



**Government of Pakistan
National Tariff Commission**

REPORT

ON

**Preliminary Determination In Anti-dumping Investigation against Dumped Imports of
Color Coated Steel Coils / Sheets Originating in and/or Exported from the People's Republic
of China & Republic of South Africa**

**A.D.C No. 51/2017/NTC/CCC
December 8, 2017**

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The National Tariff Commission (hereinafter referred to as the Commission) having regard to the Anti-Dumping Duties Act, 2015 (hereinafter referred to as the Act) and the Anti-Dumping Duties Rules, 2001 (hereinafter referred to as the Rules) relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (hereinafter referred to as Pakistan), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the Agreement on Anti-dumping).

2. The Commission is conducting this investigation, on imports of Anti-dumping Investigation against dumping of Color Coated Steel Coils / Sheets ("Color Coated Coils/Sheets") into Pakistan originating in and/or exported from the People's Republic of China and Republic of South Africa (the "Exporting Countries") under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

3. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on June 10, 2017.

4. The preliminary determination is based on the information available to the Commission at this time. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

A. PROCEDURE

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

6. Receipt of Application

6.1 On April 10, 2017, the Commission received a written application under Section 20 of the Act from M/s International Steels Limited on behalf of the domestic industry manufacturing Color Coated Steel Coils/Sheets.

6.2 The Applicant stated that Color Coated Steel Coils/Sheets are being exported to Pakistan at dumped prices from the Exporting Countries. According to the Applicant, dumped imports of Color Coated Steel Coils and Sheets from Exporting Countries have caused and are causing material injury to Pakistan's domestic industry producing Color Coated Steel Coils and Sheets.

6.3 The Commission informed the Embassies of the Exporting Countries in Islamabad on May 2, 2017 through *note verbale* of the receipt of application in accordance with the requirements of Section 21 of the Act.

7. 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 Color Coated Steel Coils and Sheets into Pakistan from the Exporting Countries and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

8. The Domestic Industry

8.1 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”.

8.2 The investigation reveals that the domestic industry producing Color Coated Coils/Sheets consists of only one unit i.e. the Applicant and its total production capacity of Color Coated Coils/Sheets during the period from January 01, 2016 to December 31, 2016 was 84,000 MT per annum. The Applicant is engaged in the manufacturing, marketing and distribution of Color Coated Coils/Sheets. The Applicant is neither importer of Color Coated Coils/Sheets from the Exporting Countries nor related to any importer or exporter of the product concerned.

9. Standing of the Application

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

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

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

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

9.2 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.

9.3 The application has been filed by the Applicant, who is the only producer of Color Coated Coils/Sheets in Pakistan. According to the information provided in application, the Applicant produced **** MT, which is 100 percent of the total domestic production of Color Coated Coils/Sheets during the period from January 01, 2016 to December 31, 2016. As the Applicant represents 100 percent of the total domestic production of like product produced during the period from January 01, 2016 to December 31, 2016, therefore, the application fulfills both the requirements of Section 24 of the Act.

10. Applicant's Views

10.1 The Applicant, *inter alia*, raised the following issues in application regarding dumping of Color Coated Steel Coils and Sheets and material injury to the domestic industry caused therefrom:

- i. Color Coated Steel Coils and Sheets imported from the Exporting Countries into Pakistan and that is produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from the Exporting Countries are exporting Color Coated Steel Coils and Sheets to Pakistan at dumped prices; and
- iii. Exports of Color Coated Steel Coils and Sheets by the exporters/producers from the Exporting Countries to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing Color Coated Steel Coils and Sheets mainly through:-
 - a. Volume of dumped imports
 - b. Price undercutting;
 - c. Price depression;
 - d. Negative effect on market share;
 - e. Negative effect on capacity utilization;
 - f. Negative effect on salaries and wages;
 - g. Negative effect on cash flow;
 - h. Negative effect on ability to raise capital; and
 - i. Magnitude of dumping margin
- iv. The Applicant also claimed that there is an imminent threat of material injury to the domestic industry manufacturing Color Coated Steel Coils and Sheets due to dumped imports of Color Coated Steel Coils and Sheets from the Exporting Countries.

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

11. Exporters/Foreign Producers of Color Coated Coils/Sheets Involved in Dumping

The Applicant has identified 15 exporters/foreign producers involved in dumping of the investigated product from the Exporting Countries. The Applicant has stated that there may be other exporters /foreign producers of the investigated product, which are not known to it. Therefore, the Applicant has requested for imposition of anti-dumping duty on all imports of the investigated product originating in and/or exported from the Exporting Countries instead of imposition of anti-dumping duty on identified exporters/foreign producers.

12. Initiation of Investigation

12.1 The Commission, in accordance with Section 23 of the Act examined the accuracy and adequacy of the evidence provided in application, and established that there was sufficient evidence of dumping of Color Coated Coils/Sheets into Pakistan from the Exporting Countries and consequent material injury to the domestic industry. Accordingly, the Commission initiated investigation against dumped imports Color Coated Coils/Sheets (classified under PCT No³. 7210.7010, 7210.7020, 7210.7090, 7212.4010 and 7212.4090 into Pakistan originating in and/or exported from The Exporting Countries by issuing a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on June 10, 2017.

12.2 In pursuance of Section 27 of the Act the Commission notified Embassies of the Exporting Countries in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on June 13, 2017 with a request to forward it to all exporters/foreign producers involved in production, sales and export of Color Coated Coils/Sheets from the Exporting Countries. Copy of the notice of initiation was also sent on June 13, 2017 to known exporters/producers of Color Coated Coils/Sheets from the Exporting Countries whose addresses were available with the Commission with a request to be registered as an interested party in the investigation within 15 days of publication of the notice. Copy of the notice of initiation was also sent to known Pakistani importers and the Applicant on June 13, 2017 .

12.3 In accordance with Section 28 of the Act, on July 05, 2017 the Commission sent copy of full text of the written application (non-confidential version) and Exporter's Questionnaire to the exporters/foreign producers of the Exporting Countries who got registered themselves as an interested party in this investigation. On July 05, 2017, copy of the full text of the written

¹ The official Gazette of Pakistan (Extraordinary) dated June 10, 2017.

² The 'Daily Dunya' and 'Express Tribune' of June 10, 2017 issue.

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

application along with Exporter's Questionnaire was also sent to Embassies of The Exporting Countries in Pakistan with a request to forward it to all exporters/foreign producers involved in production and/or sale/export of Color Coated Coils/Sheets from The Exporting Countries. The Importer's Questionnaire was also sent to the importers of Color Coated Coils/Sheets on July 05, 2017.

13. Investigated Product, Domestic Like Product and Like Product

13.1 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".

13.2 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:

13.3 Investigated Product

13.3.1 The investigated product as defined in notice of initiation is Color Coated Steel Coils/Sheets imported from the Exporting Countries. The investigated product has large number of end-use applications for the purpose of agriculture, construction, packing/drums, railway coaches, furniture & fixtures, Billboards, Sign-boards, hoardings, road signs and others. At the time of the initiation of the investigation, the Commission defined the investigated product falling under following Pakistan Customs Tariff Heading Nos;

Table-I

PCT No	Description
7210.7010	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated, Painted, varnished or coated with plastics; VCM or PCM coated sheets of a thickness (excluding any coating) not exceeding 0.5 mm
7210.7020	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; secondary quality
7210.7090	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; Other
7212.4010	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; painted, varnished or coated with plastics; of secondary quality
7212.4090	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; varnished or coated with plastics; Other

13.3.2 During the Course of investigation, the domestic user/importers pointed out that Applicant industry is not manufacturing PCM/VCM coils/sheets which falls under PCT code 7210.7010. While verifying the claim of domestic users/importers of the investigated product and specifications and variants of the domestic like product produced by the Applicant from the records kept at its office and plant during the on the spot verification visit, it was found that during the POI Applicant did not produce PCM/VCM coils/sheets which falls under PCT code 7210.7010.

13.3.3 Accordingly, the Commission has revisited the scope of the investigated product and defined the investigated product as Color Coated Coils/Sheets above thickness of 0.23 mm imported from the Exporting Countries classified under following Pakistan Customs Tariff Heading Nos;

Table-II

PCT No	Description
7210.7020	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; secondary quality
7210.7090	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; Other
7212.4010	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; painted, varnished or coated with plastics; of secondary quality
7212.4090	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; varnished or coated with plastics; Other

13.3.4 The current tariff structure applicable to the investigated product is given below in the table III below;

**Table-III
Tariff Structure**

PCT No	Description	Customs Duty	Regulatory Duty	Sales Tax
7210.7020	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; secondary quality	20%	5%	17%
7210.7090	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; Other	11%	5%	17%
7212.4010	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; painted, varnished or coated with plastics; of secondary quality	20%	---	17%
7212.4090	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; varnished or coated with plastics; Other	11%	---	17%

13.4 Domestic Like Product

13.4.1 The domestic like product is Color Coated Steel Coils/Sheets being produced by the Domestic industry and falls under following Pakistan Customs Tariff Heading Nos;

Table-IV

PCT No	Description
7210.7020	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; secondary quality
7210.7090	Flat-rolled products of iron or non-alloy steel of a width of 600 mm or more; clad, plated or coated - Painted, varnished or coated with plastics; Other
7212.4010	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; painted, varnished or coated with plastics; of secondary quality
7212.4090	Flat rolled products of iron or non-iron alloy steel, of a width of less than 600 mm; varnished or coated with plastics; Other

13.4.2 The domestic like product has large number of end-use applications for the purpose of agriculture, construction, packing/drums, railway coaches, furniture & fixtures, Billboards, Sign-boards, hoardings, road signs and others

13.5 Like Product:

13.5.1 The “like product” is Color Coated Steel Coils/Sheets, produced and sold by the exporters/foreign producers of Color Coated Steel Coils/Sheets of the Exporting Countries in their domestic market and export markets to countries other than Pakistan. The like product has large number of end-use applications for the purpose of agriculture, construction, packing/drums, railway coaches, furniture & fixtures, Billboards, Sign-boards, hoardings, road signs and others. Major uses of the like product are, therefore, identical to those of the investigated product and domestic like product.

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

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

14. Period of Investigation

14.1 In terms of Section 36 of the Act, period of investigation is:

“Assessments to be on the basis of data relating to defined periods. – (1) The Commission shall base its assessments of dumping and injury on data relating to defined periods which shall be the periods for which information is required by the Commission.

“(2) 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.

“(3) For the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:

Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of available information regarding domestic industry and an investigated product.”

14.2 The Commission received the application on April 10, 2017 and initiated the investigation on June 10, 2017. The Applicant provided the information/data up to December 31, 2016 in the application. Therefore, to fulfill the requirement of Section 36 of the Act, the POI selected by the Commission for dumping and injury are, as follows:

For determination of dumping:	From January 1, 2016 to December 31, 2016
For determination of injury:	From January 1, 2014 to December 31, 2016.

14.3 As the Applicant started commercial production of domestic like product in first quarter of year 2015, therefore analysis of injury factors except for volume of dumped imports in this preliminary determination report has been analyzed for two years i.e. year 2015 and 2016 of POI.

15. Information/Data Gathering

15.1 The Commission sent Exporter’s Questionnaire to all known exporters/foreign producers from the Exporting Countries whom addresses were available with the Commission on July 5, 2017 for collection of data/information. The exporters/foreign producers were asked to respond within 37 days of dispatch of the Questionnaire. On July 5, 2017, the Questionnaire was also sent to the Embassies of the Exporting Countries in Islamabad with a request to forward it to the all exporters/foreign producers of the investigated product in their countries.

15.2 The Commission’s request for supplying information on the prescribed Exporter’s Questionnaire was responded by 14 exporters/foreign producers from China with the request for extension in time period (beyond 37 days) for submission of information. After taking into account the due cause shown by these exporters/foreign producers in their requests, the Commission acceded to the requests and granted extension in time period for submission of information on Exporter’s Questionnaire till August 20, 2017. However, no response was received from any exporter/foreign producer from the South Africa.

15.3 The Commission received filled-in Exporter’s Questionnaires from the following 14 exporters/producers from China after the expiration of extended time;

Sr. No.	Exporter	Status
1	Hebei Yanbo Color Coated Sheet Co., Ltd	Producer/Exporter of Color Coated Coils/Sheets
2	Zhejiang Huada New Material Co., Ltd	Producer/Exporter of Color Coated Coils/Sheets
3	Hangzhou Jurui Steel Co., Ltd	Producer/Exporter of Color Coated Coils/Sheets
4	Shandong Huijin Color Steel Co., Ltd (Producer) Shandong Kenod Steel Co., Ltd (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
5	Jiangyin Zongcheng Steel Co., Ltd	Producer/Exporter of Color Coated Coils/Sheets
6	Shandong Huaye Industry & Trade Co., Ltd (Producer) Shandong Gengxiang Import And Export Trade Co., Ltd (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
7	Hangzhou Puyin Metal Material Co., Ltd (Producer) Hangzhou Puyin Industrial Co., Ltd. (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
8	Binzhou Yongguang Industry And Trade Co., Ltd (Producer) Suzhou Yogiand Trading Co., Ltd. (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
9	Shandong Hwafone Steel Co., Ltd (Producer) Shandong Yunfeng Steel & Iron Co., Ltd (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
10	Shandong Ye Hui Coated Steel Co., Ltd (Producer) Shandong Boxing Ying Xiang International Trade Co., Ltd (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
11	Hefei Haier Research And Develop Special Type Of Steel Plate Co., Ltd.	Producer/Exporter of PCM/VCM Color Coated Coils/Sheets
12	Qingdao Haier Research And Develop Special Type Steel Plate Co., Ltd.	Producer/Exporter of PCM/VCM Color Coated Coils/Sheets
13	Zhejiang Xiaojin Outong Color Coated Sheet Co., Ltd (Producer) Shanghai Xiaojin Industrial Co., Ltd (Exporter)	Producer/Exporter of Color Coated Coils/Sheets
14	Shandong Star Steel Sheet Co., Ltd (Producer) Shandong Chambroad Holding Co., Ltd (Exporter)	Producer/Exporter of Color Coated Coils/Sheets

15.4 Due to large number of exporter/producers from China, the Commission decided to limit the number of exporters/foreign producers from China for detailed examination on the basis of volume of exports. The Commission selected 3 exporters/producers from China on the basis of highest import in terms of Section 14 of the Act after the consultation with the cooperating exporters/producers from China under Section 14 (3) of the Act. Following are the selected exporters/producers from China for detailed examination in this investigation;

- i. Hebei Yanbo Color Coated Sheet Co., Ltd
- ii. Zhejiang Huada New Material Co., Ltd
- iii. Hangzhou Jurui Steel Co., Ltd

15.5 Upon examination of the information received from these 3 exporters/foreign producers which were selected for detailed examination, certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporters/ foreign producers and were requested to supply the deficient information. Further details are given at paragraph 16 infra.

15.6 On July 5, 2017 Questionnaires were also sent to known Pakistani importers of the investigated product known to the Commission and these importers were asked to respond within 37 days of dispatch of the Questionnaires. In response to the questionnaire, following three importers have submitted data/information on prescribed questionnaire;

- i. Tahir Steel Impex
- ii. HNR Company (Pvt.) Ltd.
- iii. Gillani Services

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

15.8 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Summary of the comments received during the course of the investigation is given below in this report.

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

16. Questionnaire(s) Response by Exporters/Foreign Producers from China:

16.1 Questionnaire Response By Hebei Yanbo Color Coated Sheet Co., Ltd

16.1.1 The Commission sent the Exporter's Questionnaire to Hebei Yanbo Color Coated Sheet Co., Ltd (hereinafter referred to as "Yanbo") on July 5, 2017. Yanbo applied to the Commission in its email dated August 1, 2017 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its email dated August 4, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on August 20, 2017.

16.1.2 According to the information provided in response to the questionnaire, Yanbo is a limited liability company established on August 28, 2009. It has been engaged in the manufacture, sale and export of Color Coated Steel Coils/Sheets to Pakistan as well as to other countries and in its domestic market during the POI.

16.1.3 The information submitted by Yanbo in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's email dated November 15, 2017.

16.1.4 Yanbo was asked to provide the deficient information/data no later than 5 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Yanbo responded to the deficiencies vide its email dated November 20, 2017.

16.2 Questionnaire Response by Zhejiang Huada New Material Co., Ltd

16.2.1 The Commission sent the Exporter's Questionnaire to Zhejiang Huada New Material Co., Ltd (hereinafter referred to as "Huada") on July 5, 2017. Huada applied to the Commission in its email dated August 1, 2017 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its email dated August 4, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on August 20, 2017.

16.2.2 According to the information provided in response to the questionnaire, Huada is a company limited by shares. It has been engaged in the manufacture, sale and export of Color Coated Steel Coils/Sheets to Pakistan as well as to other countries and in its domestic market during the POI.

16.2.3 The information submitted by Huada in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's email dated November 15, 2017.

16.2.4 Yanbo was asked to provide the deficient information/data no later than 5 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Huada responded to the deficiencies vide its email dated November 23, 2017.

16.3 Questionnaire Response by Hangzhou Jurui Steel Co., Ltd

16.3.1 The Commission sent the Exporter's Questionnaire to Hangzhou Jurui Steel Co., Ltd (hereinafter referred to as "Jurui") on July 5, 2017. Jurui applied to the Commission in its email dated August 1, 2017 for extension of time period for submission of response to questionnaire for two weeks. The Commission granted the extension vide its email dated August 4, 2017 after considering the reasons given in the request for extension. Its response was received in the Commission on August 20, 2017.

16.3.2 According to the information provided in response to the questionnaire, Jurui is a limited liability company. It has been engaged in the manufacture, sale and export of Color Coated Steel Coils/Sheets to Pakistan as well as to other countries and in its domestic market during the POI.

16.3.3 The information submitted by Jurui in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's email dated November 15, 2017.

16.3.4 Jurui was asked to provide the deficient information/data no later than 5 days of issuance of the letter, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Jurui responded to the deficiencies vide its email dated November 23, 2017.

17. Verification of the Information

17.1 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 preliminary determination.

17.2 In order to verify information/data provided by the Applicant and to obtain further information officers of the Commission conducted on-the-spot investigation at the office and plant of the Applicant from August 28, 2017 to August 30, 2017. Non-confidential summary of the verification report is placed in the public file maintained under Rule 7 of the Rules.

17.3 On-the-spot investigations at the premises of exporters/producers from China, who provided information/data in response to the questionnaire and have been selected for detailed examination would be conducted after this preliminary determination.

18. 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 (except public holidays). This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices, correspondence, and other documents for disclosure to the interested parties.

19. Confidentiality

19.1 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.

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

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

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

20. Views/Comments of Interested Parties

20.1 In notice of initiation dated June 10, 2017, all interested parties were invited to make their views/comments known to the Commission and to submit information and documents (if any) with regard to this investigation. The Commission received written submissions/comments from the following interested parties during the course of the investigation:

- Pakistan Iron and Steel Merchant Association
- M. Hussain & Company, Karachi
- HNR Company Pvt Ltd
- Karachi Iron and Steel Merchants Association
- China Chamber of International Commerce
- G.S. Steel, Karachi.
- Owais Corporation, Karachi
- Safa Steel, Karachi
- Nobel Steel, Karachi
- Hashim Lakhani & Sons, Karachi
- Atif Enterprises, Karachi
- Irfan Traders, Karachi
- Wrsim Traders, Karachi
- Suleman Ebrahim Co., Karachi
- OS Corporation, Karachi
- Abika Enterprises, Karachi
- Steel Trading Co., Karachi
- Crystal Enterprise, Karachi
- Gilani Services, Karachi
- Ayub Enterprises, Karachi
- Progressive Steel Decorators, Karachi
- Metal Global Corporation, , Karachi
- World Trade Association, Karachi
- Shaikh Traders, Karachi
- Tahir Steel Impex, Karachi
- Al Asif Corporation (Pvt.) Limited

20.2 Views/comments and the information submitted by the interested parties have been considered by the Commission while making the preliminary determination in this investigation as far as possible. The interested parties have broadly raised issues with respect to the following:

- i. Applicant is not producing all the products falling under selected PCTs like VCM (Vinyl Coated Metal), PCM (Pre Coated Metal), Galvalume, Aluminium and many other features.
- ii. Pakistan`s mainly import of coated steel coils/sheets of thickness 0.15 mm - 0.35 mm, which ISL up to date has not produced.

- iii. The source of evidence provided by the applicant to determine the exporting country's domestic prices of Color Coated steel Coils/Sheets is not reliable or sufficient.
- iv. Applicant market share has decreased from the year 2015 to the years 2016, is only because their price was high and low customer response
- v. Applicant under the term of confidentiality in its application has hidden all relevant data
- vi. The Commission should not accept the import data from applicant which is taken by using unauthorized means in violation of Sec.155 (h) of Customs Act 1969.
- vii. The Applicant failed to submit reliable evidence in support of injury claimed.
- viii. Injury to the applicant caused due to other factors than the import of investigated product from China and South Africa.
- ix. Imposition of Anti-Dumping duty on investigated product will create monopoly of the applicant in the local market which is not legal in the light of Pakistani law

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

B. DETERMINATION OF DUMPING

21. Dumping

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

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

22. Normal Value

22.1 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”.

22.2 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.”.

22.3 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.”

23. Export Price

23.1 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”.*

24. Dumping Determination

24.1 As stated earlier the Applicant identified 15 exporters/ producers of from the Exporting Countries involved in dumping of the investigated product. The Commission sent Exporter’s Questionnaire to all known exporters/producers from Exporting Countries on July 5, 2017 for collection of data and information. Questionnaire was also provided to the

respective Embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/producers of the investigated product based in their country to submit information to the Commission.

24.2 Fourteen (14) exporters/producers of investigated product from China provided information in response to the questionnaire as mentioned above and no exporters/producers from South Africa provided information in response to the questionnaire. The Commission has limited its examination to only three exporters/producers from China namely, Yanbo, Huada and Jurui as the Commission is satisfied in terms of Section 14(3) of the Act that the number of the exporters/producers involved is so large as it is impracticable to determine an individual dumping margin of all exporters who have responded to the Commission. The Commission has determined individual dumping margins for the selected three exporters /producers i.e. Yanbo, Huada and Jurui. However, a residual dumping margin has been determined for all other exporters/producers of the Exporting Countries.

25. Determination of Normal Value

25.1 The Commission received information on domestic sales and cost of production etc. of the like product from 14 exporters/producers from China in response to the questionnaire and no exporters/producers from South Africa provided information in response to the questionnaire. The information submitted by exporters selected for detailed examination from China namely Yanbo, Huada and Jurui, has been used for determination of normal value as discussed below. Normal value for other non-cooperating exporters/producers of investigated product from the Exporting Countries has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

25.2 Determination of Normal Value for Yanbo

25.2.1 Normal value for Yanbo has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during the POI. According to the information, Yanbo sold investigated product in its domestic market during the POI. It exported the investigated product to Pakistan during the POI.

25.2.2 Yanbo sold *** MT of like product in its domestic market during the POI. Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed that out of total sales, some sales were at loss while some sales were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Act. Thus, in determination of normal value for the investigated product, the Commission disregarded sales on account of ordinary course of trade in accordance with provisions of Section 7 of the Act. The sales which were in ordinary course of trade are in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI.

25.2.3 According to Yanbo, during the POI, it sold like product in its domestic market at ex works basis. To arrive at the ex-factory price, Yanbo has claimed no adjustment.

25.3 Determination of Normal Value for Huada

25.3.1 Normal value for Huada has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during the POI. According to the information, Huada sold investigated product in its domestic market during the POI. It exported the investigated product to Pakistan during the POI.

25.3.2 Huada sold *** MT of like product in its domestic market during the POI. Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed that out of total sales, some sales were at loss while some sales were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Act. Thus, in determination of normal value for the investigated product, the Commission disregarded sales on account of ordinary course of trade in accordance with provisions of Section 7 of the Act. The sales which were in ordinary course of trade are in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI.

25.3.3 According to Huada, during the POI, it sold like product in its domestic market at ex works basis. To arrive at the ex-factory price, Huada has claimed no adjustment.

25.4 Determination of Normal Value for Jurui

25.4.1 Normal value for Jurui has been determined on the basis of the information provided by it on its domestic sales and cost to make and sell during the POI. According to the information, Jurui sold investigated product in its domestic market during the POI. It exported the investigated product to Pakistan during the POI.

25.4.2 Jurui sold *** MT of like product in its domestic market during the POI. Section 7 of the Act requires the Commission to determine ordinary course of trade for domestic sales to determine normal value. Investigation has revealed that out of total sales, some sales were at loss while some sales were profitable sales. Below costs sales were in substantial quantities in terms of Section 7(2) of the Act. Thus, in determination of normal value for the investigated product, the Commission disregarded sales on account of ordinary course of trade in accordance with provisions of Section 7 of the Act. The sales which were in ordinary course of trade are in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these are more than 5 percent of the export sales of the investigated product exported by it to Pakistan during the POI.

25.4.3 According to Jurui, during the POI, it sold like product in its domestic market at ex works basis. To arrive at the ex-factory price, Jurui has claimed no adjustment.

25.5 Determination of Normal Value for the exporters/producers from South Africa

As no exporter/ producer of the investigated product from South Africa has provided information on domestic sales of the investigated product, therefore, normal value has been determined on the basis of Best Information Available with the Commission. The Commission has constructed normal value on the basis of the cost of production in South Africa plus a reasonable amount for administrative, selling and general costs and profits in accordance with

Section 6 of the Act. The construction of normal value is based on the following:

- i. For raw material costs, the C&F price of imported raw materials and locally purchased raw materials of the Applicant had been adjusted appropriately to the factory cost by deducting estimated ocean freight and inland freight.
- ii. C&F prices of raw materials/inputs arrived at as per explanation at serial i. above are multiplied with the per unit consumption of the raw materials to arrive at raw material cost per unit. Consumption of raw material per unit is based on the yearly average of the Applicant.
- iii. Labor hours employed by the domestic industry to produce one MT of Colour Coated coils/sheets have been multiplied by labor rate applicable in South Africa to arrive at salaries and wages cost for construction of normal value.
- iv. Per unit consumption of other overheads (electricity, fuel/gas etc.) of the Applicant is multiplied with electricity/fuel/gas rates prevailing in The South Africa to arrive at overheads cost in construction of normal value.
- v. Selling and admin expenses of the Applicant are taken same for construction of normal value.
- vi. In construction of the normal value, financial charges are calculated by using actual financial charges of the Applicant and the same has been deflated by difference between interest rate of South Africa and Pakistan.
- vii. The Applicant has considered 5 percent profit margin as reasonable profit for this industry. Therefore, profit mark up of 5% has been applied on cost to make & sell to reach at constructed normal value for the investigated product.
- viii. Since the normal value has been constructed for the prime quality product whereas the imports from South Africa were of secondary quality. Therefore, to be more realistic, the constructed normal value has been deflated by 19%

26. Determination of Export Price

26.1 The Commission received information on export sales of the investigated product from 14 exporters/producers from China in response to the questionnaires and no exporters/producers from South Africa provided information in response to the questionnaire. The information submitted by exporters selected for detailed examination from China namely Yanbo, Huada and Jurui has been used for determination of export price as discussed below. Export price for non-cooperating exporters/foreign producers of investigated product from the Exporting Countries has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

26.2 Determination of Export Price for Yanbo

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

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

26.2.3 During the POI, Yanbo exported investigated product mostly on LC at sight at CFR level. To arrive at the ex-factory level, it has reported adjustments on account of inland freight, ocean freight, bank charges, and Handling charges.

26.2.4 During POI, payment terms were LC at sight on average Yanbo received payment after 30 days. Accordingly, an adjustment on account of credit cost was made by the Commission in export price.

26.2.5 The Commission has provisionally accepted the adjustments claimed in export price. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for adjustments from the gross value of sales transactions.

26.3 Determination of Export Price for Huada

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

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

26.3.3 During the POI, Huada exported investigated product mostly on LC at sight at CIF level. To arrive at the ex-factory level, it has reported adjustments on account of inland freight, ocean freight, bank charges, and Handling charges.

26.3.4 During POI, payment terms were LC at sight on average Huada received payment after 20 days. Accordingly, an adjustment on account of credit cost was made by the Commission in export price.

26.3.5 The Commission has provisionally accepted the adjustments claimed in export price. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for adjustments from the gross value of sales transactions.

26.4 Determination of Export Price for Jurui

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

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

26.3.3 During the POI, Jurui exported investigated product mostly on LC at sight at CIF level. To arrive at the ex-factory level, it has reported adjustments on account of inland freight, ocean freight, bank charges, and Handling charges.

26.3.4 During POI, payment terms were LC at sight on average Jurui received payment after 20 days. Accordingly, an adjustment on account of credit cost was made by the Commission in export price.

26.3.5 The Commission has provisionally accepted the adjustments claimed in export price. The adjustments claimed would be verified during on-the-spot investigation visit. The export price at ex-factory level is worked out by deducting values reported for adjustments from the gross value of sales transactions.

27. **Determination of Export Price for the exporters/producers from South Africa**

27.1 As no exporter/ producer of the investigated product from South Africa has provided information on its exports of the investigated product, therefore, export price has been determined on the basis of Best Information Available with the Commission. For this purpose information obtained from PRAL on imports of the investigated product from South Africa during the POI is used.

27.2 The information obtained from PRAL is at C&F level. The C & F price taken from PRAL has been adjusted for ocean freight, inland freight and insurance to reach ex-factory price. In support of ocean freight, the Applicant submitted a quotation obtained from a freight forwarding agency. Inland freight has been assumed as USD ***/MT and insurance has been taken as 0.9% of C & F price.

28. **Dumping Margin**

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

28.2 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.

28.3 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.

28.4 The Commission has investigated exporters/producers from China mentioned at paragraph 15.4 supra who cooperated and responded to the Commission’s questionnaire and selected for detailed examination in terms of Section 14 of Act. Individual dumping margins

for the exporters/producers mentioned at paragraph 15.4 supra have been determined for each exporter/producer.

28.5 A residual dumping margin has been determined for all other exporters/producers of the China who did not cooperate with the Commission in this investigation on the basis of best information available in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping. The Commission has determined that dumping margin calculated for Huada will be applied to all other Chinese exporters/foreign producers.

28.6 The Commission has determined dumping margin for the exporters/producers from South Africa on the basis of Best Information Available in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.

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

**Table-VII
Dumping Margins**

Country	Exporter Name	Dumping margin as % of	
		Export price	C & F price
China	Hebei Yanbo Color Coated Sheet Co., Ltd	2.52	2.36
	Zhejiang Huada New Material Co., Ltd	6.81	6.44
	Hangzhou Jurui Steel Co., Ltd	3.90	3.65
	All other exporters/producers non-cooperating	6.81	6.44
South Africa	All exporters/producers	42.65	37.53

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

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

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

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

29.4 The information/data on dumped imports of the investigated product and other imports of Color Coated Coils/Sheets has been obtained from PRAL. Volume of dumped imports of the Color Coated Coils/Sheets imported from the Exporting Countries and other sources during the year 2016 i.e. from January to December is given in the table below:

Table-VIII
Volume of Imports of Color Coated Coils/Sheets during Year 2016

Country	Volume of Imports
	%age
China	87.95
South Africa	4.21
Other Sources	7.84
Total	100.00

Source: PRAL

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

30. Cumulation of Dumped Imports

30.1 Section 16 of the Act states that:

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

“(a) dumping margin in relation to an investigated product from each country is more than the negligible amount as specified in clause (a) of sub-section (3) of section 41, and volume of dumped imports from each investigated country is not less than the negligible quantity as specified in clause (b) of sub-section (3) of section 41; and

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

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

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

30.3 Weighted average export price charged by the exporters from the Exporting Countries during the POI for dumping is given below which shows that there was a price competition between imports of the investigated product:

Table - IX
Weighted Average C&F Export Price

Exporting Country	Weighted Average C&F Export Price (US\$/MT)
China (Prime Quality)	100.00
China (Secondary Quality)	81.22
South Africa	66.33

Source: PRAL import data

Note: For the purpose of confidentiality, actual figures have been indexed with respect to C&F price of prime quality Color Coated Coils/Sheets from China.

30.4 Further, there is a competition between investigated product and the domestic like product in terms of price, market share, and sales etc. Conditions of competition between imports of the investigated product and the domestic like product are discussed in detail in paragraphs below.

30.5 For the reasons given above, the Commission has cumulatively assessed the effects of dumped imports from the Exporting Countries on the domestic industry in following paragraphs:-

31. Material Injury to the Domestic Industry

31.1 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...”*

31.2 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”.

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

32. Domestic Industry

32.1 As mentioned earlier in paragraph 8.2 supra that Applicant is the only producer of Color Coated Coils/Sheets in Pakistan. Therefore, the Applicant is considered as the domestic industry in terms of Section 2(d) of the Act for the purposes of this investigation, as it accounts

100 percent of the domestic production of Color Coated Coils/Sheets during the POI. Analysis of injury factors carried out in this preliminary determination in the following paragraphs is, therefore, based on the information submitted by Applicant.

32.2 As the Applicant started commercial production of domestic like product in first quarter of year 2015, therefore analysis of injury factors except for volume of dumped imports in the following paragraphs has been analyzed for two years i.e. year 2015 and 2016 of POI has been carried out.

33. Volume of Dumped Imports

Facts:

33.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act it is considered whether there has been a significant increase in dumped imports of the investigated product, either in absolute terms or relative to the consumption or production. Following table shows the imports of the investigated product and its relation with imports from other sources and domestic consumption during the POI:

Table-X
Volume of Dumped Imports (MT)

Year*	Imports from:		Total Imports	Dumped Imports as %age of	
	Dumped sources	Other Sources		Total Imports (%)	Domestic Consumption
2014	74.92	25.08	100.00	74.92	74.91
2015	217.01	29.17	246.17	88.15	75.00
2016	558.04	47.50	605.54	92.16	83.23

Year: from January to December.

Sources: the Applicant & PRAL.

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t total imports during year 2014.

Analysis:

33.2 It appears from the above table that dumped imports of the investigated product increased in absolute terms as well as relative to domestic consumption during the POI. Dumped imports which were *** MT during year 2014 increased to *** MT during the year 2015 and further increase to a level of *** MT during year 2016. Dumped imports of the investigated product were 74.91 percent of the domestic consumption during 2014, which increased to 75.00 percent and 83.23 percent in the year 2015 and 2016 respectively.

34. Price Effects

Effects of dumped imports on sales price of domestic like product in the domestic market has been examined to establish whether there was significant price undercutting (the extent to which the price of the investigated product was lower than the price of the domestic like product), price depression (the extent to which the domestic industry experienced a decrease in its selling prices of domestic like product over time), and price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product). Price effects have been determined on Applicant's information as information on prices of the other producers is not available with the Commission.

34.1 Price Undercutting

Facts:

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

Table-XI
Price Undercutting (Rs./MT)

Year	ex-factory price of domestic like product	landed cost of dumped imports	Price undercutting	
			Absolute	Percentage
2014	---	100	---	---
2015	88.01	83.20	4.80	5.46%
2016	87.57	71.17	16.41	18.73%

Source: the Applicant

Note: The year is from October to September

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t landed cost of investigated product during year 2014

Analysis:

34.1.2 The above table shows that the landed cost of the investigated product remained lower than the sales price of the domestic industry during POI. The quantum of price undercutting has increased over the years. The price under cutting increased from 5.46 percent in year 2015 to 18.73% percent in year 2016.

34.2 Price Depression

Facts:

34.2.1 Weighted average ex-factory prices of the domestic like product in the domestic market during POI are given in table below:

Table-XII
Ex-factory Price of Domestic Industry (Rs/MT)

Year	Prices	Price Depression
2014	---	-
2015	100.00	-
2016	99.51	0.49%

Year: from January to December.

Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t ex-factory price of domestic like product during year 2015.

Analysis:

34.2.2 The table above shows that the price of the domestic like product decreased by 0.49 percent in the year 2016 as compared with year 2015. However, the decrease in the price was insignificant.

34.3 Price Suppression

Facts:

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

Table-XIII
Price Suppression (Rs/MT)

Year	Cost to make & sell	Ex-factory price	Increase/(decrease) in:		Price suppression
			Cost to make & sell	Ex-factory price	
2014	---	---	---	---	---
2015	96.46	100.00	---	---	---
2016	84.39	99.51	(12.07)	(0.49)	---

Year: from January to December.

Source: the Applicant

Analysis:

34.3.2 The data in the above table reveals that cost to make and sell and the domestic sales prices of the Applicant decreased in the year 2016. However, the decrease in the cost was more than the decrease in the sales price of the domestic industry.

35. Market Share

Facts:

35.1 Total domestic demand of Color Coated Coils/ Sheets 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 the Exporting Countries and imports of Color Coated Coils/ Sheets from other sources. Following table shows the market share from each source during the POI:

Table-XIV
Market Share

Year	Share of Domestic Industry		Share of Dumped Imports		Other Imports		Total Domestic Market
	MT	%	MT	%	MT	%	
2014			74.92	74.92	25.08	25.08	100.00
2015	43.17	14.92	217.01	75.00	29.17	10.08	289.35
2016	64.97	9.69	558.04	83.23	47.50	7.08	670.51

Year: from January to December.

Source: the Applicant and PRAL

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t total domestic market during year 2014

Analysis:

35.2 The above table shows that the share of domestic industry declined during the POI from 14.92 percent in the year 2015 to 9.69 percent in the year 2016 although the sales of domestic industry increased in absolute terms by 50% during 2016 as compared to year 2015. The market share of the dumped imports of the investigated product remained static at 75% in

year 2014 and year 2015, however it increased to 83.23% in the year 2016. Domestic market increased by 189 percent during the year 2015 as compared to year 2014 and further increased by 131% in the last year of POI i.e. 2016.

36. Production and Capacity Utilization

Facts:

36.1 The installed capacity, quantity produced and the capacity utilization of the Applicant during the POI is provided in following table;

**Table-XV
Installed Capacity and Capacity Utilization**

Year*	color coated coils/sheets Capacity Utilization (%)
2015	9.84%
2016	11.31%

Note: Year: from January to December
Source: the Applicant

Analysis:

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

37 Sales

Facts:

37.1 Sales of the domestic like product by the applicant are given in the following table:

**Table-XVI
Sales of the Domestic Industry**

Year	MT
2014	---
2015	100.00
2016	150.49

Year: from January to December.
Source: the Applicant

Note: For the purpose of confidentiality, the actual figures have been indexed w.r.t sales figures during year 2015

Analysis:

37.2 The above table shows that the sales of the domestic like product by the domestic industry increased during the year 2016 however it does not correspond with increase in domestic demand during this year. In the year 2016, the domestic market increased by 131 percent however, sales of the domestic industry increased by 50.49 percent due to the reason that major share of the domestic market was captured by the dumped imports.

38. Profit and Loss

Facts:

38.1 Information with regard to Applicant's profit/loss from production and sale of the domestic like product is given in the following table:

**Table-XVII
Profit/Loss of the Applicant**

Year	Net profit/(loss) (Rs.000)	Profit/Loss (Rs. Per MT)
2014	---	---
2015	100.00	100.00
2016	1,199.74	886.90

Year: from January to December.

Source: the Applicant

Note: For the purpose of confidentiality, actual figures have been indexed with respect to total profit and profit per MT in year 2015.

Analysis:

38.2 It appears from the above table that the Applicant's net profit and profitability increased during the year 2016.

39. Inventories

Facts:

39.1 The data relating to accumulation of inventories of the domestic like product during the POI is given in the table below:

**Table-XVIII
Inventories of the Color Coated Coils/Sheets (MT)**

Year	Opening Inventory	Production	Sales (Domestic)	Sales (Exports)	Closing Inventory
2014	---	---	---	---	---
2015	1.54	100.00	72.26	11.95	17.32
2016	17.32	114.88	108.75	5.14	18.33

Year: from January to December

Source; the Applicant

Note: For the purpose of confidentiality, actual figures have been indexed with respect to production figures in year 2015

Analysis:

39.2 The above table shows that the inventories of the domestic industry increased during the POI. However, a perusal of the data given in the above table reveals that this increase is partially due to the decline in the export sales of the Applicant and increased in production of domestic like product.

40. Employment, Productivity and Wages

Facts:

40.1 The data relating to the employment, salaries & Wages and productivity of the domestic like product during the POI is given in the following table;

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

Year	No. of employees	Production (MT)	Productivity Per Worker (MT)	Wages & salaries paid (Rs.)	Salaries & wages per MT
2014					
2015	100.00	100.00	100.00	100.00	100.00
2016	105.00	114.88	109.44	102.10	88.94

Source: the Applicant

Note: The year is from January to December

Note: For the purpose of confidentiality, actual figures have been indexed with respect to number of employees, salaries and wages, domestic production, productivity per worker and salaries and wages per MT in year 2015.

Analysis:

40.2 The above table shows that number of employees almost remained the same over POI. Productivity per worker has increased due to increase in production of domestic like product and salaries and wages per MT have reduced over the years.

41. Return on Investment

Facts:

41.1 Since the Applicant is a multi-product company, the consolidated position of return on investment during the POI has been given in the following table;

**Table-XX
Return on Investment**

Year	Investment (million Rs)	Return (million Rs)	Return on Investment
2014	---	---	---
2015	100.00	13.05	13.04
2016	109.01	42.14	38.65

Year: from January to December.

Source: the Applicant

Note: For the purpose of confidentiality, actual figures have been indexed with respect to total investment figures in year 2015

Analysis:

41.2 The above table shows that the return on investment of the Applicant has significantly increased over time.

42. Cash Flow

Facts:

42.1 Since the Applicant is a multi-product company, its cash flows are reported in the audited accounts for the whole company. Position of cash flows during the POI has been given in the following table:

**Table-XXI
Cash Flow**

Year	Cash inflow (million Rs)
2014	---
2015	100.00
2016	194.77

Year: from January to December.

Source: the Applicant

Note: For the purpose of confidentiality, actual figures have been indexed with respect to cash flow figures in year 2015

Analysis:

42.2 The above table shows that the industry had a positive cash flow during POI.

43. Ability to Raise Capital:

The Applicant is not facing any deterioration in its profitability and decline in return of investment which could affect the confidence of investors and financial institutions.

44. Growth:

The domestic market of the Color Coated Coils/Sheets has been increased significantly over the period of time i.e. since year 2014 to 2016 (reference Table-XIV supra) however a perusal of the table XVI supra reveals that domestic industry could not fully utilize its installed capacity even though in the expanded market. Keeping in view the prices of the dumped imports, it seems that it is difficult for the domestic industry to compete with the imported products and to increase its sales in the domestic industry which could lead to expansion in the installed capacity of the domestic industry

45. Summing up of Material Injury

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

45.2 The analysis further shows that the landed cost of the investigated product significantly undercut the prices of domestic like product throughout the POI. The extremely low prices of the investigated product resulted in decline in market share of domestic industry though there is increase in the market size. Apart from above, the domestic industry had also a negative effect on growth of the domestic industry. Besides this, there is no consequential adverse effect on the only domestic producer. However, the threat of material injury seems imminent as explained below.

46. Threat of Material injury

46.1 As stated earlier the Applicant has also alleged threat of material injury to the domestic industry due to dumped imports of the investigated product. On preliminary investigation, it is evident that:

- i. There is significant increase in dumped imports indicating the likelihood of further increase in dumped imports;
- ii. There is significant price undercutting which is increasing overtime.

46.2 However, the claim of threat of injury needs further investigation.

D. CAUSATION

47. Effect of Dumped Imports

Examination of the volume of dumped imports of the investigated product and its prices show a causal relationship between dumped imports and material injury to the domestic industry during the POI as there is a time correlation between increase in volume of dumped imports of the investigated product, price effects in the form of price undercutting and adverse effects on market share and growth of the domestic industry during the POI.

48. Other Factors

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

48.2 The Commission’s investigation showed that the domestic industry did not suffer injury due to imports of the like product from sources other than the Exporting Countries during the POI. The imports from sources other than Exporting Countries were in low in volume as compared with dumped imports. The landed cost of such imports was higher than the landed cost of investigated product. Following table shows volume and landed cost of Color Coated Coils/Sheets imported from other sources during the POI:

**Table XXIII
Imports from Other Sources**

Year	Imports from Dumped Sources (MT)	Imports from Other Sources (MT)	Landed cost from Dumped Sources (Rs/MT)	Landed cost from other sources (Rs/MT)
2014	100.00	33.48	100.00	108.29
2015	289.67	38.93	83.20	91.28
2016	744.90	63.41	71.17	73.12

Year: from January to December.

Source: the Applicant

Note: For the purpose of confidentiality, actual figures have been indexed with respect to imports from dumped sources and landed cost of dumped import respectively in year 2014.

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

- i. There was no contraction in demand;
- ii. There was no considerable change in technology to produce Color Coated Coils/Sheets; and
- iii. There was no significant change in export pattern of the domestic industry during POI.
- iv. During the POI there was no change in trade restrictive practices.

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

E. CONCLUSIONS

49.1 The conclusions, after taking into account all considerations for this preliminary determination, are as follows:

- i. the application was filed by the domestic industry as the Applicant represented 100 percent of the production of domestic like product during the POI;
- ii. the investigated product and the domestic like product are alike products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/producers from the Exporting Countries at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/producers of the investigated product from China and South Africa were above the negligible and *de minimis* levels respectively.
- v. the domestic industry suffered material injury during the POI on account of increase in volume of dumped imports in absolute terms as well as relative to domestic consumption, price undercutting, decline in market share and negative effects on 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 suffered by the domestic industry.

F. NON IMPOSITION OF PROVISIONAL MEASURES

50. Section 43(1) of the Act empowers the Commission to impose provisional antidumping duty and states as follows:

"The Commission may impose provisional measures if it makes an affirmative preliminary determination of dumping and injury, and determines that provisional

measures are necessary to prevent injury being caused during the course of an investigation:

Provided that provisional measures shall not be applied sooner than sixty days from the date of initiation of the investigation: Provided further that the amount of the provisional anti-dumping duty shall not exceed the margin of dumping as provisionally established, but it may be less than the margin if such lesser duty would be adequate to remove the injury to the Domestic Industry."

51. Section 55 (3) of the Act provides that:

Save as provided for in sub-section (1), where the Commission makes a determination of threat of injury or material retardation, but no injury has yet occurred, definitive anti-dumping duties may be imposed only from the date of the determination of threat of injury or material retardation and any cash deposit made during the period of application of provisional measures shall be refunded by the Commission within forty-five days of such determination.

52. The present case is primarily a case of threat of material injury and in terms of Section 55(3) of the Act, no provisional measures can be imposed in terms of Section 55(3) of the Act. In view of this no provisional measures are being applied.

(Abdul Khaliq)
Member
December 8, 2017

(Tipu Sultan)
Member
December 8, 2017

(Robina Ather)
Member
December 8, 2017

(Qasim M. Niaz)
Chairman
December 8, 2017

Annexure-I

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

Comments of Interested Parties

Comments of importers/users:	
The importers/users of Color Coated Coils/Sheets mentioned below made following comments during the course of investigation;	
<ul style="list-style-type: none"> i. Pakistan Iron and Steel Merchant Association ii. M. Hussain & Company, Karachi iii. HNR Company Pvt Ltd iv. Karachi Iron & Steel Merchants Association v. China Chamber of International Commerce vi. G.S. Steel, Karachi. vii. Owais Corporation, Karachi viii. Safa Steel, Karachi ix. Nobel Steel, Karachi x. Hashim Lakhani & Sons, Karachi xi. Atif Enterprises, Karachi xii. Irfan Traders, Karachi xiii. Wrsim Traders, Karachi xiv. Suleman Ebrahim Co., Karachi xv. OS Corporation, Karachi xvi. Abika Enterprises, Karachi xvii. Steel Trading Co., Karachi xviii. Crystal Enterprise, Karachi xix. Gilani Services, Karachi xx. Ayub Enterprises, Karachi xxi. Progressive Steel Decorators, Karachi xxii. Metal Global Corporation, , Karachi xxiii. World Trade Association, Karachi xxiv. Shaikh Traders, Karachi xxv. Tahir Steel Impex, Karachi xxvi. Al Asif Corporation (Pvt.) Limited 	
Column-A (Comments of interested parties)	Column - B (Commission's replies/comments)
Comments of: <ul style="list-style-type: none"> i. Pakistan Iron and Steel Merchant Association ii. M. Hussain & Company, Karachi iii. HNR Company Pvt Ltd 	

- iv. Karachi Iron & Steel Merchants Association
- v. China Chamber of International Commerce
- vi. G.S. Steel, Karachi.
- vii. Owais Corporation, Karachi
- viii. Safa Steel, Karachi
- ix. Nobel Steel, Karachi
- x. Hashim Lakhani & Sons, Karachi
- xi. Atif Enterprises, Karachi
- xii. Irfan Traders, Karachi
- xiii. Wrsim Traders, Karachi
- xiv. Suleman Ebrahim Co., Karachi
- xv. OS Corporation, Karachi
- xvi. Abika Enterprises, Karachi
- xvii. Steel Trading Co., Karachi
- xviii. Crystal Enterprise, Karachi
- xix. Gilani Services, Karachi
- xx. Ayub Enterprises, Karachi
- xxi. Progressive Steel Decorators, Karachi
- xxii. Metal Global Corporation, , Karachi
- xxiii. World Trade Association, Karachi
- xxiv. Shaikh Traders, Karachi
- xxv. Tahir Steel Impex, Karachi
- xxvi. Al Asif Corporation (Pvt.) Limited

The above mentioned importers/association submitted the same comments which are discussed below;

“Standing of the application:

It is mentioned here that the applicant has only produced 9.84% of its total capacity i.e. 84000 MT per annum which comes to 8266 MT in the year 2015 where the imports stands in the same year of Color Coated Steel Coils / Sheets from exporting countries at 58,650 MT approximately, shown in the customs import data available to us, i.e. just about 14% of the local demand. Beyond this, in the year 2016 the applicant has just produced 11.31% of its total capacity i.e. 84000 MT per annum which comes to 9500 MT where the imports stands in the same year of Color Coated Steel Coils / Sheets from exporting countries at 70900 MT approximately, shown in the customs import data available to us, i.e. just over 13% of the local demand. This indicates that either the applicant is not able to produce as per demanded quantity or its price is higher against the imported product and may have quality factors due to which the applicant is incompetent for the said product in the market, and intends to get imposed Anti-Dumping Duty so it can enjoy more profits beyond the level playing field

The standing of the application is determined on the basis of provisions of Section 24 of the Act which is based on domestic production by the domestic industry and not volume of imports. Accordingly standing of the Application has been correctly determined as the Applicant account for 100% of the domestic production of domestic like product. As regards, the fact that domestic industry is catering only negligible part of domestic demand may be correct but there is no bar for domestic industry which has just started commercial production to make and application.

<p>and thus can lead the price trend in the market in a monopolistic manner. If any local producer is unable to produce quantities and fulfill the local demand required of sizes, specifications and grades how it should expect that the customer or user will wait for a longer period of time for the local producer to produce the same when the imported material is readily available in the market at better prices or the consumer or user can import the product in the same time frame as required by the local producer to produce and deliver the same.”</p>	
<p>“Investigated Product & Domestic Like Product;</p> <p>the applicant is not producing any of the following products:</p> <ul style="list-style-type: none"> • 7210.7010 Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated, Painted, Varnished or coated with plastics; VCM or PCM coated sheets of a thickness (excluding any coating) not exceeding 0.50 mm • 7210.7020 Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated - Painted, Varnished or coated with plastics; secondary quality • 7210.7090 Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated - Painted, Varnished or coated with plastics; Other • 7212.4010 Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, Painted, Varnished or coated with plastics; of secondary quality • 7212.4090 Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, Painted, Varnished or coated with plastics; Other” 	<p>After taking into consideration facts and the verification of data/information submitted by the Applicant, the Commission has revisited the scope of the investigated product and defined the investigated product as Color Coated Coils/Sheets above thickness of 0.23 mm imported from the Exporting Countries classified under following Pakistan Customs Tariff Heading Nos.</p> <p>7210.7020 Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated - Painted, Varnished or coated with plastics; secondary quality</p> <p>• 7210.7090 Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated - Painted, Varnished or coated with plastics; Other</p> <p>• 7212.4010 Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, Painted, Varnished or coated with plastics; of secondary quality</p> <p>• 7212.4090 Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, Painted, Varnished or coated with plastics; Other.</p>
<p>“Period of Investigation:</p> <p>The commission has taken period of investigation as follows: For determination of dumping: From January 1, 2016 to December 31, 2016 For determination of injury: From January 1, 2014 to December 31, 2016. It is not rationale to do the same when local industry of the said product was not producing this item unless / until first quarter of 2015 as stated by the commission itself, therefore period of</p>	<p>The Commission received the application on April 10, 2017 and initiated the investigation on June 10, 2017. The Applicant provided the information/data up to December 31, 2016 in the application. Therefore, to fulfill the requirement of Section 36 of the Act, the POI selected by the Commission for dumping and injury are, as follows: For determination of dumping: From January 1, 2016 to December 31, 2016</p>

<p>determination of dumping and period of injury should only be considered once the applicant and local producer started to produce the same material and was selling the same in local market. For this reason we have provided our facts, figures and data for the year(s) of 2015 and 2016 only leaving apart 2014, hope the commission will also the consider the period only after when the local producer i.e. the applicant started the production of the same.”</p>	<p>For determination of injury: From January 1, 2014 to December 31, 2016.</p> <p>As the Applicant started commercial production of domestic like product in first quarter of year 2015, therefore analysis of injury factors except for volume of dumped imports in this preliminary determination report has been analyzed for two years i.e. year 2015 and 2016 of POI.</p>
<p>Dumping & Evidence of Dumping:</p> <p>“There is no or near to nil evidence provided from the applicant as the commission states itself that the applicant claimed that it was not able to acquire the exporting country’s domestic prices of Color Coated Coils/Sheets, and given with a website i.e. www.zhongcansteel.com the whole industries prices cannot be determined, as this is just one company based in the Shandong province of China, however as stated already in response to point # 10, over 30 million tons of such steel is produced today in over 300 coating lines just in Boxing which is a little county in North of China, only one website which is also not authorized to do the same as it is not a governmental organization authorized to give price statistics or state owned agent or company to regulate market price levels, therefore, this evidence is not in any way reliable or sufficient to support the applicants requirement for imposition of anti-dumping duty”.</p>	<p>The Commission initiated the said investigation on basis of prima facie evidence and the said website contain prima facie evidence as the prices in the same market could not be much different. However, for the purpose of this preliminary determination, while calculating the normal value for exporter/producers from China the Commission relied upon the actual information submitted by Chines exporters/producers.</p>
<p>“Volume of Alleged Dumped Imports:</p> <p>As clarified and stated in above points that the investigated or like product, therefore it cannot be said that the volume of the dumped product has increased, it can be stated that the imports of investigated product have increased from China particularly due to the fact that their competitiveness in price and good quality, further the demand in Pakistan has also increased as the customer or end user who was using cold rolled, galvanized or other line products for their usages has changed and switched to a more better product which is Color Coated Steel Coils / Sheets or in this case the investigated product.”</p>	<p>The analysis of the Commission in this preliminary determination showed that volume of imports from the Exporting Countries have increased over the period of time and the volume of dumped imports of the investigated product from the Exporting Countries is above the negligible threshold set out in Section 41(3) of the Act.</p>
<p>“Market Share:</p> <p>As shown in Table-X, the figures given by the applicant that their market share has decreased from the year 2015 to the year 2016, is only because their price is higher and customer response to</p>	<p>The Commission while making the preliminary determination in the investigation has determined that share of domestic industry declined during the POI from 14.92 percent in</p>

<p>applicant's quality is not very positive or appreciating. If the local producer or in this case the applicant have lost its share of the market is because the demand from the year 2015 to 2016 was much increased however the applicant failed to increase its capacity. When the quantity and quality is not available with the local producer, in this case the applicant, the user or consumer of the product will of course shift towards imported product. It cannot be evaluated that the dumped imports have increased but yes the demand have mincreased leading to more and more import of the investigated product, however the domestic producer failed to even increase 2% of their production from the year 2015 to the year 2016 which will of course lead to loss of market share.."</p>	<p>the year 2015 to 9.69 percent in the year 2016 although the sales of domestic industry increased in absolute terms by 50% during 2016 as compared to year 2015. The market share of the dumped imports of the investigated product remained static at 75% in year 2014 and year 2015, however it increased to 83.23% in the year 2016. Domestic market increased by 189 percent during the year 2015 as compared to year 2014 and further increased by 131% in the last year of POI i.e. 2016.</p>
<p>"Profit and Loss: The applicants demand and application to the commission is contradictory, as they claim to have increased their profit by almost 9 times from the year 2015 to the year 2016 and yet wishes to get the imported product charged with anti-dumping duty, which is not even dumped in actual terms as proved in above points, thus indeed their intention clarifies here that the applicant is creating reasons which are not real in factual manner to get impose anti-dumping duty and then enjoy a monopolistic position to drive the price at whichever level they wish. The amount and number of profits which the applicant is making are quiet huge and the amounts of profits other steel manufacturers in the region of South East Asia and other parts of the world are not making, which can be verifies from their financials publicized on their websites. Even after such margins being obtained the applicant requests the commission to analyze and assess the potential performance of applicant in absence of imported material, which shows the applicants intention to capture the market and enjoy more profits, which will cause loss to national exchequer provided by the importers in terms of duties, taxes and revenue generation as well as unemployment, loss to the industry as a whole and economic loss to the country as well."</p>	<p>The Commission while making the preliminary determination in the investigation has determined that the Applicant's net profit and profitability increased during the year 2016.</p>
<p>Imposition of Anti-Dumping duty on investigated product will create monopoly of the applicant in the local market which is not legal in the light of Pakistani law.</p>	<p>The purpose of the imposition of the antidumping duties is to remove the unfair advantage being enjoyed by the exporters/foreign producers from the exporting countries which are exporting the investigated product at dumped prices rather to create monopoly of the domestic producer.</p>

<p><u>Comments of HNR Company Ltd:</u></p> <p>The HNR Company an importer of PCM/VCM Color Coated Coils/Sheets made the following comments during the course of investigation:</p>	
<p>“VCM/PCM Steel sheets are neither produced locally nor available locally so the claim of injury to local industry is not correct. There is no reason or justification to impose the anti-dumping duty on import of VCM/PCM Steel Sheets (PCT heading 7210.7010). In addition, it is pertinent to mention that these sheets are of very specific colors, designs and specifications therefore CFR import prices are also very high from normal and simple painted/ color coated sheets.</p> <p>Therefore, we are urging you to exclude the above mentioned PCT heading from investigation of anti-dumping. This is the interest of common man who is customer of home appliances industry.”</p>	<p>After taking into consideration facts and the verification of data/information submitted by the Applicant, the Commission determined that PCM/VCM sheets falling under PCT Code 7210.7010 is not being manufactured locally and hence excluded from the scope of investigated product. .</p>
<p><u>Comments of China Chamber of International Commerce Company Ltd:</u></p> <p>China Chamber of International Commerce (CCOIC), a registered party in this investigation, made the following comments during the course of investigation:</p>	
<p>Requirement of Section 20 of the Act- Sufficiency of Evidence:</p> <p>“The Applicant has failed to provide any of the relevant information that is required for an interested party to draw an intelligible conclusion of the substance of the information provided, as information relating to prices, information relating to volume of dumped products and effects of imports has been deliberately categorized as being confidential and the summaries provided of the same do not permit any interested party to draw the conclusion that dumping and or injury has been caused by the import of CCC into the economy of Pakistan”</p>	<p>The Applicant provided the information relating to prices, volume of dumped imports and effects of dumped imports on state of domestic industry in confidence and provided non confidential information as required under law. Further, the Commission in its initiation memo which is placed in public file for review of the interested parties also provided information relating to prices, volume of dumped imports and effects of dumped imports on state of domestic industry in indexed form which provide ample opportunity to interested parties to draw a conclusion and submit relevant comments.</p>
<p>LEGALITY OF SOURCE OF ORIGIN OF IMPORT DATA:</p> <p>“While reviewing the Application for the Investigation, it has come to our notice that the Commission has provided access to certain information/PRAL data in respect of the Investigated Product which was otherwise not available in the public domain. More</p>	<p>The Commission provided the PRAL data to the Applicant for the purpose of lodging application for this investigation. Further, the Commission provided filtered PRAL data to the Applicant by excluding information relating to</p>

<p>importantly, while this information relates to Chinese Exporters and importers from Pakistan, it has been kept confidential from other interested parties. Therefore, not only have the interested parties been prejudiced by the Commission, the Commission has also acted outside the discretion that has been provided under the Act and the implementation of Article 6 on the Anti-Dumping Agreement.”</p>	<p>importers of the investigated product.</p>
<p>UNWARRANTED CONFIDENTIALITY;</p> <p>“The Applicant was under a duty to furnish non-confidential summaries of confidential information and such non-confidential summaries should permit a reasonable understanding of the substance of the information submitted in confidence. The non-confidential version of the Application does not permit a reasonable understanding of the substance of the information and, therefore, the Importers are handicapped in commenting on substantial parts of the information provided by the Applicant”</p>	<p>The Applicant provided the information relating to prices, volume of dumped imports and effects of dumped imports on state of domestic industry in confidence and provided non confidential information as required under law. Further, the Commission in its initiation memo which is placed in public file for review of the interested parties also provided information relating to prices, volume of dumped imports and effects of dumped imports on state of domestic industry in indexed form which provide ample opportunity to interested parties to draw a conclusion and submit relevant comments.</p>
<p>Concealment of Calculation of Export Price:</p> <p>It is pertinent to note that no reasons have been provided by the Applicant as to why confidentiality has been claimed in the first place. It is common knowledge, that information that is available in the public domain, cannot be claimed confidential, as it is by nature not confidential. The export price is calculated via information that is available on PRAL, which is already in the public domain</p>	<p>The import data of PRAL is not available to the general public at large. The applicant provided information relating to export price based on PRAL data on confidential basis however the Applicant provided the export price information in indexed form in the Application.</p>
<p>EVIDENCE OF INJURY:</p> <p>“In the Application, the Applicant has claimed that it suffered material injury on account of the following:</p> <ul style="list-style-type: none"> - increase in the volume of alleged dumped imports - price undercutting - price depression - price suppression - decline in profits - loss of market share - decrease in capacity utilization - decline in productivity - decline in growth - decrease in return on investment - ability to raise investment - cash flow 	<p>The Commission The Commission initiated the said investigation on basis of prima facie evidence provided by the Applicant and a claim of threat of injury. However, for the purpose of this preliminary determination the Commission analyzed the consequential effects of dumped imports on state of domestic industry and concluded that domestic industry only suffered injury on account of decline in market share of domestic industry and the domestic industry had also a negative effect on growth.</p>

<p>increase in wages and salaries - inventories</p> <p>We take this opportunity to submit that the Applicant has stated that they are facing injury based on the standard checklist pattern of all possible forms of injury. Upon critical analysis of the information provided in the Application, market trends and other information publicly available concerning the Applicant, it becomes apparent that the Applicant has formed a baseless claim of injury in its Application.</p>	
<p>The Domestic Industry did not suffer material or significant injury on account of Dumping, Price Effects or any other factor mentioned in the Non-Confidential Application. The injury claimed by the Applicant is not due to imports from the Exporting Countries but rather due to other reasons clearly identified above.</p>	<p>The factors have ben pointed out but the impact and analysis of the impact has not been provided. In order to enable the Commission to separate the impact due to dumping, the China Chamber of International Commerce may provide impact on injury due to other factors.</p>