



**Government of Pakistan
National Tariff Commission**

Report

On

Final Determination and Levy of Anti-dumping Duties against Dumped Imports of Coated Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from the People's Republic of China

A.D.C No. 44/2016/NTC/CBB

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TABLE OF CONTENTS

<u>S. No</u>	<u>Description</u>	<u>Page No.</u>
A.	PROCEDURE	4
5.	Receipt of Application	4
6.	Evaluation and Examination of the Application	5
7.	Domestic Industry	5
8.	Standing of the Application	7
9.	Applicants Views	8
10.	Exporter/Foreign Producer Involved in Dumping of Bleached Board	8
11.	Initiation of Investigation	9
12.	Investigated Product, Like Product and Domestic Like Product	9
13.	Period of Investigation	12
14.	Information/Data Gathering	12
15.	Verification of information	15
16.	Public File	15
17.	Confidentiality	16
18.	Preliminary Determination	16
19.	Disclosure after Preliminary Determination	16
20.	Hearing	17
21.	Disclosure of essential facts	17
22.	Views/Comments of the interested parties on Preliminary Determination	17
B	DETERMINATION OF DUMPING	
23.	Dumping	19
24.	Normal Value	19
25.	Export Price	19
26.	Dumping Determination	20
27.	Determination of Normal Value	20
28.	Determination of Export Price	22
29.	Dumping Margin	24
30.	Negligible Volume of Dumped Imports	25
C.	INJURY TO DOMESTIC INDUSTRY	
31.	Determination of Injury	26
32.	Domestic Industry	27
33.	Volume of Dumped Imports	27
34.	Price Effects	28
35.	Effects on Market Share	29
36.	Effects on Sales	30
37.	Effects on Production and Capacity Utilization	30
38.	Effects on Inventories	31
39.	Effects on Profits/Loss	31

Final Determination and Levy of Ant – Dumping Duties Against Dumped Imports of Coated Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from People's Republic of China.

40.	Effects on Cash Flow	31
41.	Effects on Employment, Productivity and Salaries & Wages	32
42.	Effects On ROI	32
43.	Effects On Growth	32
44.	Ability to Raise Capital	33
45.	Summing up of Material Injury	34
D	Causation	
46.	Effect of Dumped Imports	34
47.	Other Factors	34
E.	Conclusions	36
F.	Imposition of Definitive Measures	36

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 antidumping 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 Antidumping).

2. The Commission has conducted this investigation, on imports of Coated Bleached Board/Folding Box Board with White Back ("Bleached Board") into Pakistan Originating in and/or exported from the People's Republic of China ("China") under the Act and the Rules. The Commission has made final determination in this investigation under Section 39 of the Act.

3. In terms of Section 29 of the Act, the Commission shall, except in special circumstances, conclude an investigation within twelve months, and in no case more than eighteen months, after its initiation. This investigation was initiated on February 08, 2016 and notice of preliminary determination in this investigation was published in Official Gazette on February 28, 2017. However, The Lahore High Court, Lahore granted stay against the proceeding in this investigation on February 11, 2016. The Lahore High Court in its decision dated March 15, 2016 ordered that:

"Till such time the NTC complies with the requirement of sections 3 and 5 of the Act, the impugned Notice of initiation shall be held in abeyance and as soon as NTC is functional in terms of sections 3 and 5, it may proceed further with the said notice strictly in accordance with law".

4. The Commission was properly constituted on September 05, 2016 and the investigation was resumed accordingly. The Commission made preliminary determination in this investigation on February 28, 2017. After the preliminary determination in this investigation, some importers of the Bleached Board filed petitions against the initiation of investigation and preliminary determination in this investigation in Honorable Peshawar High Court. The Honorable Peshawar High Court in its judgment in W.P. No. 1348-P/2017 dated March 30, 2017 stayed the notice and preliminary determination dated February 28, 2017. The Court held that:

"Inter-alia contends that the Anti-Dumping Appellate Tribunal is not functioning, hence the petitioner is rendered remedy less. Notice be issued to the respondents for 19-04-2017. Till then the operation of impugned notice and impugned determination dated 28-02-2017 are suspended"

5. The Honorable Peshawar High Court on April 19, 2017 disposed of the case in following terms:

"The petitioner may be allowed to release the goods providing as security, postdated cheques equivalent to the impugned duty, good for payment from a scheduled bank. However, in cases, where the petitioners have not made any prior clearances, they are to provide as security,

irrevocable bank guarantees for an amount equivalent to the impugned duty from a scheduled bank for a period of six months”

6. The importers filed Writ Petition No. 4781/2017 in Honorable Sindh High Court, Karachi and The Honorable Sindh High Court in its order dated August 02, 2017 held that:

“---the Commission may proceed with the investigation however; the final determination shall not be passed in the investigation.”

The Honorable Sindh High Court on February 19, 2018 disposed of the case in following terms:

“---in view of the foregoing discussion and analysis these petitions fail and are hereby dismissed. There will be no order as to costs”

6.1 The exporters/producers from china filed a Writ Petition No. 167708 in Honorable Lahore High Court and The Honorable Lahore High Court, in its order dated February 27, 2018 held that:

“...In the meantime, the respondents are restrained from passing any final order/determination in case of the Petitioner”

The Honorable Lahore High Court on March 20, 2018 disposed of the case in following terms:

“...After arguing the matter at some length, a consensus is reached between the parties that petitioner shall file its written response in terms of Section 47(3) of the Anti-Dumping Duties Act, 2015 before the Commission, which shall thereafter pass its decision thereon after granting hearing to all the concerned parties. In order to streamline the process, the petitioner is directed to appear before the Commission on 26-03-2018. The Commission is furthermore directed to hear the parties and pass, a decision thereon within a period of seven days.”

7. On the basis of litigation in the courts and stay orders granted by Honorable Lahore High Court and Honorable Peshawar High Court, the time period for which the proceedings of the Commission were stayed by the Honorable High Courts has been adjusted. The Commission has made final determination in this investigation under Section 39 of the Act. This report on final determination has been issued in accordance with Section 39 of the Act and Article 12.2 of the Agreement on Anti-dumping.

A. PROCEDURE

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

8. Receipt of Application

8.1 On December 21, 2015, the Commission received a written application under Section 20 of the Act from M/s Century Paper & Board Mills Limited, (“the Applicant”) on behalf of the domestic industry manufacturing Bleached Board.

8.2 The Applicant alleged that Bleached Board is being exported to Pakistan at dumped

prices from China. According to the Applicant, dumped imports of Bleached Board from China have caused and are causing material injury to Pakistan's domestic industry producing Bleached Board.

8.3 The Commission informed the Embassy of China, in Islamabad through note verbale dated December 30, 2015, of the receipt of application in accordance with the requirements of Section 21 of the Act.

9. Evaluation and Examination of the Application

6.1 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 Bleached Board from China and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed there in were also found to have been met.

10. The Domestic Industry

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

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

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”.

10.2 The Applicant identified the following two units manufacturing Bleached Board in Pakistan:

- i. Century Paper & Board Mills Limited
- ii. Bulleh Shah Packaging (Pvt) Limited

10.3 The application has been filed by Century Paper & Board Mills Limited and the other unit namely Bulleh Shah Packaging (Pvt.) Limited (BSPL) has supported the application. The Applicant is neither importer of Bleached Board nor related to any importer or exporter of the investigated product

10.4 While submitting comment on the Statement of Essential Facts in the investigation the importers of Bleached Board pointed out that BSPL who is supporting the application in this investigation is related to Packages Limited who has imported the investigated product during the POI. Therefore, BSPL in terms of Section 2(d) of the Act does not qualify to be part of the domestic industry and hence should be excluded from the definition of domestic industry.

10.5 The issue regarding exclusion of manufactures from the domestic industry on the basis of its relationship with the importers of investigated product has been dealt in detail in the report of final determination of BOPP Film (A.D.C No. 22/2010/NTC/BOPP). Paragraph 7.3 and 7.6 of the final determination in BOPP Film investigation which deal with issue of one of the unit in domestic industry whose related company was importer of investigated product in detail are reproduced below:

*“7.3 In this regard it is held that the exclusion of any product from domestic industry is dependent upon the expected behavior of the firm concerned. In case it is suspected that the firm would jeopardize the interest of other domestic producers by way of its interests in imports, only then such firm would be excluded from the domestic industry. It is also important to note that the expected behavior of the firm concerned is in relation to anti-dumping application and not the marketing behavior of the firm. In this regard the practice and standards being followed by other traditional users of anti-dumping law and the history of the WTO negotiations has been considered by the Commission. In this regard a famous lawyer in the field of anti-dumping with the name of Van Beal & Bellis in his book titled “Anti-dumping and other Trade Protection Law of EC” has clarified this issue of imports by related companies with reference to the EC (European Commission) practice. As per page 202 of the book, “A **community producer is held to be an importer regardless of whether it imports directly or through related trading companies. However, when assessing its conduct, indirect imports are relevant only as long as the related importer supplies the community producer or acts in coordination with it”. A reference is also made to EU antidumping investigation of “Quarto Plates” in which the Commission found that none of the producers had themselves imported the products. All imports were carried out by a trading company belonging to the same corporate group as one complaining producer. However, this company was found to act independently. Based on the structure annual reports and have no profit or loss transfer agreement with the holding company. Furthermore, the two companies filed separate income tax returns, has its own board of directors and conduct business relations with other companies at arm’s length. The Commission therefore, concluded that the imports could not affect the status of the producers concerned”***

7.6. It is also to be noted that the expected behaviour is dependent upon the interest of the producer concerned. In this regard it is held that this provision may hold good when the related party of the applicant has imported the product concerned at lower prices from the dumped sources and has sold either to the applicant or in the domestic market under the instructions of the applicant. Packages has not imported the product concerned under the instruction from Tripack nor sold the imported product to Tripack or in the domestic market. Tripack is an independent entity maintaining its own financial accounts, submits separate income tax returns, has no profit and loss transfer agreement with Packages Limited, has its own board of directors and all the sale of packages Limited were at arm’s length as disclosed in its Annual Report. Therefore, there are no grounds to exclude Tripack from the definition of the domestic

industry. Above all, Tripack Ltd. is the major producer and its share in domestic production during POI was 92%. Surely it cannot work differently than the other producers of the BOPP film”.

10.6 This issue was considered by the Anti-Dumping Appellate Tribunal in detail in Appeal No. 58 and 59. The Appellate Tribunal in its decision observed that:

“ We have gone through the definition of domestic industry as is reflective from clause (d) of section 2 of the Ordinance, 2000; so also, from the passages (7.3 & 7.6) of final determination noted above and find enough force in the submissions of the representatives of the respondent. Thus, having discussed the matters as before, we answer the question in positive to hold that the respondent company falls within the definition of domestic industry”.

10.7 In the light of above and the facts that Packages Limited imported only an insignificant quantity (0.7 percent of total dumped imports) during the POI, the Commission has determined that the domestic industry consists of two units mentioned in paragraph 10.2. BSPL is related to an importer of this product, namely Packages Limited. However, since this unit has categorically supported the application, it is not likely to behave differently from unrelated producers and hence it is considered as part of the domestic industry producing like product.

11. Standing of the Application

11.1 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.”

11.2 As per the information collected during the course of investigation, the Applicant produced 51.03 percent of total domestic production of Bleached Board during the period from October 1, 2014 to September 30, 2015. Details of the production of Bleached Board by the domestic industry are as follows:

Table - I
Unit-wise Production during the year 2015

S. #	Name	Share in domestic production (%)	Supporting/ Opposing/ Indifferent (other units)
1.	Century Paper & Board Mills Limited	51.03	Applicant
2.	Bulleh Shah Packaging (Pvt.) Limited	48.96	Supporting
Total		100	

Source: the Applicant

11.3 The information given in the above table reveals the Applicant represents 51.03 percent of the domestic production by the domestic industry. The application has been made by or on behalf of the domestic industry as it is supported by those domestic producers whose collective output constitutes 100 percent of the total domestic production of the domestic like product produced by that portion of domestic industry expressing either support for or opposition to the application. Further, the application has been expressly supported by those domestic producers whose collective output constitute 100 percent of total domestic production of domestic like product produced by domestic industry which is more than 25 percent as required under Section 24(2) of the Act. Thus the standing requirements as given in section 24 of the Act are met and it is determined that the application is made by or on behalf of the domestic industry.

12. Applicants' Views

12.1 The Applicant, *inter alia*, raised the following issues in application regarding dumping of Bleached Board from China and material injury to the domestic industry caused therefrom:

- i. Bleached Board imported from China into Pakistan and that is produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from China are exporting Bleached Board to Pakistan at dumped prices; and
- iii. Exports of Bleached Board by the exporters/producers from China to Pakistan at dumped prices have caused and are causing material injury to the domestic industry producing Bleached Board mainly through:-
 - a. Volume of dumped imports
 - b. Price undercutting;
 - c. Price suppression;
 - d. Price depression;
 - e. Negative effect on market share;
 - f. Negative effect on capacity utilization;
 - g. Negative effect on sales
 - h. Negative effect on inventories;
 - i. Negative effect on profits;
 - j. Negative effect on cash flows;
 - k. Negative effect on growth;
 - l. Negative effect on return on investment;
 - m. Decline in productivity per worker;
 - n. Increase in salaries and wages per MT; and
 - o. Magnitude of dumping margin
- iv. The Applicant also claimed that there is an imminent threat of material injury to the domestic industry of Bleached Board due to dumped imports of Bleach Board from China.

12.2 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 Bleached Board from China 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.

13. Exporter(s)/ Producer(s) Involved in Dumping.

13.1 The Applicant has identified six exporters and six producers involved in dumping of the investigated product from China. The Applicant has stated that there may be other exporters /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 China.

14. Initiation of Investigation

14.1 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 Bleached Board into Pakistan from China and consequent material injury to the domestic industry. Accordingly, the Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on February 08, 2016. Investigation concerning dumped imports of Bleached Board into Pakistan classified under PCT No³. 4810.9200 and 4810.9900 originating in and/or exported from China, was thus initiated on February 08, 2016.

14.2 In pursuance of Section 27 of the Act, the Commission notified Embassy of China in Islamabad of the initiation of investigation (by sending a copy of the notice of initiation) on February 09, 2016 with a request to forward it to all exporters/producers involved in production, sales and export of Bleached Board in China. Copy of the notice of initiation was also sent on February 09, 2016 to known exporters/producers of Bleached Board in China 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 February 09, 2016.

14.3 In accordance with Section 28 of the Act, on February 16 , 2016, the Commission sent copy of full text of the written application (non-confidential version) and Exporter's Questionnaire to the exporters/producers of China who got registered themselves as an interested party in this investigation. On February 16, 2016, copy of the full text of the written application along with Exporter's Questionnaire was also sent to Embassy of China in Pakistan with a request to forward it to all exporters/producers involved in production and/or sale/export of Bleached Board in China. The Importer's Questionnaire was also sent to the importers of Bleached Board on February 16, 2016.

¹ The official Gazette of Pakistan (Extraordinary) dated February 08, 2016.

² The 'Daily Times' and 'Jang' of February 08, 2016 issue.

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

15. Investigated Product, Domestic Like Product and Like Product

15.1 Section 2 of the Act defines "investigated product" (IP), 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".

15.2 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:

15.3 Investigated Product

15.3.1 The "investigated product" as defined in notice of investigation is Coated Bleached Board/ One Side Coated Folding Box Board with White Back Manila pulp or ISC Ivory Board with White Back Manila Pulp (180gsm-400gsm) originating in and/or exported from China to Pakistan. Various manufacturers use different nomenclatures for the said product, however one sided clay coated board with multiplies of various types of bleached wood pulp is considered as the above product and commonly known as coated bleached board/ one side coated folding box board with white back manila pulp or ISC ivory board with white back manila pulp. It is classified under PCT No. 4810.9200 and 4810-9900. It is generally used for folding cartons of numerous superior quality consumer & industrial products like cigarettes, pharmaceuticals, cosmetics, food and spices etc.

15.3.2 The importers of the Bleached Board pointed out during the meeting that product identified by the Commission is broad and the said PCTs i.e. 4810.9200 - multi-ply and 4810.9900 - others contains many paper related articles which do not come under the scope of the investigated product.

15.3.3 The PCT sub-heading contains different paper related product however;

- i. The import data of PRAL has been critically examined for this investigation and only the import figures of the investigated product have been taken into account. the scope of the investigated product is confined to one side coated bleached Board of 180 - 400 gsm. Other products have already been excluded from the scope of investigated product.

15.3.4 After the preliminary determination, an importer i.e. M/s Popular Foods Pvt Limited

approached the Commission and submitted that One Sided Aseptic Coated Board (Clay Coated) used for liquid food packaging is not being produced by the domestic industry. The Commission accordingly obtained the views from the domestic industry regarding contention of the said importer. The domestic industry in their reply confirmed that the domestic industry is not manufacturing One Sided Aseptic Coated Board (Clay Coated) used for liquid food packaging. In the light of explanations and clarifications from the domestic industry, the Commission has excluded One Sided Aseptic Coated Board (Clay Coated) used for liquid food packaging from the scope of investigated product and the investigated product is redefined as under:

“Coated Bleached Board/ One Side Coated Folding Box Board with White Back Manila pulp or ISC Ivory Board with White Back Manila Pulp (180gsm-400gsm) originating in and/or exported from China to Pakistan excluding One Sided Aseptic Coated Board (Clay Coated) used for liquid food packaging”.

15.3.5 The current tariff structure applicable to the investigated product under the PCT headings (4810.9200 and 4810.9900) is given in the table below:

Table-II
Tariff Structure during POI

PCT No	Description	Customs Duty (%)
4810.9200	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size - Other paper and paperboard -- Multiply	20
4810.9900	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size - Other paper and paperboard -- Other	20

15.4 **Domestic Like Product**

15.4.1 The “domestic like product” is One Side Coated Bleached Board of 180 - 400 gsm produced by domestic industry. Various manufacturers use different nomenclatures for the said product, however one side clay coated board with multiplies of various types of bleached wood pulps is considered as the above product and commonly known as coated bleached board/ one side coated folding box board with white back manila pulp or ISC ivory board with white back manila Pulp. It is classified under PCT No. 4810.9200 and 4810.9900. It is generally used for folding cartons of numerous superior quality consumer & industrial products like cigarettes, pharmaceuticals, cosmetics, food and spices etc.

15.5 **Like Product:**

15.5.1 The “like product” is one Side Coated Bleached Board of 180 - 400 gsm, produced and sold by the Chinese exporters/producers of Bleached Board in their domestic market and export markets to countries other than Pakistan. The like product is generally used folding cartons of numerous superior quality consumer & industrial products like cigarettes, pharmaceuticals, cosmetics, food and spices etc. Major uses of the like product are, therefore, identical to those of the investigated product and domestic like product.

15.5.2 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 product etc. Investigated product, the domestic like product and the like product are technically and commercially identical.

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

16. **Period of Investigation ("POI")**

16.1 In terms of Section 36 of the Act, Period of Investigation (hereinafter referred to as “POI”) is:

i. *“for the purposes of an investigation of dumping, an investigation period shall normally cover twelve months preceding the month of initiation of the investigation for which data is available and in no case the investigation period shall be shorter than six months.”*

ii. *“for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:*

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

16.2 The Commission received the application on December 21, 2015 and initiated the investigation on February 08, 2016. For determination of dumping and injury, the Applicant submitted the information/ data up till September 30, 2015. 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 October 1, 2014 to September 30, 2015.

For determination of injury: From October 1, 2012 to September 30, 2015.

17. **Information/Data Gathering**

17.1 The Commission sent Exporter’s Questionnaire to all known exporters/producers in China whose addresses were available with the Commission on February 16, 2016 for collection

of data/information. The exporters/producers were asked to respond within 37 days of dispatch of the Questionnaire. On February 16, 2016, the Questionnaire was also sent to the Embassy of China in Islamabad with a request to forward it to the all exporters/producers of the investigated product in China.

17.2 The Commission's request for supplying information on the prescribed Exporter's Questionnaire was responded by three exporters/producers 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/producers in their requests, the Commission acceded to the requests and granted extension in time period for submission of information on Exporter's Questionnaire till April 11, 2016.

17.3 The Commission received filled-in Exporter's Questionnaires from the following three exporters/producers from China after the expiry of the extended period of time;

- i. Ningbo Asia Pulp & Paper Co Ltd.
- ii. Ningbo Zhonghua Paper Co., Ltd
- iii. Guangxi Jingui Pulp & Paper Co Ltd

17.4 Upon examination of the information received from these three exporters/producers, 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 18 infra

17.5 On February 16, 2016 Questionnaires were also sent to nineteen 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 only one importer namely Saima Packages Pvt Limited provided the data/information on prescribed questionnaire.

17.6 The Commission also sent Questionnaire on February 16, 2016 to other domestic producer of Bleached Board i.e. BSPL, requesting to provide information within 37 days of the issuance of the questionnaire. However data/information on the prescribed questionnaire was not provided by BSPL to the Commission

17.7 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.

17.8 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 at Para 26 supra.

17.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation.

18. Questionnaire(s) Response by Exporters/Foreign Producers:

18.1 Questionnaire Response By Ningbo Asia Pulp & Paper Co Ltd

18.1.1 The Commission sent the Exporter's Questionnaire to Ningbo Asia Pulp & Paper Co. Ltd. (hereinafter referred to as "NAPP") on February 16, 2016. NAPP applied to the Commission in its letter dated February 29, 2016 for extension of time period for submission of response to questionnaire for three weeks. The Commission granted the extension vide its letter dated March 11, 2016 after considering the reasons given in the request for extension. Its response was received in the Commission on April 11, 2016.

18.1.2 According to the information provided in response to the questionnaire, NAPP is a Sino-foreign equity joint venture incorporated under Chinese laws. It has been engaged in the manufacture, sale and export of Bleached Board to Pakistan as well as to other countries and in its domestic market during the POI.

18.1.3 The information submitted by NAPP in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated February 9, 2017.

18.1.4 NAPP 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. NAPP responded to the deficiencies vide its letter dated February 16, 2017.

18.2 Questionnaire Response by Ningbo Zhonghua Paper Co., Ltd

18.2.1 The Commission sent the Exporter's Questionnaire to Ningbo Zhonghua Paper Co., Ltd. (hereinafter referred to as "Zhonghua") on February 16, 2016. Zhonghua applied to the Commission in its letter dated February 29, 2016 for extension of time period for submission of response to questionnaire for three weeks. The Commission granted the extension vide its letter dated March 11, 2016 after considering the reasons given in the request for extension. Its response was received in the Commission on April 11, 2016.

18.2.2 According to the information provided in response to the questionnaire, Zhonghua is a Sino-foreign equity joint venture incorporated under Chinese laws. It has been engaged in the manufacture, sale and export of Bleached Board to Pakistan as well as to other countries and in its domestic market during the POI.

18.2.3 The information submitted by Zhonghua in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated February 9, 2017.

18.2.4 Zhonghua 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. Zhonghua responded to the deficiencies vide its letter dated February 16, 2017.

18.3 Questionnaire Response by Guangxi Jingui Pulp & Paper Co Ltd

18.3.1 The Commission sent the Exporter's Questionnaire to Guangxi Jingui Pulp & Paper Co Ltd (hereinafter referred to as "Guangxi") on February 16, 2016. Guangxi applied to the Commission in its letter dated February 29, 2016 for extension of time period for submission of response to questionnaire for three weeks. The Commission granted the extension vide its letter dated March 11, 2016 after considering the reasons given in the request for extension. Its response was received in the Commission on April 11, 2016.

18.3.2 According to the information provided in response to the questionnaire, Guangxi is a Sino-foreign equity joint venture incorporated under Chinese laws. It has been engaged in the manufacture, sale and export of Bleached Board to Pakistan as well as to other countries and in its domestic market during the POI.

18.3.3 The information submitted by Guangxi in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide the Commission's letter dated February 9, 2017.

18.3.4 Guangxi 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. Guangxi responded to the deficiencies vide its letter dated February 16, 2017.

19. Verification of the Information

19.1 In terms of Sections 32(4) and 35 of the Act and Rule 12 of the Rules, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information and for this purpose verify the information supplied by the interested parties. Accordingly the Commission has satisfied itself as to the accuracy and adequacy of information supplied by the interested parties to the extent possible for the purposes of this final determination.

19.2 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 March 15, 2017 to March 17, 2017. Non-confidential summaries of the verification report is placed in the public file maintained under Rule 7 of the Rules.

19.3 In order to verify information/data provided by the cooperating exporters /producers and to obtain further information, officers of the Commission conducted on-the-spot investigation at premises of the following cooperating exporters/producers from April 17, 2017 to April 26, 2017;

- i. Ningbo Asia Pulp & Paper Co Ltd.,
- ii. Ningbo Zhonghua Paper Co., Ltd.,
- iii. Guangxi Jingui Pulp & Paper Co Ltd.,
- iv. Gold East (Hong Kong) Trading Co., Ltd

19.4 The confidential and non-confidential reports of on the spot investigation were sent to the concerned exporters/producers which contains the reasons of acceptance and rejection of

data/information submitted by exporters/producers in the exporter questionnaire during the investigation. Non-confidential summaries of the verification reports are placed in the public file maintained under Rule 7 of the Rules.

20. Public File

20.1 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.

21. Confidentiality

21.1 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.

21.2 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. The Applicant has submitted non-confidential summaries of the confidential information in accordance with Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in confidence.

21.3 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.

21.4 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.

22. Preliminary Determination

22.1 The Commission made a preliminary determination in this investigation and in terms of Section 37 of the Act, the Commission issued a notice of preliminary determination, which was published in official Gazette of Pakistan and in two widely circulated national newspapers (one English "Daily Dawn" and one Urdu Language ("Daily Dunya") on February 28, 2017 notifying preliminary determination. The Commission imposed antidumping duties ranging from 5.13 percent to 31.62 percent on dumped imports of investigated product from China.

22.2 The Commission sent copy of the notice of preliminary determination to all known interested parties and the same along with non-confidential version of the report of the preliminary determination was posted on the official website.

23. Disclosure Meetings after Preliminary Determination

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

23.2 In response to the notice of preliminary determination the exporters/producers for whom individual dumping margin was calculated in the investigation requested for provision of disclosure documents through mail. The Commission accordingly provided them with the disclosure documents explaining dumping calculation methodology applied for those exporter/producers.

24. Hearing

24.1 In response to notice of preliminary determination dated February, 28 2017, no party requested for a hearing in this investigation in accordance with Rule 14 of the Rules.

24.2 The Sindh High Court, Karachi in its order in C.P. No. D-3399 of 2017 directed the Commission to hold a meeting with the importers. In pursuance of Sindh High Court order the Commission held a meeting with the importers of Bleached Board on June 22, 2017 to obtain the views/comments of the parties. The information submitted by the participants during the meeting and submitted later is available in the public file

25. Disclosure of Essential Facts

25.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Agreement on Anti-dumping, the Commission disclosed essential facts, and in this context dispatched Statement of Essential Facts ("SEF") on July 7, 2017 to all interested parties including the known exporters/producers, the Applicant, the known Pakistani importers, and to the Embassy of China in Islamabad.

25.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Applicant and other interested parties have submitted their comments on SEF.

26. Views/Comments of Interested Parties

26.1 In notice of initiation dated February 8, 2016, 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. However, no interested party furnished comments germane to this investigation within the stipulated time. The Commission received written

submissions/comments from the following interested parties after the meeting held on June 22, 2017:

- Khair Ullah Paper and Board Works Pvt Limited Karachi
- M/S Dawn Convertec (SMC-Private) Ltd. Karachi
- M/S Dawn Paper Mart Karachi
- M/s Deluxe Packages Private Ltd. Karachi
- M/S Trade International Lahore
- Pakistan Association of Printing and Graphic Arts Industry
- Saima Packaging Private Limited
- Al-Qaim Paper works (Pvt) Limited
- SK Enterprises
- M. Kamil Sons (Pvt) Limited
- Akmal Print House Private Limited
- AMAFHH Paper & Board Works (Pvt) Ltd.
- Al-Yaqeen Packages Private Limited
- Pakistan Packages Pvt Limited
- Pak Pap Pvt Limited

26.2 The interested parties also furnished views/comments on SEF issued by the Commission on July 7, 2017. Views/comments and the information submitted by the interested parties have been considered by the Commission while making the final determination in this investigation as far as possible. The interested parties have broadly raised issues with respect to the following:

- i. The scope of the investigated product is too broad
- ii. BSPL who is supporting the Application in this investigation is related to Packages Limited which is importer of the investigated product.
- iii. The domestic industry does not produce/ manufacture a complete range of the paper board variants to fulfill the domestic demand.
- iv. The Applicant has not provided other factors that have affected the output productivity of the domestic like product produced by the Applicant.
- v. The import price of the investigated product is higher than price of domestic like product, hence no injury is caused to the domestic industry.
- vi. Injury claimed by the Applicant is wrongly attributed to the imports of investigated product
- vii. There is no dumping of the investigated product in light of prices given at RISI website
- viii. The quality of the domestic like product is not at par with the international standards.

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

B. DETERMINATION OF DUMPING

27. Dumping

24.1 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”.

28. Normal Value

28.1 In terms of Section 5 of the Act “normal value” is defined as follows:

“a comparable price paid or payable, in the ordinary course of trade, for sales of a like product when destined for consumption in an exporting country”.

28.2 Further, Section 6 of the Act states:

“(1) when there are no sales of like product in the ordinary course of trade in domestic market of an exporting country, or when such sales do not permit a proper comparison because of any particular market situation or low volume of the sales in the domestic market of the exporting country, the Commission shall establish normal value of an investigated product on the basis of either:

“a) the comparable price of the like product when exported to an appropriate third country provided that this price is representative; or

“b) the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and for profits.

“(2) Sales of a like product destined for consumption in domestic market of an exporting country or sales to an appropriate third country may be considered to be a sufficient quantity for the determination of normal value if such sales constitute five per cent or more of the sales of an investigated product to Pakistan:”.

28.3 Ordinary course of trade is defined in Section 7 of the Act as follows:

“(1) The Commission may treat sales of a like product in domestic market of an exporting country or sales to a third country at prices below per unit, fixed and variable, cost of production plus administrative, selling and other costs as not being in the ordinary course of trade by reason of price and may disregard such sales in determining normal value only if the Commission determines that such sales were made –

“(a) within an extended period of time which shall normally be a period of one year and in no case less than a period of six months;

“(b) in substantial quantities; and

“(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.

“(2) For the purposes of sub-clause (b) of sub-section (1), sales below per unit cost shall be deemed to be in substantial quantities if the Commission establishes that –

“(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or

“(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.

“(3) If prices which are below per unit cost at the time of sale are above the weighted average cost for the period of investigation, the Commission shall consider such prices as providing for recovery of costs within a reasonable period of time.”

29. Export Price

29.1 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”.

30. Dumping Determination

As stated earlier the Applicant identified 6 producers and 6 exporters from China involved in dumping of the investigated product. The Commission sent Exporter’s Questionnaire to all known exporters/producers from China on February 16, 2016 for collection of data and information. Questionnaire was also provided to the Embassy of China in Islamabad with a request to forward it to all exporters/foreign producers of the investigated product based in China to submit information to the Commission. In response to the questionnaire, three exporters/foreign producers namely NAPP, Zhonghua and Guangxi provided information in response to the questionnaire. These three exporters/foreign producers are related companies and are all ultimately held by Sinar Mas Paper, Asia Pulp and Paper group (“APP”) China. Further, these three exporters/foreign producers also exported investigated product through a related exporter namely Gold East (Hong Kong) Trading Co., Ltd (“GEHK”). Accordingly, the Commission has worked out a weighted average dumping margin for these three exporters/foreign producers on the basis of verified data which has been applied on these exporters/foreign producers and their related exporter i.e. GEHK. However, a residual dumping margin has been determined for all other exporters/producers of the China.

31. Determination of Normal Value

31.1 The Commission received information on domestic sales, export sales and cost of production etc. of the like product from three exporters/producers from China namely NAPP, Zhonghua and Guangxi in response to the questionnaires. The information submitted by these exporters, was accordingly verified during the on the spot investigation at premises of exporters/producers in China. The information relating normal value which was verified during the verification has been used for determination of normal value as discussed below. Normal value for other non-cooperating Chinese exporters/producers has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

31.2 Determination of Normal Value for NAPP

31.2.1 During POI, in its domestic market, NAPP sold like product to end-users through its numerous domestic related firms. The Annexure D-3 of the exporter questionnaire relating to domestic sales was provided by the NAPP in its response in this investigation. The values and

quantities reported in D-3 were sales made by the related firms in the domestic market. The quantity and value reported at Appendix – I and D-3 of the questionnaire could not be verified with NAPP accounting system during on the spot investigation as these sales were made by the related firms in the domestic market and records of those were not available with NAPP. In the NAPP system the sales value and quantities were the values and quantities of the sales made by the NAPP to the related firms which were understated.

31.2.2 In view of the above, the information provided by NAPP in D-3 would not be suitable for calculation of normal value. Further, the ordinary course of trade test could not be applied on the domestic sales which are made through the related firms in absence of verified cost to make and sell of numerous related firms. In absence of the verified domestic sales, the normal value for the NAPP has been determined on the basis of best information available in terms of Section 32 of the Act.

31.2.3 The Commission has constructed the normal value on the basis of cost to make and sell in terms of Section 8 of the Act. The cost to make and sell of NAPP could not be verified therefore the Commission has used verified cost to make and sell of Zhonghua for construction of normal value. Zhonghua is related to NAPP and both are held by Sinar Mas Paper (China) Investment Co., Ltd, therefore the Commission is of the view that the information of Zhonghua is best available information in terms of Section 32 of the Act in this investigation.

31.3 Determination of Normal Value for Zhonghua

31.3.1 During the POI, in its domestic market, Zhonghua sold like product to end-users through its numerous domestic related firms. The Annexure D-3 of the exporter questionnaire relating to domestic sales was provided by the Zhonghua in its response in this investigation. The values and quantities reported in D-3 were sales made by the related firms in the domestic market. The quantity and value reported at Appendix – I and D-3 of the questionnaire could not be verified with Zhonghua accounting system during on the spot investigation as these sales were made by the related firms in the domestic market and records of those were not available with Zhonghua. In the Zhonghua system the sales value and quantities were the values and quantities of the sales made by the Zhonghua to the related firms which were understated.

31.3.2 In view of the above, the information provided by Zhonghua in D-3 would not be suitable for calculation of normal value. Further, the ordinary course of trade test could not be applied on the domestic sales which are made through the related firms in absence of verified cost to make and sell of numerous related firms. The normal value for the Zhonghua has been constructed in terms of Section 8 of the Act on the basis of its verified cost to make and sell. The Commission is of the view that in absence of the verified domestic sales, verified cost to make and sell is the best information available for construction of normal value.

31.4 Determination of Normal Value for Guangxi

31.4.1 During POI, in its domestic market, Guangxi sold like product to end-users through its numerous domestic related firms. The Annexure D-3 of the exporter questionnaire relating to domestic sales was provided by the Guangxi in its response in this investigation. The values and quantities reported in D-3 were sales made by the related firms in the domestic market. The

quantity and value reported at Appendix – I and D-3 of the questionnaire could not be verified with Guangxi accounting system during on the spot investigation as these sales were made by the related firms in the domestic market and records of those were not available with Guangxi. In the Guangxi system the sales value and quantities were the values and quantities of the sales made by the Guangxi to the related firms which were understated.

28.4.2 In view of the above, the information provided by Guangxi in D-3 would not be suitable for calculation of normal value. Further, the ordinary course of trade test could not be applied on the domestic sales which are made through the related firms in absence of verified cost to make and sell of numerous related firms. In absence of the verified domestic sales, the normal value for the Guangxi would be determined on the basis of best information available in terms of Section 32 of the Act.

31.4.3 The Commission has constructed the normal value on the basis of cost to make and sell in terms of Section 8 of the Act. The cost to make and sell of Guangxi could not be verified therefore the Commission has used verified cost to make and sell of Zhonghua for construction of normal value. Zhonghua is related to Guangxi and both are held by Sinar Mas Paper (China) Investment Co., Ltd, therefore the Commission is of the view that the information of Zhonghua is best available information in terms of Section 32 of the Act in this investigation.

32. Determination of Export Price

32.1 The Commission received information on domestic sales, export sales and cost of production etc. of the like product from three exporters/producers from China namely NAPP, Zhonghua and Guangxi in response to the questionnaires. The information submitted by these exporters/foreign producers and verified during the on the spot verification has been used for determination of export price as discussed below. Export price for non-cooperating Chinese exporters/producers has been determined on the basis of best information available in accordance with Section 32 and Schedule to the Act.

32.2 Determination of Export Price for NAPP

32.2.1 Export price for NAPP 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 and verified during on the spot verification visit. As stated earlier, NAPP did not export directly the investigated product to Pakistan. NAPP exported the investigated product through its related exporter GEHK which is based in Hong Kong. To verify the export sales given in the questionnaire, the investigation team visited the office of GEHK in Hong Kong from April 22, 2017 to April 23, 2017 as all the data related to the export sales were kept by the GEHK in its office at Hong Kong

32.2.2 During POI, GEHK exported investigated product of the NAPP to Pakistan mostly at C&F Karachi basis. All export sales to Pakistan, during POI, were made to un-related customers. To arrive at ex-works/ex-factory level, GEHK reported adjustments in its gross export price on account of credit cost, commission, ocean freight, inland freight, bank charges and other.

32.2.3 During the POI, payment terms were LC at sight. On average GEHK received payment after 18 days. The Commission after the verification has accepted the adjustment on account of credit cost, commission, ocean freight, inland freight. However, while verifying the bank charges

it was found that in the C-3, bank charges were not reported correctly and understated. Accordingly the bank charges has been adjusted in export price on the basis of average bank charges calculated from the selected export sales invoices. In export sales, NAPP reported an adjustment on account of “Other” in the export sales. This includes the expenses incurred by the GEHK on account of compensation expenses. However, this calculation could not be verified by GEHK. As the GEHK is related exporter and it incurred expenses on account of administrative expenses and marketing expenses on export sales. The amount incurred by GEHK on account of administrative/marketing expenses and profit margin has been adjusted in the export price to arrive out at ex-factory export price of NAPP.

32.2.4 The export price at ex-factory level has been worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

32.3 Determination of Export Price for Zhonghua

32.3.1 Export price for Zhonghua 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 and verified during on the spot verification visit. As stated earlier, Zhonghua did not export directly the investigated product to Pakistan. Zhonghua exported the investigated product through its related exporter GEHK which is based in Hong Kong. To verify the export sales given in the questionnaire, the investigation team visited the office of GEHK in Hong Kong from April 22, 2017 to April 23, 2017 as all the data related to the export sales were kept by the GEHK in its office at Hong Kong.

32.3.2 During POI, GEHK exported investigated product of the Zhonghua to Pakistan mostly at C&F Karachi basis. All export sales to Pakistan, during POI, were made to un-related customers. To arrive at ex-works/ex-factory level, GEHK reported adjustments in its gross export price on account of credit cost, commission, ocean freight, inland freight and bank charges.

32.3.3 During POI, payment terms were LC at sight. On average GEHK received payment after 23 days. The Commission after the verification has accepted the adjustment on account of credit cost, commission, ocean freight, inland freight. However, while verifying the bank charges it was found that in the C-3, bank charges were not reported correctly and understated. Accordingly the bank charges has been adjusted in export price on the basis of average bank charges calculated from the selected export sales invoices. Further, As the GEHK is related exporter and it incurred expenses on account of administrative expenses and marketing expenses on export sales. The amount incurred by GEHK on account of administrative/marketing expenses and profit margin has been adjusted in the export price to arrive out at ex-factory export price of Zhonghua.

32.3.4 The export price at ex-factory level has been worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

32.4 Determination of Export Price for Guangxi

32.4.1 Export price for Guangxi 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 and verified during on the spot verification visit. As stated earlier, Guangxi did not export directly the investigated product to Pakistan. Guangxi exported the investigated product through its related exporter

GEHK which is based in Hong Kong. To verify the export sales given in the questionnaire, the investigation team visited the office of GEHK in Hong Kong from April 22, 2017 to April 23, 2017 as all the data related to the export sales were kept by the GEHK in its office at Hong Kong.

32.4.2 During the POI, GEHK exported investigated product of the Guangxi to Pakistan mostly at C&F Karachi basis. All export sales to Pakistan, during POI, were made to un-related customers. To arrive at ex-works/ex-factory level, GEHK reported adjustments in its gross export price on account of commission, ocean freight, inland freight, handling cost, bank charges and other.

32.4.3 During the POI, payment terms were LC at sight. On average GEHK received payment after 24 days. The Commission after the verification has accepted the adjustment on account of credit cost, commission, ocean freight, inland freight. However, while verifying the bank charges it was found that in the C-3, bank charges were not reported correctly and understated. Accordingly the bank charges has been adjusted in export price on the basis of average bank charges calculated from the selected export sales invoices. In export sales, Guangxi reported an adjustment on account of "Other" in the export sales. This includes the expenses incurred by the GEHK on account of compensation expenses. However, this calculation could not be verified by GEHK. As the GEHK is related exporter and it incurred expenses on account of administrative expenses and marketing expenses on export sales. The amount incurred by GEHK on account of administrative/marketing expenses and profit margin has been adjusted in the export price to arrive out at ex-factory export price of Guangxi.

32.4.4 The export price at ex-factory level has been worked out by deducting values reported for accepted adjustments from the gross value of sales transactions.

33. Dumping Margin

33.1 The Act defines "dumping margin" in relation to a product to mean "*the amount by which its normal value exceeds its export price*". In terms of Section 14(1) of the Act the Commission shall determine an individual dumping margin for each known exporter or foreign producer of an investigated product. As mentioned earlier, in response to the questionnaire, 3 exporters/foreign producers namely NAPP, Zhonghua and Guangxi provided information in response to the questionnaire. These three exporters/foreign producers are related companies and are all ultimately held by Sinar Mas Paper (China) Investment Co., Ltd. Further, these three exporters/foreign producers exported investigated product through a related exporter i.e. GEHK. Therefore, in this final determination, the Commission has determined weighted average dumping margin for three exporters and their related exporter and the definitive antidumping duty rate for these exporters/foreign producers and their related exporter is established on the basis of weighted average dumping margin. However, residual dumping margin/antidumping duty rate has been determined for non-cooperating exporters/producers of China.

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

33.3 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”.

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

**Table-III
Dumping Margin**

Country	Exporter Name	Dumping margin as % of	
		Export price	C & F price
China	Ningbo Asia Pulp & Paper Co Ltd.	33.73	28.74
	Ningbo Zhonghua Paper Co., Ltd		
	Guangxi Jingui Pulp & Paper Co Ltd		
	Gold East (Hong Kong) Trading Co., Ltd		
	All other exporters non-cooperating	34.12	29.02

33.5 A residual dumping margin/duty rate has been determined for all other exporters/producers of the China who did not cooperate with the Commission in this investigation. The Commission has determined that dumping margin calculated for NAPP will be applied to all other Chinese exporters/producers.

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

34.1 Section 41(3) 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. Definitive dumping margins for the dumped imports of the investigated product, set out in paragraph 26.4 supra, appear to be above negligible (*de minimis*) level.

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

34.3 The information/data on dumped imports of the investigated product and other imports of coated bleached board has been obtained from PRAL. Volume of dumped imports of the coated bleached board imported from China and other sources during the year 2014-15 is given in the table below:

Table-IV
Volume of Imports of Bleached Board during POI

Country	Volume of Imports in:	
	Absolute (MT)	Percentage
China	57,625	99.60
Other Sources	231	0.40
Total	57,856	100.0

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

35. Price Undertaking

35.1 The Commission received a Price Undertaking offer from the cooperating exporters/producers from China i.e. NAPP, Zhonghua and Guangxi. The offer has been received by the Commission on June 22, 2017. The cooperating exporters/producers proposed a 5.13 percent increase (which is equal to the preliminary dumping margin for cooperating exporters/producers) and fixation of export price and undertake to export of Bleached Board directly or indirectly to Pakistan at prices not below the normal value determined in the preliminary determination. The proposal for the Price Undertaking was considered by the Commission but not accepted and the decision of the Commission was communicated accordingly to exporters/producers from China i.e. NAPP, Zhonghua and Guangxi on November 6, 2017.

35.2 As mentioned above at Para 6.1, the exporters/producers from china filed a Writ Petition No. 167708/2018 in Honorable Lahore High Court and the Honorable Lahore High Court, while disposing off the Petition vide its order dated 20-03-2018 held that *“the petitioner shall file its written response in terms of Section 47(3) of the Anti-Dumping Duties Act, 2015 before the Commission, which shall thereafter pass its decision thereon after granting hearing to all the concerned parties. In order to streamline the process, the petitioner is directed to appear before the Commission on 26-03-2018. The Commission is furthermore directed to hear the parties and pass, a decision thereon within a period of seven days.”*

35.3 In pursuance of the Honorable Lahore High Court, the Commission convened a Hearing on 28-03-2018 to provide an opportunity to the concerned parties to present their view point regarding Price Undertaking. The said hearing was attended by the Legal Counsel of the exporters/producers from China and the Applicant in this investigation. During the hearing, the parties submitted their argument with regard to Price Undertaking. The Commission after hearing the parties has decided not to accept the Price Undertaking being offered by exporters/producers of Bleached Board from China on the following grounds:

- i. The representative of the exporters/producers of Bleached Board from China proposed a 5.13% increase and fixation of export price and undertakes to export Bleached Board directly or indirectly to Pakistan at prices not below the undertaken price based on the provisionally determined dumping margins which were based on the unverified data/information of the exporters/producers of Bleached Board from China. However, a team of concerned officers of the Commission conducted On-the-spot verification at

premises of exporters/producers of Bleached Board from China after the preliminary determination. The dumping margins for the said exporters/producers have changed upward as the data/information of said exporters/producers could not be verified during On-the-Spot verification.

- ii. In terms of Section 46(2) of the Act, the Price Undertaking must be less than or equal to provisionally determined dumping margins. As the dumping margins have significantly changed in the final determination, as compared to the provisionally determined dumping margins, therefore, it is not possible to accept or negotiate Price Undertaking beyond provisionally determined dumping margins. or non-injurious price which is even higher than the dumping margins determined in the final determination.
- iii. Apart from the above, the injury margins determined in this investigation are much higher than the provisionally determined dumping margins and dumping margins determined in the final determination. The Price Undertaking may not be a suitable option to remove the injury being suffered by the domestic industry.

C. INJURY TO DOMESTIC INDUSTRY

36. Determination of Injury

36.1 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...”*

36.2 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”.

36.3 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.

37. Domestic Industry

37.1 As stated in Para 10.2 above, that there are total 2 units in the domestic industry

manufacturing Bleached Board. The application has been filed by Century Paper & Board Mills Limited and the other unit namely Bulleh Shah Packaging (Pvt.) Limited (BSPL) has supported the application. The information relating to production and sales in case of BSPL has been submitted by the Applicant. Details of production of the domestic industry during October, 2014 to September 30, 2015 are as follows:

Table - V
Unit-wise Production during the year 2015

S #	Name	Share in domestic production (%)
1	Century Paper & Board Mills Limited	51.03
2	Bulleh Shah Packaging (Pvt.) Limited	48.96
Total		100

Source: Applicant

37.2 Analysis of injury factors carried out in this final determination in the following paragraphs is based on the information submitted by the Applicant. Any inference drawn in this regard from the data of the Applicant would apply to the entire domestic industry.

38. Volume of Dumped Imports

Facts:

38.1 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, it is considered whether there has been a significant increase in dumped imports, either in absolute terms or relative to the production or consumption of the domestic like product by the domestic industry. The following table shows imports of the investigated product during October 2012 to September, 2015:

Table-VI
Imports of Coated Bleached Board (MT)

	Quantity Imported	Total Consumption in Pakistan	% age of total Consumption
2012-13	25,823	59,378	43.49
2013-14	40,116	80,035	50.12
2014-15	57,625	97,412	59.16

Source: Applicant and PRAL

Note: The year is from October to September.

Analysis:

38.2 The information given in the above table show that the volume of dumped import in year 2013-14 increased by 14,293 MT (55%) over base year of 2012-13. In the year 2014-15 the volume of dumped imports further increased by 17,509 MT (44%) in the year 2014-15 as compared to year 2013-14. Increase in volume of dumped imports during the 2014-15 is 123% over the base year.

38.3 The volume of dumped imports was 43.49% of domestic consumption in the base year 2012-13 and this percentage increased to 50.12% in year 2013-14. Further it increased to the level of 59.16% of consumption in the year 2014-15.

39. 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.

39.1 Price Undercutting**Facts:**

39.1.1 Price undercutting is calculated in the following table on the basis of the information provided in application on ex-factory price of the domestic like product and landed cost of the investigated product:

**Table-VII
Price Undercutting**

Period	Ex-factory price of domestic like product	Landed cost of investigated product	Price under-cutting	
			Absolute	%age
2012-13	100	90	10	10.01
2013-14	108	97	11	10.48
2014-15	103	88	15	14.80

Source: the Applicant

Note: Actual figures have been indexed with reference to the figure of domestic price in the year 2012-13 by taking it equal to 100

Analysis:

39.1.2 The above table shows that the landed cost of the investigated product remained lower than the sales price of the domestic industry in all the three years. The quantum of price undercutting has increased over the years. The price under cutting increased from 10.01 percent in 2012-13 to 10.48 percent in 2013-14 and further increased to 14.80 percent in 2014-15

39.2 Price Depression**Facts:**

39.2.1 Price depression is calculated in the following table on the basis of the information provided in application on ex-factory price of the domestic like product:

**Table-VIII
Calculation of Price Depression**

Period	Ex-factory price of domestic like product	Price depression	
		Absolute	% age
2012-13	100	--	--
2013-14	108	--	--
2014-15	103	6	5.21

Source: the Applicant

Note: Actual figures have been indexed with reference to the figure of domestic price in the year 2012-13 by taking it equal to 100

Analysis:

39.2.2 The above table shows that the domestic price of domestic like product increased in the year 2013-14 as compared to previous year 2012-13. However in the subsequent year 2014-15 the domestic price reduced by 5.21%.

39.3 Price Suppression

Facts:

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

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

Year	Cost to make & sell	Ex-factory price	Price Suppression			
			Increase/ (decrease) in Costs	Increase/ (decrease) in Price	Price Suppression	%age
2012-13	91	100				
2013-14	107	108	16	8	8	7
2014-15	104	103	-3	-6		

Source: the Applicant

Note: Actual figures have been indexed with reference to the figure of domestic price in the year 2012-13 by taking it equal to 100

Analysis:

39.3.2 The above table shows that cost to make and sell of the domestic like product increased by 17.6 percent during the year 2013-14, however, its price increased by 8.4 percent in this year. In the year 2014-15 cost to make and sell of the domestic like product declined by 2.75 percent, however its price declined by 5.21 percent, more than the decline in cost to make and sell in this year.

40. Market Share

Facts:

40.1 The total domestic demand of the bleached board in Pakistan is met through local production and imports. To establish the size of Pakistani market, the Commission has used domestic industry's sales, imports of the investigated product and imports of bleached board

from other sources. Following table shows the market share from each source of supply during last three years:

**Table-X
Market Share**

Year	Share of Local industry in Domestic Market		Share of Dumped Imports in Domestic Market		Share of Imports from other sources in Domestic Market		Total Domestic Market
	Qty	%	Qty	%	Qty	%	Qty
2012-13	55.9	56	43.5	43	0.6	0.6	100.0
2013-14	65.9	49	67.6	50	1.4	1.0	134.8
2014-15	66.6	41	97.0	59	0.4	0.2	164.1

Source: the Applicant and PRAL

Note: Actual figures have been indexed with reference to the figure of total market in the year 2012-13 by taking it equal to 100

Analysis:

40.2 The above table shows that share of dumped imports increased from 43% in 2012-13 to 59% in 2014-15 showing a significant increase over the POI for injury. The share of Domestic industry reduced from 56% in 2012-13 to 41 % in 2014-15. While the domestic market of the Bleached Board increased by 34% and 21.7% in the year 2013-14 and 2014-15 respectively.

41. Capacity Utilization

Facts:

41.1 The capacity utilization of the Applicant during the POI is provided in following table;

**Table-XI
Capacity Utilization**

Year	Capacity Utilization %
2012-13	82.88
2013-14	68.70
2014-15	65.61

Source: the Applicant

Note: The year is from October to September

Analysis:

41.2 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 reduced over time and so the capacity utilization.

42 Sales

Facts:

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

Table-XII
Sales of Bleached

Year	Sales
2012-13	100
2013-14	79
2014-15	80

Source: the Applicant

Note: Actual figures have been indexed with reference to the figure of sales in the year 2012-13 by taking it equal to 100

Analysis:

42.2 The above table shows that sales of domestic industry substantially reduced during 2013-14 as compared to previous year 2012-13. The level almost remained same during 2014-15 despite the fact that domestic market in the year 2014-15 expanded significantly. The Applicant could not take its share in the expanded market.

43. Profit and Loss

Facts:

43.1 Information submitted by the Applicant on its profit/loss from operations is given in the following table:

Table-XIII
Profit/Loss of the Applicant

Year	Net Profit/(Loss)	Net Profit/(Loss) Per Unit
2012-13	100	100
2013-14	10	13
2014-15	(17)	(22)

Source: the Applicant

Note: Actual figures have been indexed with reference to the figures of the year 2012-13 by taking it equal to 100

Analysis:

43.2 It appears from the above table that applicant earned net profit during years 2012-13 and 2013-14. However, in the year 2014-15 the profit was converted into a net loss.

44. Inventories

Facts:

44.1 The data provided by the Applicant on position of their inventories of the domestic like product is provided in the following table:

**Table-XIV
Inventories**

Year	Opening Inventory	Closing Inventory
2012-13	100	64
2013-14	64	152
2014-15	152	94

Source: the Applicant

Note: Actual figures have been indexed with reference to the figure of Opening inventory in the year 2012-13 by taking it equal to 100

Analysis:

44.2 The above table shows that during the year 2012-13 the inventories reduced while increased in 2013-14. However, during 2014-15 the inventories decreased again.

45. Employment, Productivity and Wages**Facts:**

45.1 The data submitted by the Applicant on its employment, and the salaries and wages is given in following table.

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

Year	No. of employees	Productivity Per Worker	Salaries & wages per unit
2012-13	100	100	100
2013-14	93	89	122
2014-15	93	85	143

Source: the Applicant

Note: Actual figures have been indexed with reference to the figures of the year 2012-13 by taking them equal to 100

Analysis:

45.2 The above table shows that number of employees almost remained the same over POI. Productivity per worker has continuously reduced over the years and salaries and wages per unit have increased continuously over the years.

46. Return on Investment**Facts:**

46.1 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-XVI
Return on Investment

Year	ROI %
2012-13	16.17
2013-14	8.78
2014-15	2.06

Source: Applicant

Note: The year is from October to September

Analysis:

46.2 The above table shows that the return on investment of the Applicant has continuously reduced over time.

47. Cash Flow

Facts:

47.1 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-XVII
Cash Flow from Operation

Period	Cash Flow
2012-13	100.00
2013-14	(1.70)
2014-15	66.04

Source: the Applicant

Note: Actual figures have been indexed with reference to the figure of the year 2012-13 by taking it equal to 100

47.2 The above table shows that the industry had a positive cash flow during 2012-13 which converted into negative cash flow during 2013-14. However, there was positive cash flow during 2014-15.

48. Ability to Raise Capital:

The Applicant is facing deterioration in its profitability and decline in return of investment which can affect the confidence of investors and financial institutions.

49. Growth:

The domestic market of the Bleached Board has been increased over the period of time i.e. since 2012-13 to 2014-15 (reference Table-X supra) however a perusal of the table XI supra reveals that domestic industry could not fully utilize its installed capacity even though in the expanded market. Further, installed capacity for production of Bleached Board of the domestic industry remained same over the period of time which is an indication that domestic industry could not increase its investment in production of Bleached Board.

50. Summing up of Material Injury

50.1 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.

50.2 The analysis further shows that the landed cost of the investigated product undercut the prices of domestic like product throughout the POI resultantly the domestic industry has to decrease its price (5.21 percent) in the year 2014-15 to compete with the investigated product in the domestic market. It is further evident from the above analysis that the cost to make and sell of the domestic like product increased by 17.6 percent during the year 2013-14, however, its price increased by 8.4 percent only in the same year. In the year 2014-15 cost to make and sell of the domestic like product reduced by 2.75 percent, however, its price declined by 5.21 percent more than the decline in cost to make and sell in this year. The price effect in terms of price undercutting in all three years and significant increase over time is glaring besides price suppressing and price depressing effect of dumped imports.

50.3 The above effects of dumped imports resulted into decline in sales, output, profits, market share, return on investment and capacity utilization and adversely affected the productivity per worker, salaries and wages per unit as shown in table below;

**Table-XVIII
Effects of Dumped Imports**

Year	2012-13	2013-14	2014-15
Sales	100	79	80
Market Share (%)	56	49	41
Production	100	83	79
Capacity Utilization %	82.88	68.7	65.61
Net Profit/(Loss) Per Unit	100	13	-22
ROI %	16.17	8.78	2.06
Productivity Per Worker	100	89.19	85.30

50.4 Apart from above, the domestic industry had also a negative effect on wages, investment, growth and ability to raise capital of the domestic industry.

50.5 The above effects are significant enough on the basis of which it is determined that domestic industry has suffered material injury due to dumped imports of the investigated product.

D. CAUSATION**51. 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 price depression and adverse effects on market share, sales, profits and profitability, cash flows, return on investment , ability to raise capital and growth of the domestic industry during the POI.

52. Other Factors

52.1 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.

52.2 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 China during the POI. The imports from sources other than China were in insignificant quantities. The landed cost of such imports was higher than ex-factory price of the domestic like product and landed cost of investigated product. Following table shows volume and landed cost of Bleached Board imported from other sources during the POI:

**Table XIX
Imports from Other Sources**

Year	Imports from China (MT)	Imports from Other Sources (MT)	Landed cost from China (Rs/MT)	Landed cost from other sources (Rs/MT)
2012-13	25,823	354	95,467	128,383
2013-14	40,116	806	102,957	117,239
2014-15	57,625	231	92,876	119,545

52.3 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 Bleached Board; and
- iii. The domestic industry did not export Bleached Board during the POI meaning thereby that injury to domestic industry is not because of export performance similarly the productivity alone cannot be considered as a major source of injury to the domestic industry.
- iv. During the POI there was no change in trade restrictive practices.

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

E. CONCLUSIONS

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

- i. the application was filed by the domestic industry as the application is supported by 100 percent of the total production who are expressing their opinion on application;

- 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 China at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the exporters/producers of the investigated product from China 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, price depression, decline in sales, profits, market share and negative effects on salaries and wages, return on investment, ability to raise capital and growth in terms of Section 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

F. IMPOSITION OF DEFINITIVE ANTI-DUMPING DUTY

54. In view of the analysis and conclusions with regard to dumping, material injury, and causation, in terms of Section 50 of the Act, the Commission is required to impose antidumping duty on dumped imports of the investigated product not exceeding margin of dumping established.

55. Weighted average dumping margin and duty rate has been determined for the exporters/producers from China who have provided the information/data during the investigation as these exporters/producers are related companies and are all ultimately held by one group i.e. Sinar Mas Paper (China) Investment Co., Ltd. Further, as these exporters/producers exported investigated product through a related exporter i.e. GEHK, therefore the same weighted average dumping margin and duty rate has been determined for the related exporter. A residual dumping margin for all the non-cooperating exporters/producers from China is determined on the basis of best available information in terms of Section 32 of the Act.

56. For the purpose of imposition of lesser duty rule in terms of Section 43 (1) of the Act the Commission has considered injury margin to see whether a lower duty would be adequate to remove injury of the domestic industry. The calculations of injury margin are given below:

**Table-XX
Calculation of Injury Margin**

Cost to make & Sell of Domestic industry	100
Estimated Profits (5% of cost to make & sell)	5
Estimated non-injurious price	105
C & F price of investigated product	67
Landed cost of investigated product	84
Injury Margin (Non-injurious price-landed cost)/C & F Price *100	31.62%

Note: Actual figures have been indexed with reference to the figure of the cost to make & sell by taking it equal to 100

It may be observed from the above that injury margin i.e. 31.62 percent is higher from the dumping margins calculated for the cooperating exporters/producers from China and non-cooperating exporters/producers from China. Therefore, the anti-dumping duty rate for all the exporters/producers from China will be based on dumping margin.

57. In reaching this Final determination the Commission satisfied itself that Bleached Board imported from China has been imported at dumped prices. The Commission is of the view that the level of injury is sufficient to justify imposition of definitive measures. In order to prevent material injury, the Commission, pursuant to powers under Section 50 of the Act, has decided to impose definitive anti-dumping duty at the rates mentioned below on C&F value in ad valorem terms on imports of Bleached Board imported from China for a period of five years effective from February 28, 2017. The dumped investigated product is classified under PCT heading No. 4810.9200 and 4810.9900.

**Table-XXI
Definitive Antidumping Duty Rates**

Country	Exporter Name	Definitive Antidumping Duty Rates (%)
China	Ningbo Asia Pulp & Paper Co Ltd.	28.74
	Ningbo Zhonghua Paper Co., Ltd	
	Guangxi Jingui Pulp & Paper Co Ltd	
	Gold East (Hong Kong) Trading Co., Ltd	
	All other exporters non-cooperating	29.02

58. Bleached Board imported from sources, other than China shall not be subject to definitive antidumping duties. Further, in accordance with Section 51(1)(e) of the Act, definitive duty will not be levied on imports of the investigated product that are to be used as inputs in products destined solely for exports and are covered under any scheme exempting customs duty for exports under the Customs Act, 1969. Furthermore, the definitive duty rates for cooperating exporters/ producers from China are higher as compared to provisional duty rates, however, the difference would not be collected in terms of Section 55(2) of the Act for the period from May 12 to July 29, 2017. However, the definitive duty rates for non-cooperating exporters/producers from China are lower as compared to provisional duty rates. Claims for refund of difference between provisional antidumping duty and final antidumping duty with respect to the import of

the investigated product would be entertained, if claimed within the stipulated time period under Section 55(2) of the Act.

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

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

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

--Sd--
(Tipu Sultan)
Member
April 09, 2018

--Sd--
(Abdul Khaliq)
Chairman
April 9, 2018

--Sd--
(Robina Athar)
Member
April 09, 2018

Annexure-VI

The comments received from the interested parties during the course of the investigation which are germane to this investigation under the Act is 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

Column-A (Comments of interested parties)	Column - B (Commission's replies/comments)	
Comments of importers/users:		
The importers/users of Bleached Board mentioned below made following comments during the course of investigation;		
<ul style="list-style-type: none">i. Khair Ullah Paper and Board Works Pvt Limited Karachiii. M/S Dawn Convertec (SMC-Private) Ltd. Karachiiii. M/S Dawn Paper Mart Karachiiv. M/s Deluxe Packages Private Ltd. Karachiv. M/S Trade International Lahorevi. Pakistan Association of Printing and Graphic Arts Industryvii. Saima Packaging Private Limitedviii. Al-Qaim Paper works (Pvt) Limitedix. SK Enterprisesx. M. Kamil Sons (Pvt) Limitedxi. Akmal Print House Private Limitedxii. AMAFHH Paper & Board Works (Pvt) Ltd.xiii. Al-Yaqeen Packages Private Limitedxiv. Pakistan Packages Pvt Limitedxv. Pak Pap Pvt Limited.		

“That the scope of the investigated product has not been correctly identified, numerous grades of paperboards are imported under the H.S Code 4810.9200, hence bifurcation is required to discern the import data such that the dumping margin in lieu of the investigated product can be subsequently detected.”

Section 2 (K) of the Act, defines investigated product as “means a product which is subject to antidumping investigation as described in the notice of initiation of investigation. The notice of initiation of investigation defines investigated product as Coated Bleached Board/ One Side Coated Folding Box Board with White Back Manila pulp or ISC Ivory Board with White Back Manila Pulp (180gsm-400gsm) imported into Pakistan from China. However in this final determination the scope of the investigated product has been revised and the variants which are not being manufactured by the domestic industry has been excluded from purview of this investigation. The scope of investigated product and the investigated product is redefined as under:

“Coated Bleached Board/ One Side Coated Folding Box Board with White Back Manila pulp or ISC Ivory Board with White Back Manila Pulp (180gsm-400gsm) originating in and/or exported from China to Pakistan excluding One Sided Aseptic Coated Board (Clay Coated) used for liquid food packaging ”.

Investigated product is classified under Pakistan Customs Tariffs (PCT) heading No. 4810.9200 and 4810.9900. It is generally used for folding cartons of numerous superior quality consumer & industrial products like cigarettes, pharmaceuticals, cosmetics, food and spices etc.

The definition restricts the investigated product to only Coated Bleached Board. The said characteristic has been strictly followed in the investigation and thereafter in imposition of duties. The import data of PRAL has been critically examined for this investigation and only the import figures of the investigated product has been taken into account in this investigation. The investigation is focused on the product defined and not on all the products under the said PCTs.

Final Determination and Levy of Ant – Dumping Duties Against Dumped Imports of Coated Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from People's Republic of China.

<p>“That the investigated product being imported under the H.S Code 4810.9200 and 4810.9900, ranges from 180 GSM to 400GSM, whereas the Applicant who purportedly holds 51 percent of the total domestic market share in capacity of a domestic producer of the investigated product, only produces variants of the investigated product ranging from 190 GSM to 350 GSM, whilst M/S Bulleshah (hereinafter referred to as the supporting Applicant) who purportedly holds 49 percent of the total domestic market share in capacity of a domestic producer of the investigated product produces only three variants of the investigated product i.e. 208 GSM, 240 GSM and 270 GSM. Thus in light of the inability of the Applicant and the supporting Applicant to produce/ manufacture a complete range of the paper board variants and thereby satisfying and/ or fulfilling the domestic demand, the instant application seeking imposition of duties upon imports of the investigated product is not maintainable”</p>	<p>The Commission has described an investigated product in this investigation in terms of Section 2 (K) of the Act. The qualities/products which are not being manufactured by the Applicant/domestic industry are excluded from the scope of investigated product and necessary instructions in this regard have already been issued to Federal Board of Revenue.</p>
<p>“That the inability of the supporting Applicant (M/S Bulleshah Packaging) to manufacture a complete range/ variants of the paperboard (investigated product) is also corroborated upon by the very fact that the supporting Applicant through its sister concern company M/S Packages Limited has over the years been importing various variants of paperboard/ investigated product, which it is not able to manufacture.</p>	<p>The Commission has described an investigated product in this investigation in terms of Section 2 (K) of the Act. The qualities/products which are not being manufactured by the Applicant/domestic industry are excluded from the scope of investigated product and necessary instructions in this regard have already been issued to Federal Board of Revenue.</p>
<p>“That the supporting Applicant has been importing different variants of the investigated product through its sister concern M/S Packages Limited thus the supporting applicant which as per the SEF holds 48.96 percent of the total domestic market production, does not fall with-in the definition of a domestic manufacturer as provided for under Section 2(d) of the Act”</p>	<p>After taking into consideration facts and the analysis of data, the Commission has determined that the supporting applicant i.e. Bullah Shah Paper Limited is related to Packages Limited (“BSPL”) who has imported very meager quantity i.e. 0.7% of the total dumped imports and 0.4% of the total domestic consumption during the last year of the POI. Further, as the BSPL is the supporting applicant in this investigation therefore it is not likely to behave differently from unrelated producers in terms of Section 2(d) of the Act. Therefore, the Commission has determined that the supporting applicant i.e. BSPL can not be excluded from domestic industry.</p>

Final Determination and Levy of Ant – Dumping Duties Against Dumped Imports of Coated Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from People's Republic of China.

<p>“That furthermore the Applicant has fraudulently evaded to provide account of other factors that have had affected the output productivity/ capacity utilization of the Applicant in lieu of the investigated product. It is pertinent to highlight here that the Directors of the Applicant have mentioned in their annual reports that due to shortage/ unavailability of gas and electricity in the winter season the production capacity utilization is greatly affected whilst use of alternative source of energy increases the cost of production.”</p>	<p>While making the preliminary/final determination in the investigation the Commission in accordance with Section 18(2) of the Act, has 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.</p>
<p>“That since the landed cost of imported material is higher by 2.33% as evaluated from the price circular No. CPBM/HO/MK-01-21(05/17) DATED 11-04-2017 and the landed import cost calculations, there is no reason for imposition of anti-dumping duty and as such the application should be called off”</p>	<p>The Commission has rightly determined in this investigation that dumped imports undercut the prices of the domestic like product throughout the POI for injury. As evident from the Table VII of the final determination report, in the last year of POI, the undercutting is of 14.8% which is very higher and imminent.</p>
<p>“That it may further be noted that the Applicant’s sales were equivalent to their utilized capacity for the year 2015. It is evident from the Applicant’s Annual Report that the sales were 157 thousand tons for the year 2015 as compared to their production, which was 158 thousand tons. The assertion as made by the Applicant that the injury in lieu of the investigated product was sustained during the POI is malafide and fraudulent since no losses were accounted for by the Applicant since the sales were equivalent to their production.”</p>	<p>The Commission has analyzed the impact of dumped imports on the profitability of the Applicant from the Bleached Board segment. The profit and loss position provided in this determination is only for the Bleached Board rather than the overall profit and loss position of the Applicant from all the business segments.</p> <p>Further, While making the preliminary/final determination in the investigation the Commission in accordance with Section 18(2) of the Act, has 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.</p>
<p>“That the fact that no losses were incurred in lieu of the imports of the investigated product during the period of investigation if further corroborated upon by the data obtained from RISI (which happens to be the most premium and reliable source of data for the paper board industry and is also the source relied upon by the Applicant), which clearly indicates that no dumping whatsoever in lieu of the investigated product occurred during POI and/or even otherwise.”</p>	<p>In this investigation, the Commission has determined the dumping margins on the basis of data/information provided by the exporters/producers during the investigation and which was subsequently verified during the on spot verification. In presence of primary/direct data/information, the use of information of RISI which is a secondary source of information is not suitable.</p>

Final Determination and Levy of Ant – Dumping Duties Against Dumped Imports of Coated Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from People's Republic of China.

<p>“The loss of 205 Million in the year 2014-2015 is not because of injury due to dumping of the investigated product as claimed by the applicant, it is because of the financial mismanagement of the company, the financial cost in the year 2014-2015 was 576 million vs 356 million in 2015-2016 for which they admittedly states in financial of 2015-2016 that the financial cost were reduced by 220 million from the preceding year by better portfolio management of their funds and declining interest rate.”</p>	<p>The Commission has analyzed the impact of dumped imports on the profitability of the Applicant from the Bleached Board segment. The profit and loss position provided in this determination is only for the Bleached Board rather than the overall profit and loss position of the Applicant from all the business segments.</p> <p>Further, While making the preliminary/final determination in the investigation the Commission in accordance with Section 18(2) of the Act, has 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.</p>
<p>“That the NTC in its Preliminary Determination has levied 5.13 % duty on Asia Ningbo Pulp & Paper Co. Ltd and 31.62 % duty on other Chinese Mill which is unjustifiable on any pretext, 31.62 % Anti Dumping Duty means price difference between the APP Ningbo Mill and other Chinese Mill is around USD 200 which is certainly not the case as the price difference between different Chinese mill producing similarly quality of investigated product is not more than USD 20 in both domestic and export markets.”</p>	<p>The threshold of dumping margin is established on the comparison of the export price and the normal value of the investigated product. The Commission while determining the duty rate for the exporters/producers including NAAP who cooperated during the investigation on the basis of their data. Three exporters/foreign producers namely NAPP, Zhonghua and Guangxi provided information in response to the questionnaire. These three exporters/foreign producers are related companies and are all ultimately held by Sinar Mas Paper, Asia Pulp and Paper group (“APP”) China. These three exporters/foreign producers exported investigated product through a related exporter namely Gold East (Hong Kong) Trading Co., Ltd (“GEHK”). Accordingly, the Commission has worked out a weighted average dumping margin for these three exporters/foreign producers on the basis of verified data which has been applied on these exporters/foreign producers and their related exporter i.e. GEHK. However, a residual dumping margin has been determined for all other exporters/producers of the China.</p>

Final Determination and Levy of Ant – Dumping Duties Against Dumped Imports of Coated Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from People's Republic of China.

<p>“That the employment, productivity, salaries/ wages, return on investments and growth are all directly dependent on the capacity utilization of the Applicant, whereas the directors of the Applicant have attributed the low level of output productivity with shortage of gas and power and as of the mis-management of the port-folio, thus having no nexus with the alleged dumped imports of the investigated product.”</p>	<p>The Commission while making the preliminary/final determination in the investigation the Commission in accordance with Section 18(2) of the Act, has 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.</p>
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