;
- iv. Volume of dumped imports of the investigated product and the dumping margin established for these imports are above the negligible and *de minimis* levels;
- v. The dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is worked out 52.52 percent;
- vi. The domestic industry suffered material injury on account of volume of dumped imports, price undercutting, decline in market share, decline in sales, decline in capacity utilization, and decline in productivity in terms of Section 15 and 17 of the Act; and
- vii. There is a causal relationship between dumped imports of the investigated product and the material injury faced by the domestic industry.

19. **Hearing**

In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party made not later than thirty days after publication of notice of preliminary determination, hold a hearing at which all interested parties may present information and arguments. None of the interested parties requested for hearing in this investigation. Therefore, no hearing was held in this investigation.

20. **Disclosure of Essential Facts**

20.1 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 a Statement of Essential Facts (the "SEF") on July 06, 2017 to all interested parties including the known exporters/producers, the Applicants, other domestic producers, known Pakistani importers, and to the Embassy of China in Pakistan.

20.2 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 did not receive comments on SEF from any interested party.

B. DETERMINATION OF DUMPING

21. **Dumping**

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

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

22. **Normal Value**

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".

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

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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 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”.

23. 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.”

24. Determination of Dumping of the Investigated Product

22.1 As stated earlier (paragraphs 14.1 and 14.2 supra) the Commission sent questionnaires to 30 exporters/ foreign producers of the investigated product for collection of data/information. Copy of the questionnaire was also provided to the Embassy of China in Islamabad with a request to forward it to all exporters/foreign producers of the investigated product based in China to submit information to the Commission. However, the Commission did not receive information in response to the questionnaire from any of the exporter/foreign producer of the investigated product in this investigation. Therefore, dumping of the investigated product in this final determination is determined on the basis of best information available in accordance with Section 32 of the Act. Details of determination of normal value, export price and dumping margin are provided in the following paragraphs.

24.2 Determination of Normal Value

24.2.1 As stated above no Chinese exporter/producer of the investigated product has provided information on its sales of rebars in its domestic market and cost to make and sell, therefore, normal value for the investigated product in this final determination is constructed on the basis of the cost of production in the exporting country plus a reasonable amount for administrative, selling and financial costs and profits in accordance with Section 6 of the Act. For this purpose, the information on cost to make and sell of one of the Applicants (who is the largest producer among them) is used to construct normal value, which is duly adjusted for China. The construction of normal value is based on the following:

- i. For locally purchased raw and packing materials, actual cost of raw/ packing materials of the Applicant has been deflated to the C&F level prices after deducting the import taxes/charges/incidentals from the landed cost/purchase price of the raw and packing materials.
- ii. For imported raw materials the C&F prices of the Applicant have been used for construction of normal value.
- iii. C&F prices arrived as per explanation at serial i & ii above are multiplied with the per unit consumption of the raw materials to arrive at material cost per ton. Consumption of raw material per unit is based on the yearly average of the Applicant. Inland and ocean freight is then deducted from C&F prices to arrive at delivered prices of raw and packing materials at factory gate.

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- iv. Labor hours employed by the domestic industry to produce one ton of Rebars have been multiplied by labour rate applicable in China to work out labour cost.
- v. Electricity cost has been calculated by using actual energy consumption required to produce one ton of melted metal. The same has been multiplied with electricity rate prevailing in China to workout conversion cost.
- vi. Selling and admin expenses of the Applicants on per ton basis have been taken as selling and admn. expenses for construction of normal value.
- vii. variable overhead cost of domestic industry has been converted into equivalent fuel /petroleum consumption. The same has been multiplied by fuel/petroleum rate applicable in China to arrive at variable overhead cost in China.
- viii. Other fixed charges including depreciation of the domestic industry on per ton basis have been taken as it is in construction of normal value.
- ix. Profit mark up of 5% has been applied on cost to make & sell to reach at constructed normal value for the investigated product.

24.2.2 The constructed normal value for the investigated product on the above mentioned basis is calculated in the following table:

**Table-IV
Calculation of Normal Value**

Description	Value
Raw materials (billets)*	100.00
Labor Cost	5.29
Factory Overheads	20.35
Operating Expenses	9.28
Cost of Production of Bars	134.92
Profit (5% of cost to make & sell)	6.75
Constructed Normal Value	141.67

Note: Actual figures have been indexed with respect to the raw materials cost by taking at equal to 100 to maintain confidentiality

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24.3 Determination of Export Price

24.3.1 As no Chinese exporter/producer of the investigated product has provided information on its exports of the investigated product, therefore, export price is determined on the basis of best information available with the Commission. For this purpose information obtained from PRAL on imports of the investigated product during the POI is used.

24.3.2 As per the information obtained from PRAL, 2,29,469 MT of the investigated product was imported from China during the POI for dumping i.e. 2015-16). The weighted average C&F price of these imports is worked out to US\$ ***/MT. To reach at ex-factory level C&F export price is adjusted on account of ocean freight/ inland freight @ 5% of C&F prices.

24.3.3 The constructed export price of the investigated product on the above mentioned basis is provided in the following table:

**Table-V
Calculation of Export Price**

Description	Value
C&F Price	113.92
Ocean/ Inland freight	5.70
Adjusted export price	108.22

Note: Actual figures have been indexed with respect to the raw material cost of the constructed normal value (in table IV) to maintain confidentiality

25. Dumping Margin

25.1 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 individual dumping margin for each known exporter or producer of an investigated product. As no Chinese exporter/producer of the investigated product has provided requisite information in this investigation, therefore, no individual dumping margin is determined in this final determination and a single dumping margin is determined for all exporters/producers of the investigated product in this final determination

25.2 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 constructed (on cost to make and sell) normal value with weighted average export price at ex-factory level.

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25.3 Taking into account all requirements set out above, the dumping margins have been determined as follows.

**Table VI
Dumping Margin**

S.No	Description	Value
i.	Normal value	141.67
ii.	C&F export price	113.92
iii.	Adjusted export price	108.22
iv.	Absolute dumping margin	33.45
v.	Dumping margin as % of adjusted export price	30.90%
vi.	Dumping margin as % of C&F export price	29.36%

Note: Normal value and export price are indexed figures

26. De minimis Dumping Margin and Negligible Volume of Dumped Imports

26.1 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.*”

26.2 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 set out in paragraph 22.3 supra is well above the negligible (*de minimis*) level.

26.3 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 it is found to account for less than three percent of total imports of a like product. The information/data on dumped imports of the investigated product and other imports of Rebars have been obtained from PRAL. Volume of dumped imports of the investigated product from China and Rebars imported from other sources during the POI (July 01, 2015 to June 30, 2016) is given in the table below:

**Table – VII
Volume of Imports during POI**

Country	Volume in:	
	MT	% of total
China	229468.82	99.22%
Other sources	1799.37	0.78%
Total	231268.19	100.00%

Source: PRAL

26.4 On the basis of above information, the Commission has determined that the volume of dumped imports of the investigated product from China was much above the negligible threshold during the POI.

C. INJURY TO THE DOMESTIC INDUSTRY

27. Determination of Injury

27.1 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...”*

27.2 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”.

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

27.4 As stated earlier (paragraph 5 supra) the application is filed by the three units (the Applicants), who account for 31 percent of the total production, while there are 30 units in the industry in total (paragraph 7 supra). The Commission requested information from all units but no other units (other than the Applicants) have provided requisite information. Therefore, analysis of the injury factors carried out in this final determination in the following paragraphs is based on the information submitted by Applicants and any inference derived in this regard from the data of the Applicants would apply to the entire industry as the Applicants account for major proportion of the total domestic production of the domestic like product and are determined as domestic industry for the purposes of this investigation.

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28. Volume of Dumped Imports

28.1 In order to ascertain volume of dumped imports of the investigated product, the Commission has obtained import data from PRAL.

28.2 In accordance with Section 15(2) of the Act the volume of dumped imports is analysed to determine whether there has been a significant increase in the volume of dumped imports of the investigated product, either in absolute terms or relative to the domestic consumption of the like product. Following table shows the imports of the investigated product from dumped source, imports from other sources and domestic consumption of the like product during the POI:

**Table-VIII
Volume of Imports of Rebars (MT)**

Year	Imports from:		Total Imports	Domestic consumption
	China	Other Sources		
2013-14	12,437.12	12,426.58	24,863.70	664,718
2014-15	38,170.75	2,529.35	40,700.10	762,963
2015-16	2,29,468.82	1,799.37	231,268.19	943,632

Source: the Applicants & PRAL

28.3 It appears from the above table that dumped imports of the investigated product increased sharply in absolute terms during the POI. Dumped imports which were 12,437.12 MT during 2013-14 increased to 38,170.75 MT (207%) in 2014-15 and 229,468.82 MT (501%) during 2015-16 (the POI for dumping). Dumped imports of the investigated product were 50.02 percent of total import during 2013-14, increased to 93.79 percent and 99.22 percent of the total imports of Rebars during the years 2014-15 and 2015-16 respectively.

28.4 Dumped imports of the investigated product which were 1.87 percent of domestic consumption during 2013-14, increased to 5.00 percent and 24.32 percent of the domestic consumption of Rebars during the years 2014-15 and 2015-16 respectively.

29. Price Effects

29.1 Effect of dumped imports on sales prices of the domestic like product in the domestic market has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product over time), or price suppression (the extent to which increased cost could not be recovered by way of increase in selling price of the

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domestic like product). Effects of dumped imports on price of the domestic like product are analyzed in following paragraphs:

29.2 Price Undercutting

29.2.1 Weighted average ex-factory price of the domestic like product has been calculated from the information submitted by the Applicants on quantity and value of sales during the POI. Landed cost of the investigated product has been calculated from the information obtained from PRAL. Comparison of weighted average ex-factory price of the domestic like product with the weighted average landed cost of the investigated product during the POI is given in following table:

**Table-IX
Price Undercutting**

Year	domestic like product’s price	landed cost of dumped imports#	Price undercutting	
			Absolute	Percentage
2013-14	100.00	107.06	---	---
2014-15	105.33	98.20	7.13	6.77%
2015-16	95.19	70.44	24.75	26.00%

Sources: the Applicants and PRAL # Landed cost = C&F price+CD+RD+incidentals
Note: Actual figures have been indexed with respect to domestic like product’s price in the year 2013-14 by taking it equal to 100 to maintain confidentiality

29.2.2 Analysis of the information provided in the above table shows that the weighted average landed cost of the investigated product was lower than the weighted average ex- factory price of the domestic like product during the years 2014-15 and 2015-16. However, landed cost of the investigated product was significantly lower than the price of the domestic like product in the year 2015-16, which is the POI for dumping. Therefore, landed cost of the investigated product undercut price of the domestic like product significantly i.e. 26 percent during the POI for dumping.

29.3 Price Suppression

29.3.1 Weighted average cost to make and sell and weighted average ex-factory prices of the domestic like product for the POI are given in the following table:

Table-X: Price Suppression

Year	Cost to make & sell	Ex-factory price	Increase/(decrease) in:		Price suppression
			Cost to make & sell	Ex-factory price	
2013-14	94.27	100.00	---	---	---
2014-15	96.85	105.33	2.59	5.33	---
2015-16	83.78	95.19	-13.08	-10.14	---

Source: the Applicants
Note: Actual figures have been indexed with respect to the ex-factory price in the year 2013-14 by taking it equal to 100 to maintain confidentiality

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29.3.2 The above table shows that the cost to make and sell of the of the domestic like product increased in the year 2014-15 whereas its price increased by more than the cost to make and sell during this year. In the year 2015-16 cost to make and sell of the domestic like as well as price of the domestic like product decreased.

29.4 Price Depression

29.4.1 Weighted average ex-factory prices of the domestic like product prevailed during POI are provided in table below:

**Table – XI
Price Depression**

Year	Price	Price depression
2013-14	100.00	--
2014-15	105.33	--
2015-16	95.19	10.14

Note: Actual figures have been indexed with respect to the price in the year 2013-14 by taking it equal to 100 to maintain confidentiality

29.4.2 The above table shows that price of the domestic like product increased in the year 2014-15 and decreased in the 2015-16. However, analysis of the information has shown that this decline in price of the domestic like product during 2015-16 was due to decline in its cost to make and sell in this year (paragraph 26.3 supra).

30. Effects on Market Share

30.1 The total domestic market of Rebars in Pakistan is comprised of sales by the domestic industry and imports. Total size of the market is established by combining sales of domestic like product by the domestic industry, imports of the investigated product from China and imports of Rebars from other sources. Following table shows the market share of each source of supply during the POI:

**Table – XII
Market Share (MT & %)**

Year	Domestic industry’s sales*		Imports from:				Total domestic market	
			China		Other sources			
	MT*	% share	MT	% share	MT	% share	MT	% Change
2013-14	639,854	96.26	12,437.12	1.87	12,426.58	1.87	664,718	---
2014-15	722,263	94.67	38,170.75	5.00	2,529.35	0.33	762,963	14.78
2015-16	712,364	75.49	229,468.82	24.32	1,799.37	0.19	943,632	23.68

* Sales by the entire domestic industry Sources: the Applicants & PRAL

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30.2 The above table shows that the domestic market of Rebars increased by 14.78 percent in the year 2014-15 and 23.68 percent in the year 2015-16.

30.3 Share of domestic industry declined during the POI from 96.26 percent and 94.67 percent in the years 2013-14 and 2014-15 respectively to 75.49 percent in the year 2015-16, the POI for dumping.

30.4 Market share of dumped imports of the investigated product which was 1.87 percent and 5.00 percent in the years 2013-14 and 2014-15 respectively increased to 24.32 percent in the year 2015-16. Market share of the imports from other sources declined from 1.87 percent in the year 2014-15 to 0.19 percent in the year 2015-16.

31. Effects on Sales

31.1 The sales of the domestic like product by the domestic industry in the domestic market during the POI are given below:

**Table- XIII
Sales of the Domestic Like Product**

Year	Total Sales		Applicants' sales	
	Volume	% change	Volume	% change
2013-14	100.00	---	31.63	---
2014-15	112.88	12.88%	43.67	38.08%
2015-16	111.33	-1.37%	43.65	-0.05%

Source: the Applicants

Note: Actual figures have been indexed with respect to the total sales volume in the year 2013-14 by taking it equal to 100 to maintain confidentiality

31.2 The above table shows that the sales of the domestic like product by the domestic industry increased by 12.88 percent during 2014-15 and slightly declined by 1.37 percent in the year 2015-16. The Applicants sales of the domestic like product increased significantly by 38.08 percent during the year 2014-15 and slightly declined by 0.50 percent in the year 2015-16.

32. Effects on Production and Capacity Utilization

32.1 The information on installed production capacity, production and capacity utilization of the Applicants are provided in the following table:

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Table – XIV
Applicants' Capacity, Production and Capacity Utilization

Year	Installed Capacity	Production	Capacity Utilization (%)
2013-14	100.00	44.12	44.12
2014-15	100.00	61.36	61.36
2015-16	100.00	59.13	59.13

Source: the Applicants

Note: Actual figures have been indexed with respect to the installed capacity in the year 2013-14 by taking it equal to 100 to maintain confidentiality

32.2 The above table shows that the capacity utilization of the Applicants which was 44.12 percent during the year 2013-14 increased to 61.36 percent during 2014-15 due to significant increase in production. However, during the POI for dumping i.e. 2015-16 production declined by 10,165 MT resultantly capacity utilization decreased to 59.13 percent.

33. Effects on Inventories

33.1 The data relating to the Applicants' inventories of the domestic like product during the POI is given below:

Table – XV
Applicants Inventories of the Domestic Like Product

Year	Opening Inventory	Closing Inventory
2013-14	100.00	133.36
2014-15	133.36	192.31
2015-16	192.31	116.48

Source: the Applicants

Note: Actual figures have been indexed with respect to the opening inventory in the year 2013-14 by taking it equal to 100 to maintain confidentiality

33.2 The above table shows that the closing inventory level of the domestic like product increased in the year 2014-15, however it decreased during the year 2015-16.

34. Effects on Profit/Loss

34.1 The table below shows the profits/(loss) and profitability on production and sales of the domestic like product of the Applicants during the POI:

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**Table – XVI
Profits/(Loss) of the Applicants**

Year	Net Profits (Rs)	Profitability (% of sales value)
2013-14	2.55	2.55
2014-15	11.73	8.05
2015-16	18.77	14.26

Note: Actual figures have been indexed with respect to the sales value in the year 2013-14 by taking it equal to 100 to maintain confidentiality

34.2 The above table shows that the Applicants’ profits and profitability increased during the POI.

35. Effects on Cash Flows

35.1 The Applicants are multi-product companies and the cash flows cannot be determined separately for different products, as number of factors of cash flows are combine for all products.

35.2 As per Section 17(2) of the Act, *the Commission shall assess effect of dumped imports in relation to production of a domestic like product in Pakistan when available data permit separate identification of that production on the basis of criteria of production process, producer’s sales and profits:*

“Provided that if such separate identification of that production is not possible, the Commission shall assess effects of dumped imports by examination of the production of the narrowest group or range of products, which includes a domestic like product, for which necessary information can be provided.”

33.3 Keeping in view Section 17(2) of the Act, the effects on cash flows are assessed for entire operations of the Applicants. Therefore, Applicants total cash flows for the POI are provided in the following table:

**Table – XVII
Net Cash Flow**

Year	Cash inflow
2013-14	(100.00)
2014-15	80.29
2015-16	233.66

Note: Actual figures have been indexed with respect to the cash inflow in the year 2013-14 by taking it equal to 100 to maintain confidentiality

35.4 The above table shows that the Applicants net cash flows increased during the POI.

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36. Effects on Employment, Productivity and Salaries & Wages

36.1 The data relating to the employment, salaries & Wages and productivity of the Applicants during the POI is given in the following table:

**Table – XVIII
Employment, Wages and Productivity**

Year	Number of Employees	Productivity per worker	Salaries & wages
2013-14	100.00	100.00	100.00
2014-15	105.96	131.26	87.37
2015-16	112.41	119.22	99.11

Source: the Applicants

Note: Actual figures have been indexed with respect to the figures of the year 2013-14 by taking them equal to 100 to maintain confidentiality

36.2 The above table shows that the employment in the domestic industry increased during the POI. However, productivity per worker decreased during 2015-16 as compared to 2014-15. On the other hand salaries and wages increased on production of domestic like product during the year 2015-16.

37. Effects on Return on Investment (“ROI”)

37.1 As stated earlier that the Applicants are multi-product companies, therefore investment and return on investment cannot be determined separately for different products as investment (equity/loans) is made for entire company. Based on the total profits (before tax) and net assets of the Applicants, return on investment is determined, which is provided in the following table:

**Table-XVIII
Return on Investment**

Year	Net Assets	Total Net profits	ROI (%)
2013-14	100.00	4.51	4.51
2014-15	105.80	16.88	15.96
2015-16	147.06	24.85	16.90

Source: the Applicants

Note: Actual figures have been indexed with respect to the net assets in the year 2013-14 by taking it equal to 100 to maintain confidentiality

37.2 The above table shows that the net assets and net profits from increased from 4.51% to 15.96% during 2013-14 and 2014-15 and to 16.90% during 2015-16. The return on investment also increased during the POI.

38. Effects on Growth and Investment

Investigation of the Commission has revealed that the domestic demand of Rebars has increased significantly during the POI, therefore, the domestic industry has made significant investments to increase its capacities, which will be operative in near future.

39. Magnitude of Dumping Margins

The dumping margin determined in this final determination for imports of the investigated product is 29.36 percent, which is considered enough to cause material injury to the domestic industry. Further, injury factors discussed above show that domestic industry has suffered materially injury due to dumped imports of the investigated product.

40. Summing up of Material Injury and Effect of Dumped Imports

40.1 Analysis of the volume of dumped imports of the investigated product shows that the dumped import of the investigated product significantly increased in absolute terms as well as relative to the domestic production. Dumped prices of the investigated product also undercut significantly prices of the domestic like product in the domestic market. As a result of significant increase in the volume of dumped imports and its dumped prices the domestic industry lost market share despite significant increase in the domestic demand during the POI. Further, dumped imports of the investigated product also effected negatively to the domestic industry's production, capacity utilization, productivity and potential increase in sales of the domestic like product as a result of increased domestic market during the POI.

40.2 Investigation has also revealed that there was a time correlation between dumped imports of the investigated product and material injury faced by the domestic industry on above mentioned factors as both happened during the same time period. Following table shows correlation between volume of dumped imports and material injury faced by the domestic industry:

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Causal Relationship between Dumped Imports and Injury to the Industry**

S.No	Description	2013-14	2014-15	2015-16
i.	Volume of dumped imports (MT)	12,437	38,171	229,469
ii.	Increase in dumped imports	--	207%	501%
iii.	Increase in domestic production	--	39%	-4%
iv.	Dumped imports as % of domestic consumption	2%	5.0%	24%
v.	Price undercutting by dumped imports	--	07%	26%
vi.	Market share of dumped imports	2%	5%	24%
vii.	Market share of domestic like product	96%	95%	75%
viii.	Domestic industry's capacity utilization	44%	61%	59%
ix.	Domestic industry's productivity (MT/worker)	100.00	131.25	119.34

40.3 On the basis of the information and analysis in the fore-going paragraphs the Commission has concluded the domestic industry suffered material injury on account of volume of dumped imports, price undercutting, decline in market share, decline in sales, and decline in productivity due to dumped imports of the investigated product during the POI.

41. Other Factors

41.1 In accordance with Section 18(2) and 18(3) of the Act, the Commission has also examined following factors other than dumped imports 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 injury caused by dumped imports:

- i. Volume and price of imports not sold at dumping prices;
- ii. Contraction in demand or changes in the patterns of consumption;
- iii. Trade restrictive practices and competition between and domestic producers;
- iv. Developments in technology

41.2 Volume of other Imports and Contraction in Demand

41.2.1 The Commission has determined that the domestic industry did not suffer material injury due to other factors including imports of Rebars from sources other than the dumped source during the POI. Volume of imports from other sources, dumped sources and sales by the domestic industry are provided in the following table to analyze whether there is contraction in demand for Rebars or there are changes in its patterns of consumption in accordance with Section 18(3) of the Act:

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**Table-XX
Total Domestic Market of Rebars (MT)**

Year	Domestic Industry’s sales	Imports from:		Total Domestic Market
		Dumped Source	Other Sources	
2013-14	639,854	12,437	12,427	664,718
2014-15	722,263	38,171	2,529	762,963
2015-16	712,364	229,469	1,799	943,632

Sources: the Applicants and PRAL

41.2.2 The above table shows that the volume of imports of Rebars from sources other than the dumped source was 2 percent of total domestic market during the year 2013-14, which reduced to 0.19 percent during the POI for dumping i.e. 2015-16. Whereas volume of dumped imports of the investigated product increased significantly during the POI. Thus, imports of Rebars from other sources were not the cause of material injury to the domestic industry during the POI.

41.2.3 The above table further shows that there was no contraction in domestic demand of Rebars during the POI rather domestic market increased significantly, from 6,64,718 MT in 2013-14 to 9,43,632 MT in 2015-16. Thus, there was no contraction in demand or there was no change in pattern of consumption of the Rebars during the POI.

41.3 Prices of Other Imports

41.3.1 Investigation of the Commission has also shown that prices of other imports were much higher than the prices of the dumped imports as well as prices of the domestic like product in the domestic market. Therefore, the Commission has concluded that imports of Rebars from other sources were not the cause of material injury to the domestic industry. Following table shows landed cost of the dumped imports, imports from other sources and ex-factory price of the domestic like product during the POI:

**Table-XXI
Prices Imported and Domestic Rebars**

Year	domestic like product’s price	Landed Cost of imports from: #	
		Other sources	Dumped source
2013-14	100.00	124.28	107.06
2014-15	105.33	161.36	98.20
2015-16	95.19	197.92	70.44

Sources: the Applicants and PRAL # Landed cost = C&F price+CD+RD+incidentals

Note: Actual figures have been indexed with respect to the domestic product’s price in the year 2013-14 by taking it equal to 100 to maintain confidentiality

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41.3.2 Investigation has also shown that there was no exports of Rebars by the Applicants during the POI. Thus, there was no change in export pattern of the domestic industry during POI, which has caused injury to it.

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

- ii. There was no change in trade restrictive practices and competition between producers other than producers from the dumped source and domestic producer; and
- iii. There was no considerable change in technology to produce Rebars during the POI;

41.3.4 Based on the above information and analysis the Commission has concluded that there was no other factor which has caused material injury to the domestic industry during the POI except dumped imports of the investigated product.

42. Causal Relationship between Dumped Imports of the Investigated Product and Material Injury to the Domestic Industry

Examination of the volume and prices of the dumped imports show a causal relationship between dumped imports of the investigated product and material injury suffered by the domestic industry during the POI, as volume of dumped imports increased significantly at dumped prices which simultaneously undercut prices of the domestic like product and adversely affected market share, sales, capacity utilization, and productivity of the domestic industry.

D. CONCLUSIONS

43. After taking into account all considerations, evidences, information and analysis the Commission has reached at the following conclusions for the purposes of this final determination:

- ii. The application was filed by the domestic industry;
- ii. The investigated product and the domestic like product are like products in terms of provisions of the Act;
- iv. During POI, the investigated product was exported to Pakistan by the exporters/ producers from China at prices below its normal value;
- viii. Volume of dumped imports of the investigated product and the dumping margin established for these imports are above the negligible and *de minimis* levels;
- ix. The dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is worked out 30.90 percent;
- x. The domestic industry suffered material injury on account of volume of dumped imports, price undercutting, decline in market share, decline in sales, decline in capacity utilization, and decline in productivity in terms of Section 15 and 17 of the Act; and
- xi. There is a causal relationship between dumped imports of the investigated product and the material injury faced by the domestic industry.

E. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTY

44. In view of the analysis and conclusions with regard to dumping, material injury, and causation, the Commission is required to impose antidumping duty on dumped imports of the investigated product under Section 50(1) of the Act.

45. As no exporter/ foreign producer of the investigated product has provided information necessary to determine dumping margin, therefore, a single dumping margin is worked out for all exporters/ foreign producers of the investigated product on the basis of best information available. The dumping margin determined in this

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final determination is worked out 30.90 percent at ex-works level and 29.36 percent at C&F level.

46. For the purpose of imposition of lesser duty in accordance with Section 50(2) of the Act, the Commission has calculated injury margin to ascertain whether a lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of investigated product. The calculation of injury margin for the POI for dumping is given below:

**Table-XXII
Calculation of Injury Margin**

Description	Rs/MT
Cost to make & Sell of the domestic industry during 2015-16	66,035
Profit realized during 2015-16	3,302
Non-injurious price of the domestic like product	69,337
C & F price of investigated product during POI (2015-16)	45,439
Landed cost of investigated product during POI (2015-16)	60,636
Injury Margin (Non-injurious price less landed cost)	8,701
Injury Margin as % of C&F Price of the investigated product	19.15%

47. As the injury margin determined at C&F level is less than the dumping margin at C&F level (paragraph 45 supra), therefore, lesser duty rule will apply in this case and the definitive antidumping duty will be equal to the injury margin. Therefore, the Commission has imposed definitive antidumping duty at the rate of **19.15 percent** on dumped imports of the investigated product importable from China for a period of five years with effective from **October 23, 2017**. The definitive antidumping duties rate is determined on C&F value in *ad val.* terms. The investigated product is classified under PCT heading Nos. 7214.2010, 7214.2090, 7214.3010, 7214.3090, 7214.9910, 7214.9990, 7215.1010, 7215.1090, 7215.5010, 7215.5090, 7215.9010, 7215.9090, 7228.2090, 7228.3090, 7228.1000, 7228.4000, 7228.5000, 7228.6000.

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

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

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

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

(Tipu Sultan)
Member
October 20, 2017

(Abdul Khaliq)
Member
October 20, 2017

(Robina Ather)
Member
October 20, 2017

(Qasim M. Niaz)
Chairman
October 20, 2017