



**Government of Pakistan
National Tariff Commission**

**Final Determination and Levy of Definitive Antidumping Duties on Dumped
Imports of Wall and Floor Tiles Originating in and / or Exported from the
People's Republic of China**

**A.D.C No.45/2016/NTC/Tiles
October 10, 2017**

The National Tariff Commission (the "Commission") having regard to Anti-Dumping Duties Act, 2015 (IV of 2015) (the "Act") and the Anti-Dumping Duties Rules, 2001 (the "Rules") is responsible to conduct investigation for imposition of antidumping duties to offset dumping of goods into the Islamic Republic of Pakistan ("Pakistan") after due process and determination of dumping and injury.

2. The Commission has conducted this investigation against dumped imports of Wall and Floor Tiles including Ceramic, Porcelain, Vitrified, Granite, Glazed/Unglazed, Polished/Unpolished Finish (herein after referred to as "Tiles") into Pakistan originating in and/or exported from People's Republic of China, under the Act and the Rules.

3. In terms of Section 29 of the Act, the Commission shall, except in special circumstances, conclude an investigation within twelve months, and in no case more than eighteen months, after its initiation. The Commission initiated this anti-dumping investigation on February 19, 2016 and notice of preliminary determination in this investigation was published in Official Gazette on February 18, 2017.

4. The composition of the Commission remained incomplete from March 15, 2016 to September 05, 2016 in the light of decision of Honorable Lahore High Court dated March 15, 2016 in Civil Petitions Nos. 4735/2016. The importers of Tiles have challenged preliminary determination in this investigation in the Honorable Peshawar High Court and the Peshawar High Court in its order dated August 10, 2017 held that no final order shall be made by the Commission against the petitioner. The Peshawar High Court disposed off the writ petition on September 29, 2017. Therefore, the Commission has adjusted the timeline for making final determination.

5. The Commission has made final determination in this investigation under Section 39 of the Act. This report on final determination has been issued in accordance with Section 39 of the Act and Article 12.2 of the Agreement on Anti-dumping.

A. PROCEDURE

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

7. Receipt of Application

The Commission received a written application under Sections 20 and 24 of the Act, 2015 on December 23, 2015 from M/s Shabbir Tiles & Ceramics Limited, Karachi, (the "Applicant"). The Applicant alleged that Tiles are being exported to Pakistan at dumped prices from the People's Republic of China ("China") which has caused and is causing material injury to Pakistan's domestic industry producing Tiles. The Embassy of China in Islamabad was informed through note verbale date January 04, 2016 of the receipt of application in accordance with the requirements of Section 21 of the Act.

8. Evaluation and Examination of the Application

The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of Tiles from China and injury to the domestic industry caused therefrom. The requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

9. Domestic Industry

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

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

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

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

Provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers and for that purpose one shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the latter”.

9.2 The domestic industry producing Tiles consist of following seven units and its total installed production capacity of Tiles is *** million SQM per annum:

**Table-I
Installed Capacity of the Domestic Industry**

S.No	Unit Name	Installed Capacity (%)
i.	Shabbir Tiles & Ceramics Limited, Karachi (“Stile”)	36.02
ii.	Master Tiles & Ceramic Industries Limited, Gujranwala (“Master”)	25.41
iii.	Karam Ceramics Limited, Karachi, (“Karam”)	10.16
iv.	EMCO Industries Limited, Lahore, (EMCO”)	14.12
v.	Sonex Tiles & Ceramic Industries Limited, Gujranwala, “Sonex”)	3.95
vi.	Swat Ceramics (Pvt.) Limited, Karachi (“Swat”)	4.23
vii.	Frontier Ceramics Limited, Peshawar, (“Forte”)	6.09
Total		100

Note: The actual figures are converted into percentage of total installed capacity of Domestic Industry

10. Standing of the Applicant

10.1 The Applicant fulfills requirements of Section 24 of the Act, which enjoins upon the Commission to assess standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the producers of Tiles.

10.2 In the terms of Section 24(1) of the Act, the application shall be considered to have been made by or on behalf of domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty per cent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application. Furthermore, Section 24(2) of the Act states that no investigation shall be initiated when domestic producers expressly supporting an application account for less than twenty-five percent of the total production of a domestic like product produced by domestic industry.

10.3 The application has been filed by the Applicant, which is one of the major producers of Tiles in Pakistan. According to the information with the Commission, the Applicant produced 40 percent of the total domestic production of Tiles during October 2014 to September 2015. The remaining units of the domestic industry also supported the application and submitted support letters.

Table-II
Standing of the Applicant

S. No.	Name	Share in domestic production %	Supporting/ Opposing/ Indifferent
i.	Shabbir Tiles and Ceramic Ltd.	40	Applicant
ii.	Master Tiles and Ceramic Industries Ltd.	27	Supporting
iii.	Karam Ceramics Ltd., Karachi	16	Supporting
iv.	Sonex Tiles and Ceramic Industries Ltd.	6	Supporting
v.	Forte Ceramics	6	Supporting
vi.	Swat Ceramics (Pvt.) Ltd.	5	Supporting
vii.	Emco Industries Ltd.	Shut down its tiles production	
	Total	100	

Source: Applicant

10.4 The other domestic producers have supported the application and hence the application is supported by the domestic producers who represent 100 percent production of like product. Furthermore, the above table shows that the Applicant represents 40 percent of the total domestic production of like product (which is more than 25 percent required under Section 24 (2) of the Act) produced during the period October 01, 2014 to September 30, 2015. Therefore, the application fulfills both the requirements of Section 24 of the Act.

11. Applicant's Views

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

- i. Tiles imported from China into Pakistan and Tiles produced by the domestic industry in Pakistan are like products;
- ii. the exporters/ producers from China are exporting Tiles to Pakistan at dumped prices; and
- iii. export of Tiles by the exporters/ producers from China to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing Tiles, mainly through:
 - a. increased volume of dumped imports;
 - b. price undercutting;
 - c. price depression;
 - d. loss of market share;
 - e. decline in production;
 - f. decline in sales;
 - g. decline in capacity utilization;
 - h. negative effect on profits;
 - i. negative effects on inventories;
 - j. negative effects on employment;
 - k. negative effect on salaries & wages;
 - l. negative effects on return on investment;
 - m. negative effects on ability to raise capital;
 - n. negative effect on growth; and
 - o. magnitude of dumping margin

12. Exporter(s) and Producer(s) involved in Dumping of Tiles

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

13. Initiation of Investigation

13.1 The Commission upon examining the accuracy and adequacy of the evidence provided in the application established that there is sufficient evidence of alleged dumping of Tiles from China and consequent injury to the domestic industry, to justify initiation of an investigation in

accordance with Section 23 of the Act. Consequently, the Commission decided to initiate an investigation on February 18, 2016. In terms of Section 27 of the Act, the Commission issued a notice of initiation, 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 19, 2016. Investigation concerning imports of Tiles into Pakistan (classified under PCT³ No. 6907.1000, 6907.9000, 6908.1000, 6908.9010 and 6908.9090) contained in the First Schedule of Customs Act, 1969 (IV of 1969) originating in and/or exported from China was thus initiated on February 19, 2016.

13.2 The Commission notified the Embassy of China in Pakistan on February 19, 2016 with a request to forward notice of initiation to all exporters/producers of Tiles. Copies of notice of initiation were also sent to the exporters/ producers of China, whose complete addresses were available with the Commission, the known Pakistani importers, and the Applicant on February 19-22, 2016, in accordance with the requirements of Section 27 of the Act.

13.3 In accordance with Section 28 of the Act, the Commission also sent copies of full text of the written application (non-confidential version) to the known exporters/ producers in China on February 22, 2016.

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

14.1 Section 2 of the Act defines investigated product, domestic like product and like product as follows:

i. **Investigated Product:**

“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.

ii. **Domestic Like Product:**

“means a like product that is produced by the domestic industry”.

iii. **Like Product:**

“a product which is alike in all respects to an investigated product or, in the absence of such a product , another product which , although not alike in all respects, has characteristics closely resembling those of the investigated product”.

14.2 For the purposes of this investigation and given the definitions set out above, investigated product, domestic like product and like product are identified as follows:

¹ The official Gazette of Pakistan (Extraordinary) dated February 19, 2016.

² The daily “The Nation” and the “Jang” of February 19, 2016 issue.

³ “PCT” is the abbreviation for Pakistan Customs Tariff. PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

14.3 Investigated Product

14.3.1 The investigated product is Wall and Floor Tiles which includes ceramic, porcelain, vitrified, granite, glazed/unglazed, polished/unpolished finish imported from China (the "Investigated Product"), classified under Pakistan Customs Tariff ("PCT") Heading Nos. 6907.1000, 6907.9000, 6908.1000, 6908.9010, 6908.9090.

14.3.2 Investigated product is used for walls and floors of bath rooms, kitchens, drawing rooms, TV lounges and bed rooms etc., of houses. Investigated product is also used for interiors and facings of schools, offices, industries, hospitals, airports, restaurants, hotels, cafes, cinema theatres, gymnasiums, mosques, high rise buildings, plazas, supermarkets, shopping malls etc.

14.3.3 Tariff structure during 2015-16 on import of Tiles is given in the following table:

Table-III
Investigated Product and its Tariff Structure 2015-16

PCT Heading	Description	Custom Duty	Regulatory Duty*
Chapter 69	Ceramic products		
69.07	Unglazed ceramic flags & paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing.		
6907.1000	-Tiles, cubes and similar articles, whether or not rectangular, the largest surface area of which is capable of being enclosed in a square the side of which is less than seven centimeters.	20%	15%
6907.9000	-Others	20%	15%
69.08	Glazed ceramic flags & paving, hearth or wall tiles, glazed ceramic mosaic cubes and the like, whether or not on a backing		
6908.1000	-Tiles, cubes and similar articles, whether or not rectangular, the largest surface area of which is capable of being enclosed in a square the side of which is less than 7cm	20%	15%
	-Others		
6908.9010	- - - Tiles	20%	15%
6908.9090	- - - Other	20%	15%

* SRO No.482(I)/2009 dated November 13, 2009

14.3.4 Tariff structure has been changed from July 01, 2017 on import of Tiles is given in the following table:

Table-IV
Investigated Product and its Tariff Structure 2017-18

PCT Heading	Description	Custom Duty	Regulatory Duty*
Chapter 69	Ceramic products		
69.07	Ceramic flags and paving, hearth or wall tiles; ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics.		
	- Flags and paving, hearth or wall tiles, other than those of subheadings 6907.30 and 6907.40 :		
	- - Of a water absorption coefficient by weight not exceeding 0.5 %:		
	- - - Tiles :		
6907.2111	- - - - Polished	20%	25%
6907.2119	- - - - Other	20%	25%
6907.2190	- - - Other	20%	25%
	- - Of a water absorption coefficient by weight exceeding 0.5 % but not exceeding 10 %:		
	- - - Tiles :		
6907.2211	- - - - Polished	20%	25%
6907.2219	- - - - Other	20%	25%
6907.2290	- - - Other	20%	25%
	- - Of a water absorption coefficient by weight exceeding 10 %:		
	- - - Tiles :		
6907.2311	- - - - Polished	20%	25%
6907.2319	- - - - Other	20%	25%
6907.2390	- - - Other	20%	25%

* SRO No. 555(I)/2017 dated July 01, 2017

14.4. Domestic Like Product

14.4.1 Domestic like product is Wall and Floor Tiles, which includes ceramic, porcelain, vitrified, granite, glazed/unglazed, polished/unpolished finish ("Tiles") produced by domestic industry (the "Domestic Like Product"). The domestic like product falls under PCT Nos. 6907.1000, 6907.9000, 6908.1000, 6908.9010 and 6908.9090.

14.4.2 Domestic like product is used for walls and floors of bath rooms, kitchens, drawing rooms, TV lounges and bed rooms etc., of houses. Investigated product is also used for interiors and facings of schools, offices, industries, hospitals, airports, restaurants, hotels, cafes, cinema theatres, gymnasiums, mosques, high rise buildings, plazas, supermarkets, shopping malls etc.

14.5 Like Products

14.5.1 The Applicant has submitted that the investigated product and the domestic like product are like product on the basis of following reasons:

- The basic raw materials used in their production are identical;
- Their production processes are comparable/similar;

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

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

15. Period of Investigation

15.1 In terms of Section 36 of the Act, period of investigation (the "POI") is:

"a) 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".

"b) for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months".

15.2 The POI selected for determination of dumping and injury are, therefore, respectively, as follows:

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

16. Information / Data Gathering

16.1 The Commission sent Exporter's Questionnaires to thirty exporters/ producers of Tiles from China on February 22, 2016 and asked them to respond within 37 days of the dispatch of the questionnaires i.e. by March 31, 2016. Exporter's Questionnaire was also provided to the Embassy of China in Islamabad with a request to forward it to all exporters/ producers of the investigated product in China in order to submit requisite information to the Commission.

16.2 The Commission has an access to the 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 determination the Commission has also used import data obtained from PRAL's database in addition to the information provided by the Applicant, importers and exporters/producers from the Exporting Countries.

16.3 On February 22, 2016 prescribed Questionnaire were sent to Pakistani importers of the investigated product known to the Commission and these importers were asked to respond to

the Commission within 37 days of the dispatch of the Questionnaires. None of the Pakistani importers responded to the Commission and provided requisite information.

16.4 On February 22, 2016 Questionnaire was sent to other domestic producers of domestic like product supporting the application and were asked to respond to the Commission within 37 days of the dispatch of the questionnaires. The Commission sent reminders on May 02, 2016 and April 28, 2017, however, none of the domestic producers of Tiles (other than the Applicant) responded to the Commission and provided requisite information on Questionnaire.

16.5 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Some of the interested parties have made comments/submitted information which has also been considered while making this final determination.

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

17. Questionnaire(s) Response by the Exporters/ Producers from China

17.1 The Commission sent Exporter's Questionnaire to thirty exporters/ producers of Tiles from China on February 22, 2016 with a request to respond within 37 days. The exporters / producers requested for extension in time period for submission of data / information on Exporter's Questionnaire. After considering the reasons given in their requests for extension in time period, the Commission granted extension in time period for submission of information on the Exporter's Questionnaire.

17.2 In response the following exporters/ producers of Tiles from China have submitted information on prescribed Exporter's Questionnaire.

Table-V
Exporters / Producers Response to the Exporter's Questionnaire

S. No.	Company Name	Status of the Company
i.	Guangdong Haosen Ceramics Co., Ltd Foshan Kihut Ceramics Co., Ltd.	Producer Exporter (unrelated)
ii.	Guangdong Yongsheng Ceramics Co., Ltd Foshan Ishine	Producer Exporter (unrelated)
iii.	Foshan Chan Cheng Jinyi Ceramics Co. Ltd Foshan Eiffel Ceramic Co. Ltd	Producer Exporter (unrelated)
iv.	Fujian Mingqing Xinfeng Ceramics Co. Ltd Fujian Minmetals CBM Co., Ltd	Producer Exporter (unrelated)
v.	Foshan Gold Full House Building Materials Co. Ltd Foshan Clouds Import & Export Co. Ltd	Producer Exporter (unrelated)

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People's Republic of China

vi.	Huida Sanitary ware Co. Ltd Foshan Hexin Chuangzhan Ceramics Co. Ltd. Zibo Huabang Ceramics Co. Ltd.	Producer/Exporter Producer (unrelated) Producer (unrelated)
vii.	<u>Eagle Brand Group</u> Foshan Shiwan Eagle Brand Ceramics Ltd Foshan Eagle Brand Ceramic Trade Co. Ltd Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd	Exporter Exporter Producer Producer
viii.	Guangdong Overland Ceramic Co. Ltd	Producer cum Exporter
ix.	Foshan Oceanland Ceramics Co. Ltd Super Ceramics Co. Ltd	Exporter Related Producer
x.	<u>Dongpeng Group</u> Foshan Dongpeng Ceramics Co. Ltd Foshan Huashengchang Ceramics Co. Ltd Qingyuan Nafuna Ceramics Co. Ltd Lixian Xinpeng Ceramics Co. Ltd Duilong Deqing Heying Trading Co. Ltd Hunan Dongpeng Building Materials Co. Ltd Guangdong Dongpeng Holding Co. Ltd Chongqing Shiwan Dongpeng Ceramics Co. Ltd Jiangxi Fengyu Commercial and Trading Co. Ltd Yunnan Xuanpeng Building Materials Co. Ltd Shenzhen Dongpeng Ceramics Co. Ltd Guangzhou Dongpeng Ceramics Co. Ltd Shanghai Dongpeng Ceramics Co. Ltd Shanxi Dongpeng Ceramics Co. Ltd Qingdao Ruipeng Building Materials Co. Ltd Foshan Shunde Dongpeng Ceramics SalesCo. Ltd Guangxi Yuepeng Building Materials Co. Ltd	Exporter Producer Producer Producer Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller
xi.	Foshan Junjing Industrial Co.	Exporter
xii.	Procelux Co. Ltd	Exporter
xiii.	Foshan Griffith Building Material Ltd.	Exporter
xiv.	Foshan Galaxy Import/Export Co., Ltd	Exporter
xv.	Foshan Hanfei Trading Co Ltd	Exporter
xvi.	Shandong Huasheng International Co. Ltd	Exporter
xvii.	Yekalon Industry Inc	Exporter
xviii.	Fujian Zhongshe Machinery & Equipment Import & Export Co. Ltd	Exporter
xix.	Fuzhou Highway Import and Export Co. Ltd	Exporter
xx.	Foshan Parcos Ceramics Co. Ltd	Exporter

17.3 Individual dumping margins for the exporters mentioned at serial number (v) and (xi) to (xx) of the above table cannot be determined, as they have only provided the information of export sales to Pakistan and could not provide the information of normal value (the information of domestic sales and cost to make & sell) of the producers from whom they purchased the

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People's Republic of China

investigated product for exports to Pakistan. The Commission informed on November 10, 2016 the exporters/producers mentioned at serial number (v) and (xi) to (xx) of the above table, that the individual dumping margin cannot be determined on the basis of the insufficient information.

17.4 The Commission found that the number of exporters/producers from China, who cooperated with the Commission in providing sufficient information for calculation of individual dumping margin, is very large as to make it impracticable to determine an individual dumping margin for each known exporter / producer concerned of the investigated product. Therefore, as per Section 14(3) of the Act, the Commission decided to limit its examination to a sample of following exporters/ producers from China who represents largest percentage of exports of investigated product to Pakistan during the POI, on the basis of export data provided by the said exporters/ producers:

Table-VI
Sampled Exporters / Producers of Tiles from China

S. No.	Company Name	Status of the Company	Quantity Exported
i.	Fujian Minqing Xinfeng Ceramics Co. Ltd Fujian Minmetals CBM Co., Ltd	Producer Exporter (unrelated)	(45.90%)*
ii.	Huida Sanitary ware Co. Ltd Foshan Hexin Chuangzhan Ceramics Co. Ltd. Zibo Huabang Ceramics Co. Ltd.	Producer/Exporter Producer (unrelated) Producer (unrelated)	(34.36%)
iii.	Guangdong Haosen Ceramics Co. Ltd Foshan Kihut Ceramics Co., Ltd.	Producer Exporter (unrelated)	(9.62%)
iv.	<u>Eagle Brand Group</u> Foshan Shiwan Eagle Brand Ceramics Ltd Foshan Eagle Brand Ceramic Trade Co. Ltd Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd	Exporter Exporter Producer Producer	(3.69%)
v.	Others cooperated (with sufficient information)	Exporters / Producers	(6.42%)
Total			100%

* As percentage of total exports of exporters /producers who provided sufficient information for calculation of individual dumping margin from China

17.5 The Commission on November 10, 2016 informed all the cooperating exporters/producers (who provided sufficient information for calculation of dumping margin) with its decision and requested that if these cooperating exporters / producers have any comment on the sample selection of the exporters/ producers they may respond to the Commission within 10 days. In response to the Commission letter dated November 10, 2016, following exporters / producers vide its letter dated November 21, 2016 requested the Commission to calculate their individual dumping margin:

- i. Foshan Dongpeng Ceramics Co. Ltd, China
- ii. Guangdong Yongsheng Ceramics Ltd, China
- iii. Foshan Ishine Co. Ltd, China
- iv. Foshan Chan Cheng Jinyi Ceramics Co. Ltd, China
- v. Foshan Eiffel Ceramic Co. Ltd, China

The Commission under Section 14(2)&(3) of the Act did not accede to the request of above mentioned exporters / producers and informed them on January 17, 2017 that due to very large number of exporters it is impracticable to determine individual dumping margin for them.

17.6 Questionnaire Response from Fujian Mingqing Xinfeng Ceramics Co. Ltd (Producer) and Fujian Minmetals CBM Co. Ltd., China (Exporter)

17.6.1 The Commission sent exporter's questionnaire to Fujian Mingqing Xinfeng Ceramics Company Limited, China ("Xinfeng") and Fujian Minmetals CBM Co. Limited, China ("Minmetals") on February 22, 2016. Xinfeng and Minmetals in its letter dated March 30, 2016 requested for extension in time period for submission of questionnaire response. The Commission granted extension till April 15, 2016 vide its letter dated April 07, 2016 after considering the reasons given in the request for extension. Their responses were received in the Commission on April 15, 2016.

17.6.2 According to the information provided in response to the questionnaire, Xinfeng is a limited liability company incorporated under the Company Law of China and engaged in production and sale of the investigated product. The production facility of Xinfeng is located at Mingqing, China.

17.6.3 According to the information provided in response to the questionnaire, Minmetals is a joint stock company incorporated under the Company Law of China and engaged only in the sale of the investigated product.

17.6.4 The information submitted by Xinfeng and Minmetals in response to the Exporter's Questionnaire was analyzed at the Commission and deficiencies identified. Accordingly, those data deficiencies were communicated to them vide Commission's letter dated November 09, 2016 and November 18, 2016 respectively.

17.6.5 Xinfeng and Minmetals were asked to provide the deficient information/data no later than November 30, 2016 and December 04, 2016 respectively, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Xinfeng and Minmetals responded to the deficiencies letter vide their letters dated November 30, 2016 and December 05, 2016 respectively.

17.7 Questionnaire Response from Guangdong Haosen Ceramics Co. Ltd (Producer) and Foshan Kihut Ceramics Co. Limited, (Exporter)

17.7.1 The Commission sent exporter's questionnaire to Guangdong Hausen Ceramics Company Limited, China ("Guandong Haosen") and Foshan Kihut Ceramics Co. Limited, China ("Foshan Kihut") on February 22, 2016. Guandong Haosen and Foshan Kihut in its letter dated March 30, 2016 requested for extension in time period for submission of questionnaire response. The Commission granted extension till April 15, 2016 vide its letter dated April 07, 2016 after considering the reasons given in the request for extension. Its response was received in the Commission on April 15, 2016.

17.7.2 According to the information provided in response to the questionnaire Guandong Haosen is an unlisted limited company incorporated under the Company Law of China and engaged in production and sale of the investigated product. The production facility of Guandong Haosen is located at Guandong, China.

17.7.3 According to the information provided in response to the questionnaire, Foshan Kihut is an unlisted limited company incorporated under the Company Law of China and engaged only in the sale of the investigated product.

17.7.4 The information submitted by Guandong Haosen and Foshan Kihut in response to the Exporter's Questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to them vide Commission's letter dated November 09, 2016.

17.7.5 Guandong Haosen and Foshan Kihut were asked to provide the deficient information/data no later than November 30, 2016, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Guandong Haosen and Foshan Kihut responded to the deficiencies letter vide their letters dated November 29, 2016.

17.8 Questionnaire Response from Huida Sanitary Ware Co. Ltd, China (Producer/Exporter)

17.8.1 The Commission sent exporter's questionnaire to Huida Sanitary Ware Co. Ltd, China ("Huida") on February 22, 2016. Huida in its letter dated March 30, 2016 requested for extension in time period for submission of questionnaire response. The Commission granted extension till April 15, 2016 vide its letter dated April 07, 2016 after considering the reasons given in the request for extension. Its response was received in the Commission on April 15, 2016.

17.8.2 According to the information provided in response to the questionnaire Huida is a joint stock company incorporated under the Company Law of China and engaged in production and sale of the investigated product. The production facility of Huida is located at Hebei, China.

17.8.3 The information submitted by Huida in response to the Exporter's Questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated November 09, 2016.

17.8.4 Huida was asked to provide the deficient information/data no later than November 30, 2016, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Huida responded to the deficiencies letter vide its letter dated November 30, 2016.

17.8.5 According to the information provided in response to the deficiency letter, Huida explained that it exported the investigated product from its own production plant and Tiles purchased from following two unrelated producers:

- i. Foshan Hexin Chuangzhan Ceramics Co. Ltd., China
- ii. Zibo Huabang Ceramics Co. Ltd., China

Huida provided requisite information (domestic sales and cost of production) of the above-mentioned producers.

17.9 Questionnaire Response by Eagle Brand Group, China

17.9.1 The Commission sent exporter's questionnaire to Eagle Brand Group, China on February 22, 2016. Eagle Brand Group in its letter dated March 28, 2016 requested for extension in time period for submission of questionnaire response. The Commission granted extension till April 15, 2016 vide its letter dated April 08, 2016 after considering the reasons given in the request for extension. Its response was received in the Commission on April 15, 2016.

17.9.2 The Exporter's Questionnaire was submitted by four related companies within Eagle Brand Group, who were involved into the production, sale and export of the investigated product to Pakistan during the POI. Following are five related companies / exporters from Eagle Brand Group, China:

- i. Foshan Shiwan Eagle Brand Ceramics Ltd
- ii. Foshan Eagle Brand Ceramic Trade Co. Ltd
- iii. Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd
- iv. Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd

17.9.3 According to the information provided in response to the questionnaire. The companies mentioned at Sr. No. (i) and (ii) are exporter or exporting producer of Tiles, while the companies mentioned at Sr. No. (iii) and Sr. No. (iv) are producers of Tiles.

17.9.4 The information submitted by Eagle Brand Group in response to the Exporter's Questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated November 09, 2016.

17.9.5 Eagle Brand Group was asked to provide the deficient information/data no later than November 30, 2016, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Eagle Brand Group responded to the deficiencies letter vide its letter dated November 30, 2016.

18. Verification of the Information

18.1 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 determination.

18.2 In order to verify the information provided by the Applicant On-the-Spot-Investigation was conducted at the office and plant of the Applicant, by the concerned officers of the Commission, from April 21 to 23, 2016.

18.3 On-the-Spot-investigation was conducted by the officers of the Commission at the offices and plants of the sampled exporters/producers from China from March 27 to April 12, 2017.

18.4 Non-confidential reports of "on-the-spot verification" are placed in the public file for review and copying by the interested parties.

19. Public File

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

20. Confidentiality

20.1 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.

20.2 The Applicant has requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, growth, investment, salaries & wages, number of employees and capacity. In addition to this, the Applicant and other interested parties also provided certain information on confidential basis, as its disclosure would cause adverse effect upon them.

20.3 Pursuant to requests made by the Applicant and other interested parties to treat certain information as confidential, the Commission has determined the confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information.

20.4 However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in non-confidential file (public file).

21. Preliminary Determination

21.1 The Commission made a preliminary determination in this investigation on February 08, 2017 in terms of Section 37 of the Act. The Commission issued a notice of preliminary determination, which was published on February 18, 2017 in official gazette of Pakistan and in two widely circulated national newspapers (one English "Daily Dawn" and one Urdu Language ("Daily Dunya") notifying preliminary determination in which the Commission decided to impose provisional antidumping duties.

21.2 The Commission also sent copy of notice of preliminary determination to the Embassy of China in Islamabad, the exporters/producers from China, the importers and the Applicant 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 as the Applicant represent 40 percent of the production of domestic like product;
- ii. the investigated product and the domestic like product are alike products;
- iii. during the POI, the investigated product was exported to Pakistan by the exporters/ producers from China at prices below its normal value;

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People’s Republic of China

- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/ producers of the investigated product from China are above the negligible and *de minimis* levels respectively;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 6.22 percent to 91.56 percent for exporters/ producers from China;
- vi. the domestic industry suffered material injury on account of volume of dumped imports, price depression, price suppression, decline in production, sales, market share, profits, productivity, capacity utilization; negative effect on inventories, employment, ability to raise capital, salaries & wages, and growth in terms of Section 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

21.3 In terms of Section 43 of the Act, the Commission imposed following provisional antidumping duty rates on the dumped imports of the investigated product importable from China for a period of four months effective from February 18, 2017:

**Table-VII
Provisional Anti-dumping Duties**

Name of Producers from China	Provisional Antidumping Duty Rate (%)
<u>Producers selected in the Sample</u>	
Fujian Mingqing Xinfeng Ceramics Company Limited	16.34
Guangdong Haosen Ceramics Company Limited	23.03
Heyuan Dongyuan Eagle Brand Ceramics Co. Limited	59.18
Eagle Brand Ceramics Industrial (Heyuan) Co. Limited	59.18
Huida Sanitary Ware Company Limited	5.21
Foshan Hexin Chuangzhan Ceramics Company Limited	6.82
Zibo Huabang Ceramics Company Limited	9.43
<u>Cooperating Producers not selected in the Sample</u>	
Guangdong Overland Ceramic Company Limited	14.31
Super Ceramics Company Limited	14.31
Foshan Huashengchang Ceramics Company Limited	14.31
Qingyuan Nafuna Ceramics Company Limited	14.31
Lixian Xinpeng Ceramics Company Limited	14.31
Guangdong Yongsheng Ceramics Company Limited	14.31
Foshan Chan Cheng Jinyi Ceramics Company Limited	14.31
All others	59.18

22. Disclosure Meetings after Preliminary Determination

22.1 In terms of Rules 11 of the Rules, the Commission, upon request made by exporters/producers within fifteen days of the publication of notice of preliminary determination, shall hold disclosure meeting with the producer or exporter to explain dumping calculation methodology applied for that producer/exporter. The Commission shall also provide an opportunity to producer or exporter or their legal representatives to examine and receive copies of the dumping calculation done by the Commission for their exports.

22.2 Following exporters/producers requested for disclosure of dumping calculations.

- i. Fujian Minqing Xinfeng Ceramics Co. Ltd., China
- ii. Guangdong Haosen Ceramics Ltd., China
- iii. Huida Sanitary ware Co. Ltd., China
- iv. Foshan Hexin Chuangzhan Ceramics Co. Ltd., China
- v. Zibo Huabang Ceramics Co. Ltd., China
- vi. Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd., China
- vii. Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd., China
- viii. Fujian Minmetals CBM Co. Limited, China
- ix. Foshan Kihut Ceramics Co. Limited, China

The Commission acceded to the request of the above mentioned exporters/ producers and provided the copies of detailed calculations of normal value, export price and dumping margin to their attorney.

23. Hearing

23.1 Upon request of exporters/producers, Applicant and the importers of Tiles, a hearing in this antidumping investigation was held on April 18, 2017 in terms of Rule 14 of the Rules. It may be noted that some of the importers requested for change in date of hearing i.e. April 18, 2017 as there were some cases fixed before the Honorable Lahore High Court. On the request of the importers, another hearing was held in the Commission on May 17, 2017.

23.2 The information submitted by the participants during the hearings, whether orally (oral statements were subsequently confirmed in writing as per Rules 14 of the Rules) or in writing and record note of the hearings prepared by the Commission are available in the public file.

24. Disclosure of Essential Facts

24.1 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 (hereinafter referred to as the "SEF") on July 14, 2017 to all interested parties including the known exporters/producers, the Applicant, the known Pakistani importers, and to the embassy of China in Pakistan.

24.2 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. Some of the interested parties submitted comments/views on SEF.

25. Written Submissions by the Interested Parties

25.1 The Commission received written views /comments from the following interested parties during the investigation:

- i. All Pakistan Tiles & Sanitary Merchants Association,
- ii. M/s Eagle Brand Group,
- iii. M/s Fujian Minmetals CBM Co., Ltd,
- iv. M/s Fujian Minqing Xinfeng Ceramics Co., Ltd,
- v. M/s Foshan Chan Cheng Jinyi Ceramics Co., Ltd.,
- vi. M/s Foshan Eiffel Ceramics Company Limited,
- vii. M/s Foshan Galaxy Import & Export Company Limited,
- viii. M/s Foshan Hanfei Trading Company Limited,
- ix. M/s Foshan Ishine Tarding Company Limited,
- x. M/s Foshan Junjing Industrial Company Limited,
- xi. M/s Foshan Kihut Ceramic Company Limited,
- xii. M/s Huida Sanitary Ware Company Limited,
- xiii. M/s Porcelux Company Limited,
- xiv. M/s Shandong Huasheng International Trade Co,
- xv. M/s Foshan Griffiths Building Material Company,
- xvi. M/s Foshan Import & Export Co., Limited
- xvii. M/s Foshan Clouds Import & Export Company Limited,
- xviii. M/s. Saad International,
- xix. M/s. Umair International,
- xx. M/s. M.I.Sanitary Store,
- xxi. M/s. Tile & Tiles Trading CO,
- xxii. M/s. Commercial Crop,
- xxiii. M/s. Haseeb & Co,
- xxiv. M/s. Hashim Abdullah & Co.
- xxv. M/s Shabbir Tiles & Ceramic Limited

25.2 Views/comments and the information submitted by the above-mentioned interested parties have been considered in making this determination. Comments received and germane to this investigation under the Act and replies/comments of the Commission are attached at [Annexure-I](#) to this report.

26. Price Undertaking

26.1 On April 17, 2017, in terms of Section 46 of the Act, China Chamber of Commerce, Metals, Minerals and Chemicals (“CCCMC”) offered price undertakings on behalf of Chinese

exporters. The Commission had held several meetings with the representative of CCCMC on this issue. A delegation of CCCMC along with exporters visited the Commission and negotiated price undertaking from August 1-2, 2017.

26.2 The exporters / producers of Tiles listed in [Annexure-II](#) have agreed to following minimum prices and commit themselves that they will not perform exports directly or indirectly of the investigated product lower than these prices:

Table-VIII
Minimum Export Price

Size/Area	CFR Price (US\$/SQM)
Floor Tiles (Porcelain Tiles) upto 60x60 cm (or upto 3600 square cm)	5.25
Floor Tiles (Porcelain Tiles) above 60x60 cm (or above 3600 square cm)	6.35
Wall Tiles (Ceramics Tiles) upto 45x45 cm (or upto 2025 square cm)	3.55
Wall Tiles (Ceramics Tiles) above 45x45 cm (or above 2025 square cm)	4.35

B. DETERMINATION OF DUMPING

27. 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”.

28. Normal Value

28.1 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”.

28.2 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:”.*

28.3 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.”*

29. 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”.

30. Dumping Determination

30.1 As stated earlier (paragraph 12 supra) the Applicant identified thirty exporters/producers from China involved in dumping of the investigated product into Pakistan. The Commission sent questionnaires to thirty exporters/producers whose complete addresses were available with the Commission (paragraph 17 supra). A copy of the questionnaire was also provided to the embassy of China in Islamabad with a request to forward it to all exporters/producers of the investigated product based in China to submit information to the Commission.

30.2 The Commission received complete response of the questionnaire from following exporters/producers from China (paragraph 17 supra):

Table-IX
Exporters/Producers who Provided Complete Information

S. No.	Company Name	Status of the Company
i.	Fujian Minqing Xinfeng Ceramics Co. Ltd Fujian Minmetals CBM Co. Ltd	Producer Exporter (unrelated)
ii.	Guangdong Haosen Ceramics Co. Ltd Foshan Kihut Ceramics Co. Ltd	Producer Exporter (unrelated)
iii.	Huida Sanitary Ware Co. Ltd Foshan Hexin Chuangzhan Ceramics Co. Ltd., Zibo Huabang Ceramics Co. Ltd.,	Producer/Exporter Producer (unrelated) Producer (unrelated)
iv.	<u>Eagle Brand Group</u> Foshan Shiwan Eagle Brand Ceramics Ltd Foshan Eagle Brand Ceramic Trade Co. Ltd Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd	Exporter Exporter Producer Producer
v.	Guangdong Overland Ceramic Co. Ltd	Producer cum Exporter
vi.	Foshan Oceanland Ceramics Co. Ltd Super Ceramics Co. Ltd	Exporter Related Producer
vii.	<u>Dongpeng Group</u> Foshan Dongpeng Ceramics Co. Ltd Foshan Huashengchang Ceramics Co. Ltd Qingyuan Nafuna Ceramics Co. Ltd	Exporter Producer Producer

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People's Republic of China

	Lixian Xinpeng Ceramics Co. Ltd Duilong Deqing Heying Trading Co. Ltd Hunan Dongpeng Building Materials Co. Ltd Guangdong Dongpeng Holding Co. Ltd Chongqing Shiwan Dongpeng Ceramics Co. Ltd Jiangxi Fengyu Commercial and Trading Co. Ltd Yunnan Xuanpeng Building Materials Co. Ltd Shenzhen Dongpeng Ceramics Co. Ltd Guangzhou Dongpeng Ceramics Co. Ltd Shanghai Dongpeng Ceramics Co. Ltd Shanxi Dongpeng Ceramics Co. Ltd Qingdao Ruipeng Building Materials Co. Ltd Foshan Shunde Dongpeng Ceramics Sales Co Ltd Guangxi Yuepeng Building Materials Co. Ltd	Producer Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller Domestic Seller
viii.	Guangdong Yongsheng Ceramics Ltd Foshan Ishine	Producer Exporter (unrelated)
ix.	Foshan Chan Cheng Jinyi Ceramics Co. Ltd Foshan Eiffel Ceramic Co. Ltd	Producer Exporter (unrelated)

30.3 The Commission found that the number of exporters/producers from China, who cooperated with the Commission in providing sufficient information for calculation of individual dumping margin, is very large as to make it impracticable to determine an individual dumping margin for each known exporter/producer concerned of the investigated product. Therefore, as per Section 14(3) of the Act, the Commission decided to limit its examination to a sample of following exporters/producers from China who represents largest percentage of exports of investigated product on the basis of export data provided by the exporters/producers.

Table-X
Sampled Exporters / Producers of Tiles from China

S. No.	Company Name	Status of the Company
i.	Fujian Mingqing Xinfeng Ceramics Co. Ltd Fujian Minmetals CBM Co. Ltd	Producer Exporter (unrelated)
ii.	Guangdong Haosen Ceramics Ltd Foshan Kihut Ceramics Co., Ltd	Producer Exporter (unrelated)
iii.	Huida Sanitary ware Co. Ltd Foshan Hexin Chuangzhan Ceramics Co. Ltd. Zibo Huabang Ceramics Co. Ltd.	Producer/Exporter Producer (unrelated) Producer (unrelated)
iv.	<u>Eagle Brand Group</u> Foshan Shiwan Eagle Brand Ceramics Ltd Foshan Eagle Brand Ceramic Trade Co. Ltd Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd	Exporter Exporter Producer Producer

30.4 In this investigation the Commission has determined individual dumping margins for the producers (who provided necessary information) mentioned at above table. Dumping margins for following producers have been determined on the basis of information provided by them or by their exporters /producers:

- i) Fujian Mingqing Xinfeng Ceramics Co. Ltd., China,
- ii) Guangdong Haosen Ceramics Ltd., China,
- iii) Huida Sanitary ware Co. Ltd., China,
- iv) Foshan Hexin Chuangzhan Ceramics Co. Ltd., China,
- v) Zibo Huabang Ceramics Co. Ltd., China,
- vi) Eagle Brand Ceramics Industrial (Heyuan) Co. Ltd., China,
- vii) Heyuan Dongyuan Eagle Brand Ceramic Co. Ltd., China

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

30.6 In terms of Section 50(3) of the Act, dumping margin for the cooperating exporters/producers who were not selected in the sample from China is determined on the basis on the weighted average of dumping margin of exporters/producers mentioned at paragraph 29.4 supra. Residual dumping margin/duty rate for non-cooperating exporters/producers has been determined as the highest dumping margin of the exporter/producer from China.

31. **Determination of Export Price for Fujian Mingqing Xinfeng Ceramics Company Limited, China (“Xinfeng”)**

31.1 Export price for Xinfeng has been determined on the basis of the information provided by Fujian Minmetals CBM Co., Limited, China (“Minmetals”) on its export sales from Xinfeng to Pakistan during the POI.

31.2 According to the information, Xinfeng exported the investigated product to Pakistan through Minmetals only. Xinfeng exported ***SQM of the investigated product of different types/sizes to Pakistan during the POI. Export sales to Pakistan, during the POI, were through an un-related trading company i.e. Minmetals. All export sales to Pakistan were to un-related customers. The Commission has determined export price separately for different types and sizes.

31.3 Minmetals exported investigated product at CIF basis. To arrive at the ex-factory level, Minmetals has reported adjustments on account of credit cost, inland freight, ocean freight, bank charges, VAT non-refunded and SG&A expense. Minmetals also reported profit adjustment, however, it was found that it was loss instead of profit and loss cannot be adjusted, therefore, 5 percent profit is adjusted to reach at ex-factory level. The Commission has

accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions.

32. **Determination of Normal Value for Xinfeng**

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

32.2 According to the information, Xinfeng sold different types of Tiles in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Xinfeng sold ***SQM in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product exported to Pakistan.

32.3 Analysis of the information provided by Xinfeng revealed that sales of one comparable type were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade, were from 28.68 to 35.90 percent. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

32.4 Xinfeng did not claim any adjustment to arrive at ex-factory level as the payment terms of all domestic sales were "TT at sight" and delivery terms were "ex-works".

33. **Determination of Export Price for Guangdong Haosen Ceramics Company Limited ("Haosen")**

33.1 Export price for Haosen has been determined on the basis of the information provided by Foshan Kihut Ceramics Co. Limited, China ("Kihut") on its export sales from Hausen to Pakistan during the POI.

33.2 According to the information, Haosen exported the investigated product to Pakistan through Kihut only. Hausen exported ***SQM of the investigated product to Pakistan during the POI. Haosen and Kihut did not provide information regarding types and sizes of the investigated product exported to Pakistan. Haosen's exports to Pakistan during the POI were through an un-related trading company i.e. Kihut only. All export sales to Pakistan were to un-related customers. As separate types/sizes of the investigated product was not provided, therefore, a combined export price has been determined for all types of investigated product.

33.3 Kihut exported investigated product at CIF basis. Kihut also provided the purchase price of the investigated product (ex-factory price at which Kihut purchased from Haosen). The

Commission verified the purchase price from the records of Kihut and Haosen during on-the-spot verification. The Commission used ex-factory price of Haosen for the purposes of calculation of export price.

34. **Determination of Normal Value for Haosen**

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

34.2 According to the information, Haosen sold ***SQM in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. As separate types/sizes of the investigated product was not provided, therefore, one combined normal value has been determined for all types of investigated product.

34.3 Analysis of the information provided by Haosen revealed that some of the sales of the investigated product were not in ordinary course of trade in terms of Section 7(2) of the Act and the sales, which were not in ordinary course of trade were 65.95 percent. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

34.4 Haosen did not claim any adjustment to arrive at ex-factory level as the payment terms of all domestic sales were “cash” and delivery terms were “ex-works”.

35. **Determination of Export Price for Eagle Brand Group Companies**

35.1 Export price for Heyuan Dongyuan Eagle Brand Ceramic Company Limited (“DEB”) and Eagle Brand Ceramics Industrial (Heyuan) Company Limited (“HEB”) has been determined on the basis of the information provided by Foshan Shiwan Eagle Brand Ceramics Ltd (“Foshan Shiwan”), Foshan Eagle Brand Ceramic Trade Co. Ltd (“Foshan Eagle Brand”) on its export sales to Pakistan made during the POI.

35.2 According to the information, DEB and HEB exported the investigated product to Pakistan through Foshan Eagle Brand, Foshan Eagle Brand Trade. DEB and HEB exported ***SQM of the investigated product of different types/sizes to Pakistan during the POI. Export sales to Pakistan during the POI, were through related trading companies. All export sales to Pakistan were to un-related customers. The Commission has determined export price separately for different types and sizes of the investigated product.

35.3 DEB and HEB exported investigated product at FOB basis. To arrive at the ex-factory level, Foshan Eagle Brand, Foshan Eagle Brand Trade and HEB, has reported adjustments on the export price on account of credit cost, inland freight, handling cost, bank charges and VAT

non-refunded. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions.

36. **Determination of Normal Value for Eagle Brand Group Companies**

36.1 Normal value for DEB and HEB have been determined on the basis of the information provided by them on their domestic sales made during the POI.

36.2 According to the information, DEB and HEB sold different types of Tiles in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. DEB sold ***SQM in the domestic market during the POI, whereas HEB sold ***SQM in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product exported to Pakistan.

36.3 Analysis of the information provided by DEB and HEB revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade, ranges from 99.90 percent to 100 percent of sales of a particular type of Tiles.

36.4 For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs provided by DEB and HEB and added profit in accordance with Section 6 of the Act.

36.5 DEB and HEB did not claim any adjustment to arrive at ex-factory level.

37. **Determination of Export Price for Huida Sanitary Ware Company Limited, China (“Huida”)**

37.1 Export price for Huida has been determined on the basis of its export sales to Pakistan made during the POI.

37.2 According to the information, Huida exported ***SQM of the investigated product of different types/sizes to Pakistan during the POI. Export sales to Pakistan, during the POI were directly to un-related customers. The Commission has determined export price separately for different types and sizes.

37.3 Huida exported investigated product at FOB level. To arrive at the ex-factory Huida has reported adjustments on the export price on account of inland freight, handling cost, bank charges and VAT non-refunded. The Commission has accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions.

38. **Determination of Normal Value for Huida**

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

38.2 According to the information, Huida sold different types of Tiles in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Huida sold ***SQM in the domestic market during POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

38.3 Analysis of the information provided by Huida revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 30.26 percent to 99.04 percent of sales of a particular type of Tiles.

38.4 For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act. Therefore, normal value for those types which were not sold in the domestic market has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit of the exporter/producer in accordance with Section 6 of the Act.

38.5 To arrive at the ex-factory level, Huida has reported adjustment on account of credit cost. The Commission has accepted this adjustment and the normal value at ex-factory level is worked out by deducting values reported for this adjustment from the gross value of sales transactions.

39. **Determination of Export Price for Foshan Hexin Chuangzhan Ceramics Company Limited (“Hexin Chuangzhan”)**

39.1 Export price for Hexin Chuangzhan has been determined on the basis of the information provided by Huida on its export sales from Hexin Chuangzhan to Pakistan during the POI.

39.2 According to the information, Hexin Chuangzhan exported the investigated product to Pakistan through Huida only. Hexin Chuangzhan exported ***SQM of the investigated product to Pakistan during the POI. Hexin Chuangzhan exports to Pakistan during the POI, were through an un-related trading company i.e. Huida only. All export sales to Pakistan were to un-related customers. Huida provided type and size wise information of the investigated product exported to Pakistan, whereas, Hexin Chuangzhan did not provide information regarding types and sizes of the investigated product sold in the domestic market. As separate information regarding types/sizes of the investigated product sold in the domestic market was not provided, therefore, combined export price has been determined for all types.

39.3 Huida exported investigated product at FOB basis. To arrive at the ex-factory level, Huida reported adjustments on account of inland freight, handling cost, bank charges and other charges (amendment fee, customs inspection fee). To arrive at the ex-factory level, the Commission adjusted the net price of Huida with SG&A expense, trader's profit and VAT non-refunded.

40. **Determination of Normal Value for Hexin Chuangzhan**

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

40.2 According to the information, Hexin Chuangzhan sold ***SQM in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. As separate information regarding types/sizes of the investigated product was not provided, therefore, combined normal value has been determined for all types.

40.3 Analysis of the information provided by Hexin Chuangzhan revealed that some of the sales of the investigated product were not in ordinary course of trade in terms of Section 7(2) of the Act and the sales which were not in ordinary course of trade were 21.24 percent. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

40.4 Hexin Chuangzhan did not claim any adjustment to arrive at ex-factory level as the payment terms of all domestic sales were "cash" and delivery terms were "ex-works".

41. **Determination of Export Price for Zibo Huabang Ceramics Company Limited ("Huabang")**

41.1 Export price for Huabang has been determined on the basis of the information provided by Huida on its export sales from Huabang to Pakistan during the POI.

41.2 According to the information, Huabang exported the investigated product to Pakistan through Huida only. Huabang exported ***SQM of the investigated product to Pakistan during the POI. Huabang's exports to Pakistan during the POI were through an un-related trading company i.e. Huida only. All export sales to Pakistan were to un-related customers. Huida provided type and size wise information of the investigated product exported to Pakistan, whereas, Huabang did not provide information regarding types and sizes of the investigated product sold in the domestic market. As separate type and size wise information of the investigated product sold in the domestic market was not provided, therefore export price has been determined combined for all types.

41.3 Huida exported investigated product at FOB basis. To arrive at the ex-factory level, Huida reported adjustments on account of inland freight, handling cost, ocean bank charges, customs inspection fee and amendment fee. To arrive at the ex-factory level, the Commission adjusted the net price of Huida with SG&A expense, trader's profit and VAT non-refunded.

42. **Determination of Normal Value for Huabang**

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

42.2 According to the information, Huabang sold ***SQM in the domestic market during the POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. As separate types/sizes wise information of the investigated product was not provided, therefore, combined normal value has been determined for all types.

42.3 Huabang did not claim any adjustment to arrive at ex-factory level as the payment terms of all domestic sales were "cash" and delivery terms were "ex-works".

43. **Dumping Margin**

43.1 The Act defines "dumping margin" in relation to a product as "*the amount by which normal value exceeds its export price*".

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

43.3 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.

43.4 The Commission has investigated exporters/producers from China mentioned at paragraph 24.5 supra who cooperated and responded to the Commission's questionnaire. Individual dumping margins for the producers mentioned at paragraph 30.5 supra have been determined and the antidumping duty rate for those producers has been determined on the basis of individual dumping margins calculated for each producer.

43.5. In the investigation it has been observed that in almost all cases the producers are different than the exporters except in case of Huida Sanitary Ware Company Ltd. which exported *** SQM of its own production of the investigated product while a quantity of *** SQM was purchased from two cooperating producers Foshan Hexin Chuangzhan Ceramics Co. Ltd. and Zibo Huabang Ceramics Co. Ltd. and exported to Pakistan. It is also worth noting that the grouping of exporters and producers in the process of sample selection was done in consultation with the exporters & producers. Therefore, exporters and producers grouped together are considered as a single entity since their pricing behaviour and dumping is a joint action. Consequently a weighted average dumping margin of all three producers including one exporter in case of Huida Sanitary Ware Co. Ltd. would be a representative for both the exporter and its producers and this is in accordance with the provisions of Section 14.

43.6. In view of the above the dumping margin has been grouped for exporters and producers where the investigated product is exported by the single exporter or related exporter as under:

S. No.	Company Name	Anti-Dumping Duty rate
i.	Fujian Minqing Xinfeng Ceramics Co. Ltd. Fujian Minmetals CBM Co. Ltd.	19.37%
ii.	Guangdong Haosen Ceramics Co. Ltd. Foshan Kihut Ceramics Co. Ltd.	26.62%
iii.	Huida Sanitary Ware Co. Ltd. Foshan Hexin Chuangzhan Ceramics Co. Ltd. Zibo Huabang Ceramics Co. Ltd.	9.35%
iv.	<u>Eagle Brand Group</u> Foshan Shiwan Eagle Brand Ceramics Ltd. Foshan Eagle Bran Ceramic Trade Co. Ltd Eagle Brang Ceramics Industrial (Heyuan) Co. Ltd Heyuan Dongyuan Eagle Bran Ceramic Co. Ltd.	36.35%

43.7. Anti-Dumping duty rate has been determined for the cooperating exporters/producers who were not selected in the sample on the basis on the weighted average of dumping margin of the exporters whose individual dumping margin is determined as under:-

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People's Republic of China

S. No	Company Name	Anti-Dumping Duty rate
i.	Guangdong Overland Ceramic Co. Ltd.	17.83%
ii.	Foshan Oceanland Ceramics Co. Ltd. Super Ceramics Co. Ltd.	17.83%
iii.	Foshan Dongpeng Ceramics Co. Ltd. Foshan Huashengchang Ceramics Co. Ltd. Qingyuan Nafuna Ceramics Co. Ltd. Lixian Xinpeng Ceramics Co. Ltd. Duilong Deqing Heying Trading Co. Ltd. Hunan Dongpeng Building Materials Co. Ltd. Guangdong Dongpeng Holding Co. Ltd. Chongqing Shiwan Dongpeng Ceramics Co. Ltd. Jiangxi Fengyu Commercial and Trading Co. Ltd. Yunnan Xuanpeng Building Materials Co. Ltd. Shenzhen Dongpeng Ceramics Co. Ltd. Guangzhou Dongpeng Ceramics Co. Ltd. Shanghai Dongpeng Ceramics Co. Ltd. Shanxi Dongpeng Ceramics Co. Ltd. Qingdao Ruipeng Building Meterials Co. Ltd. Foshan Shunde Dongpeng Ceramics Sales Co. Ltd. Guangxi Yuepeng Building Materials Co. Ltd.	17.83%
iv.	Guangdong Yongsheng Ceramics Ltd. Foshan Ishine	17.83%
v.	Foshan Chan Cheng Jinyi Ceramics Co. Ltd. Foshan Eiffel Ceramic Co. Ltd.	17.83%

43.8. Residual duty rate for non-cooperating exporters/producers from China has been determined as the highest dumping margin for the exporters selected for detailed investigation at 36.35% of C&F value.

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

44.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins, set out in paragraph 43.6 supra, are above the *de minimis* level.

44.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under

investigation which individually account for less than three percent of the total imports of a like product collectively account for more than seven per cent of the imports of like product. The information/data on alleged dumped imports of the investigated product and other imports of Tiles has been obtained from PRAL. Volume of dumped imports of the investigated product and the Tiles imported from other sources during the POI (October 01, 2014 to September 30, 2015) is given in the table below:

**Table-XII
Volume of Imports of Tiles during the POI**

Country Name	Share as Percentage of total imports
China	75.26
Other sources	24.74
Total	100.00

Source: PRAL

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

C. INJURY TO DOMESTIC INDUSTRY

45. Determination of Injury

45.1 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...”*

45.2 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”.

45.3 The Commission has taken into account all factors in order to determine whether the 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.

46. Domestic Industry

46.1 In terms of Section 2(d) of the Act, domestic industry is defined as follows:

“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 of the allegedly dumped investigated product in such case “domestic industry” shall mean the rest of the domestic producers.”

46.2 During the POI, domestic industry manufacturing domestic like product was consisting of seven units with an installed production capacity of ***SQM and production of ***million SQM per annum.

46.3 The injury analysis carried out in the following paragraphs is based on the information gathered by the Commission for this investigation from the Applicant. Other six domestic producers of Tiles were asked to provide information regarding their units for injury analysis of the domestic industry on February 22, 2016, May 02, 2016 and April 28, 2017, however, they did not provide any information.

46.4 The total installed capacity of Tiles of the Applicant during the POI was ***million SQM. The injury analysis carried out in following paragraphs is based on the information gathered by the Commission for this investigation of the Applicant only. The Applicant represent around 40 percent share of the production of the domestic industry, therefore, results drawn for this analysis will project for the domestic industry.

47. Volume of Dumped Imports

Facts

47.1 In order to ascertain whether there has been a significant increase in volume of dumped imports in absolute terms, in terms of Section 15(2) of the Act, the Commission has considered the following import data for the POI:

Table- XIII
Volume of Dumped Imports (%)

Period*	Dumped Imports	Imports from Other Sources	Total Imports
2012-13	68.03	31.97	100.00
2013-14	93.26	24.80	118.07
2014-15	119.74	39.36	159.10

Source: PRAL * October - September

Note: Actual figures have been indexed taking total imports in 2012-13 as 100

Analysis

47.2 The above table shows that the dumped imports of Tiles (the investigated product) from China increased from 68.03 percent in 2012-13 to 78.99 percent in 2013-14, which decreased to 73.89 percent in 2014-15. Dumped imports from other sources of the investigated product increased by 24.29 percent in 2014-15 from 2013-14, which is a significant increase in the volume of dumped imports.

48. Price Effects

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

48.2 Price Undercutting

Facts

48.2.1 The weighted average ex-factory price of the domestic like product and weighted average landed cost of the investigated product during the POI is given in the following table:

**Table-XIV
Price Undercutting**

(%)

Period*	Weighted average ex-factory price of domestic like product	Weighted average landed cost of dumped imports	Price undercutting in:	
			Absolute	percentage
2012-13	100	110.92	--	--
2013-14	105.56	115.90	--	--
2014-15	98.85	111.88	--	--

Source: Applicant and PRAL

Note: Actual figures have been indexed taking total weighted average ex-factory price of Tiles in 2012-13 as 100

Analysis

48.2.2 The above table shows that the dumped imports of the investigated product did not undercut the prices of the domestic like product during the POI. According to the Applicant, it reduced the prices of domestic like product in order to retain the market share.

48.3 Price Depression

Facts

48.3.1 Information submitted by the Applicant on its prices of the domestic like product is given in the following table:

Table-XV
Price Depression (%)

Period*	Weighted average ex-factory Price of domestic like product	Price Depression
2012-13	100	--
2013-14	105.56	--
2014-15	98.85	(6.36)

Source: Applicant * October to September
Note: Actual figures have been indexed taking ex-factory price of Tiles in 2012-13 as 100

Analysis

48.3.2 The above table shows that the weighted average price of domestic like product increased to 105.56 percent in 2013-14. However, the weighted average price of domestic like product decreased to 98.85 percent in 2014-15.

48.4 Price Suppression

Facts

48.4.1 The weighted average cost to make and sell of the Applicant and ex-factory price of the domestic like product during the POI is given in the following table:

Table-XVI
Price Suppression (%)

Period*	Weighted Avg. ex-factory price	Weighted Avg. Cost to make & sell	Price Suppression	
			Increase/ (decrease) in price	Increase/ (decrease) in cost
2012-13	100	95.59	--	--
2013-14	105.56	106.13	5.56	10.54
2014-15	98.85	101.53	(6.71)	(4.60)

Source: Applicant *October to September
Note: Actual figures have been indexed taking ex-factory price of Tiles in 2012-13 as 100

Analysis

48.4.2 The analysis if the above table shows that the cost of the domestic like product increased by 15.42 percent in 2013-14 and decreased by 9.49 percent in 2014-15, whereas, the

price of the domestic like product increased by 5.56 percent in 2013-14 and decreased by 6.71 percent in 2014-15.

49. Market Share

Facts

49.1 Total domestic demand for Tiles in Pakistan is met through local production and imports. Size of the domestic market is established by adding sales of domestic like product and imports of the investigated product from China and imports of Tiles from other sources. Following table shows the market share from each source during the POI:

Table-XVII
Market Share

Period*	Sales by the Applicant	Sales by Other Producers	Imports from		Total domestic market
			Dumped Source	Other Sources	
2012-13	21	34	31	14	100
2013-14	18	33	42	11	104
2014-15	18	31	54	18	121

Source: PRAL & the Applicant

*October – September

Note: Actual figures have been indexed taking total domestic market of Tiles in 2012-13 as 100

Analysis

49.2 The above table shows that the domestic market of Tiles increased by 4 percent and 15 percent during 2013-14 and 2014-15 respectively. The Applicant’s market share decreased from 21 percent in 2012-13 to 17 percent in 2013-14, which further decreased to 15 percent in 2014-15. Market share of the dumped imports from China increased from 31 percent in 2012-13 to 40 percent in 2013-14, which further increased to 44 percent in 2014-15. Whereas, market share of imports from other sources increased by 4 percent from 11 percent in 2013-14 to 15 percent in 2014-15, which reveals that the dumped imports from China have mainly taken the increase in domestic market.

50. Effect on Sales

Facts

50.1 Total sales of the domestic like product of the Applicant and the domestic industry during the POI are given below:

Table-XVIII
Domestic Sales

Period*	Sales of the Applicant	Sales of the total Domestic Industry
2012-13	100	263.97
2013-14	87.47	245.08
2014-15	85.75	235.12

Source: the Applicant * October - September
Note: Actual figures have been indexed taking sales of the Applicant in 2012-13 as 100

Analysis

50.2 The above table shows that the sales of the domestic industry as well as of the Applicant decreased throughout the POI. The sales of the Applicant decreased from ***SQM in 2012-13 to ***SQM in 2014-15, whereas, the total sales of the domestic industry decreased from ***SQM to ***SQM during the same period.

51. Production and Capacity Utilization

Facts

51.1 The installed capacity, quantity produced and the capacity utilization of the Applicant during the POI, were as follows:

Table-XIX
Production and Capacity Utilization

Period*	Installed Capacity	Capacity Utilization %
2012-13	100	67
2013-14	100	64
2014-15	100	62

Source: the Applicant *October - September
Note: Actual figures have been indexed taking Installed Capacity of the Applicant in 2012-13 as 100

Analysis

51.2 It may be noted from the above table that the capacity utilization of the Applicant decreased from 67 percent in 2012-13 to 64 percent in 2013-14 and then decreased to 62 percent in 2014-15. Domestic production of the domestic industry decreased from ***SQM in 2012-13 to ***SQM in 2014-15. Had there been no dumping, the Applicant would have increased its production in increasing market of Tiles.

52. Effect on Inventories**Facts**

52.1 The data provided by the Applicant on the position of its inventories during the POI was as follows:

Table-XX
Inventories (%)

Period*	Opening inventory	Production	Domestic Sales	Export Sales	Closing inventory
2012 – 13	7.51	100	100.25	2.92	4.34
2013 – 14	4.34	96.87	87.68	2.82	10.71
2014 – 15	10.71	93.12	85.96	2.41	15.45

* Source: the Applicant October - September

Note: Actual figures have been indexed taking production in 2012-13 as 100

Analysis

52.2 The above table shows that the closing inventory of the Applicant has increased through the POI. The closing inventory of the Applicant has increased from ***SQM in 2012-13 to ***SQM in year 2014-15, mainly because of decrease in sales of the domestic like product of the Applicant. According to the Applicant due to dumped imports from China, the inventory level of the industry has increased.

53. Profit and Loss**Facts**

53.1 Information submitted by the Applicant on its profit/loss during the POI is given in the following table:

Table-XXI
Profit / (loss) of the Applicant

Period*	Net Profit /(Loss)
2012-13	(100)
2013-14	(802.61)
2014-15	(760.58)

Source: Applicant *October - September

Note: Actual figures have been indexed taking net profit in 2012-13 as 100

Analysis

53.2 The above table shows that the Applicant incurred net losses of Rs.***million in 2012-13, which increased to net loss of Rs. ***million in 2013-14. The losses of the Applicant decreased to Rs.***million in 2014-15. According to the Applicant, the reason behind for lower profitability is the underutilization of production capacity by the domestic industry because of dumped imports.

54. Employment, Productivity and Salaries & Wages

Facts

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

Table-XXII
Employment, salaries & Wages and Productivity

Period*	No. of Employees	Salaries & wages	Production	Productivity per worker	Salaries & wages
2012-13	100.00	100.00	100.00	100.00	100.00
2013-14	100.10	112.74	96.87	96.78	116.39
2014-15	96.39	120.47	93.12	96.59	129.51

Source: the Applicant * October - September
Note: Actual figures have been indexed taking 2012-13 as 100

Analysis

54.2 The above table shows that the employment in the Applicant unit increased to 100.1 percent in 2013-14 and decreased to 96.39 percent in 2014-15. Productivity per worker decreased to 93.12 percent in 2014-15. Salaries & wages increased from 16 percent in 2012-13 to 13 percent in 2014-15.

55. Return on Investment

Facts

55.1 As per the Applicant, return on investment realized by the domestic industry during the POI is given in following table:

Table-XXIII
Return on Investment

Period*	Return on Investment
2012-13	4.59%
2013-14	(1.54%)
2014-15	(3.01%)

Source: the Applicant *October to September

Analysis

55.2 As shown in the table above, domestic industry’s return on investment decreased throughout the POI. Return on investment decreased from 4.59 percent in 2012-13 to negative 3.01 percent in 2014-15.

56. Effect on Cash Flow**Facts**

56.1 The cash flow from operations of the Applicant during the POI is given below:

Table-XXIV
Cash Flow

Year*	Cash Flow from Operating Activities
2012-13	(100.00)
2013-14	(188.66)
2014-15	346.02

Source: the Applicant October – September

Note: Actual figures have been indexed taking 2012-13 as 100

Analysis

56.2 The above table shows that the Applicant's cash flow from its operations improved during the POI. The negative cash flow of Rs ***million in 2013-14 turned into positive cash flow of Rs.***million in 2014-15.

57. Effect on Growth**Analysis**

57.1 According to the Applicant the ceramic industry in Pakistan has significant potential for exports if supported by a fair domestic market. As the quality of the domestic like product is at par with the best producers elsewhere in the world. If the domestic industry is given fair play from dumped imports from China, it has the potential for earning precious foreign exchange for the national exchequer. However, the growth prospects of the domestic industry have been significantly impaired by the injurious effects of dumped imports. If a level playing field is provided to the domestic industry, it has the potential of becoming the leading ceramic industry.

57.2 The total installed capacity of the domestic industry is *** SQM, whereas, the total domestic market of Tiles is ***SQM, therefore, there is negative effect on the growth of the domestic industry due to dumped imports of the investigated product from China.

58. Ability to Raise Capital**Analysis**

58.1 The Applicant is a public limited company listed on Pakistan Stock Exchange, therefore, the effect of any fluctuation in profitability of the company directly impacts the market value of its shares as well as its ability to raise investment from the market.

58.2 Since, the Applicant faced losses during the POI, thus continued dumping has affected the confidence of investors and financial institutions. Resultantly, the ability of domestic industry to raise further investment has already been adversely affected due to dumped imports.

59. Magnitude of Dumping Margin

Facts/Analysis

Magnitude of dumping margin determined is 10.03 percent to 44.96 percent which is well above the *de minimis* level i.e. 2 percent. This huge dumping margin clearly demonstrates the level of material injury to the domestic industry.

60. Summing up of Material Injury

60.1 Facts and analysis in the preceding paragraphs shows that the domestic industry has suffered material injury due to dumped imports of the investigated product during POI on account of significant increase in the volume of dumped imports of the investigated product in absolute terms during the POI for dumping.

60.2 The domestic industry suffered material injury on account of price depression and price suppression during the POI. The domestic industry suffered material injury on account of decline in market share, production, sales, low capacity utilization, productivity due to dumped imports of the investigated product during the POI. There was a negative effect on the profits, return on investment, employment, salaries and wages, growth of the domestic industry and the ability of domestic industry to raise capital from capital market also suffered. Therefore, it is concluded that the domestic industry suffered material injury due to dumped imports of investigated product during the POI.

D. CAUSATION

61. Other Factors

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

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

Table-XXV
Volume and Prices of Tiles from Sources other than Dumped Source

Period*	Imports from other sources	Weighted Average landed cost of Tiles from other than dumped source	Weighted Average price of domestic like product
2012-13	100.00	100.00	105.67
2013-14	77.59	134.82	111.54
2014-15	123.12	121.46	104.45

Source: PRAL, Applicant * October to September

Note: Actual figures have been indexed taking imports from other sources and Weighted Average landed cost of Tiles from other than dumped source in 2012-13 as 100

61.3 The above table shows that the volume of imports from sources other than dumped source has decreased from ***SQM in 2012-13 to ***SQM in 2013-14, which increased to ***SQM in 2014-15. The weighted average landed cost of Tiles from sources other than dumped source was lower than the weighted average price of domestic like product during 2013-14 and 2014-15.

61.4 Dumped imports accounted for around 75 percent of the total imports throughout the POI. Landed cost of imports from other source was higher than the landed cost of the dumped imports. Since volume of imports from other sources was low as compared with the imports from dumped sources, it is therefore, concluded that the domestic industry did not suffer material injury due to imports of Tiles from sources other than dumped source during the POI.

61.5 In terms of Section 18(3) of the Act, the Commission analyzed that whether there is contraction in demand for Tiles or there are changes in the patterns of consumption of Tiles in Pakistan. Following table shows the total domestic market of Tiles in Pakistan:

Table-XXVI
Market Share

Period*	Sales by the Domestic Industry**	Imports from		Total domestic market
		Dumped Source	Other Sources	
2012-13	55.21	30.47	14.32	100.00
2013-14	51.25	41.78	11.11	104.14
2014-15	49.17	53.63	17.63	120.44

Source: PRAL & the Applicant *October – September

Note: Actual figures have been indexed taking total domestic market of Tiles in 2012-13 as 100

**Sales of the domestic industry includes sales of the applicant and other domestic producers.

61.6 The above table shows that there is no contraction in demand for Tiles during the POI rather the total demand of Tiles increased from ***SQM in 2012-13 to ***SQM in 2014-15. Based on the above facts, the Commission has concluded that there is no contraction in demand

for Tiles and there are no changes in the pattern of consumption of Tiles in Pakistan, hence, the domestic industry did not suffer material injury due to contraction in demand and changes in the pattern of consumption of Tiles during the POI.

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

- i. The domestic industry did export Tiles during the POI, however, the quantity exported was between ***SQM to ***SQM, therefore, there is no effect on export performance and productivity of the domestic industry;
- ii. There was no change in trade restrictive practices and competition between foreign producers other than producers from the Exporting Countries and domestic producers; and
- ii. There was no considerable change in technology;

62. Effect of Dumped Imports

62.1 From the foregoing analysis it appears that the volume of the dumped imports significantly increased during 2014-15 which caused significant price depression, decline in production, capacity utilization, sales, market share and productivity. This also resulted in negative effect on inventories, employment, ability to raise capital, salaries & wages, and growth.

62.2 It appears from analysis that there was a perfect time correlation between increase in dumped imports and injury to domestic industry. Therefore it is concluded that following happened simultaneously during the POI:

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms;
- ii. Domestic industry experienced price depression and price suppression due to dumped imports of the investigated product;
- iii. Domestic industry experienced decline in sales, production, capacity utilization, market share, productivity and profits due to dumped imports;
- iv. Domestic industry faced negative effect on inventories, employment, ability to raise capital, salaries and wages and growth.

E. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the Applicant represent 40 percent of the production of domestic like product;
- ii. the investigated product and the domestic like product are alike products;
- iii. during the POI, the investigated product was exported to Pakistan by the exporters/ producers from China at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/ producers of the investigated product from China are above the negligible and *de minimis* levels (except Huida Sanitary Ware Company Limited) respectively;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level is ranging between 10.03 percent to 44.96 percent for exporters/ producers from China;
- vi. the domestic industry suffered material injury on account of volume of dumped imports, price depression, price suppression, decline in production, sales, market share, profits, productivity, capacity utilization; negative effect on inventories, employment, ability to raise capital, salaries & wages, and growth in terms of Section 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

F. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTY AND PRICE UNDERTAKING

64. 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.

65. Individual dumping margins have been determined for exporters/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.

66. 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.

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People’s Republic of China

67. In terms of Section 50 of the Act, following definitive antidumping duty rates are hereby imposed on the dumped imports of the investigated product importable from China for a period of five years effective from February 18, 2017. The definitive antidumping duties rates are determined on C&F value in *ad val.* terms. Tiles is classified under PCT heading Nos. 6907.2111, 6907.2119, 6907.2190, 6907.2211, 6907.2219, 6907.2290, 6907.2311, 6907.2319 and 6907.2390.

Table-XXVII
Definitive Anti-dumping Duties

Name of Producers from China	Definitive Antidumping Duty Rate (%)
<u>Producers selected in the Sample</u>	
Fujian Minqing Xinfeng Ceramics Company Limited	19.37
Guangdong Hausen Ceramics Company Limited	26.62
Heyuan Dongyuan Eagle Brand Ceramics Co. Limited	36.35
Eagle Brand Ceramics Industrial (Heyuan) Co. Limited	36.35
Huida Sanitary Ware Company Limited	9.35
Foshan Hexin Chuangzhan Ceramics Company Limited	9.35
Zibo Huabang Ceramics Company Limited	9.35
<u>Cooperating Producers not selected in the Sample</u>	
Guangdong Overland Ceramic Company Limited	17.83
Super Ceramics Company Limited	17.83
Foshan Huashengchang Ceramics Company Limited	17.83
Qingyuan Nafuna Ceramics Company Limited	17.83
Lixian Xinpeng Ceramics Company Limited	17.83
Guangdong Yongsheng Ceramics Company Limited	17.83
Foshan Chan Cheng Jinyi Ceramics Company Limited	17.83
All others	36.35

68. Tiles imported from sources, other than China shall not be subject to these definitive antidumping duties.

69. **Acceptance of Price Undertaking:**

69.1 China Chamber of Commerce of Metals, Minerals and Chemicals (“CCCMC”) on behalf of Chinese exporters and producers of the investigated product (wall/ceramic and floor/porcelain tiles) has offered price undertaking in accordance with provisions of Part XII of the Act. After due consideration, the Commission has accepted price undertaking offered by the CCCMC on behalf of Chinese exporters and producers of the investigated product. For the purposes of price undertaking the minimum export price of the investigated product i.e. wall/ceramic tiles and floor/ porcelain tiles are fixed as follows:

Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating in/or Exported from People's Republic of China

Size/Area	CFR Price (US\$/SQM)
Floor tile (Porcelain Tiles) up to 60X60 CM (Or up to 3600 Square CM)	5.25
Floor tile (Porcelain Tiles) above 60X60 CM (Or above 3600 Square CM)	6.35
Wall tile (Ceramics Tiles) up to 45X45 CM (Or up to 2025 Square CM)	3.55
Wall tile (Ceramics Tiles) above 45X45 CM (Or above 2025 Square CM)	4.35

69.2 The Chinese exporters/ producers who have submitted price undertaking will not export the investigated product to Pakistan below the prices given in the above table. The CCCMC will be responsible to monitor and ensure minimum export prices of the investigated product. Further, CCCMC will provide information on the exports of the investigated product to the Commission on quarterly basis in the prescribed format. However, the exporters who will not follow the minimum export prices given in the above table will be liable to the all others rate of antidumping duty i.e. 36.35%.

69.3 The Commission is satisfied that the minimum export price would eliminate injurious effects of dumped imports. The Federal Board of Revenue, Government of Pakistan will implement and monitor these price undertakings at the time of imports of Tiles.

69.4 Definitive antidumping duty rates will not be imposed on the exporters/producers whose price undertaking has been accepted.

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

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

72. 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.

(Tipu Sultan)
Member
October 10, 2017

(Abdul Khaliq)
Member
October 10, 2017

(Qasim M. Niaz)
Chairman
October 10, 2017

**Final Determination and Levy of Definitive Antidumping Duties on Dumped Import of Wall and Floor Tiles Originating
in/or Exported from People's Republic of China**
