

**Notice of Final Determination and Imposition of Definitive Antidumping Duty on Dumped Imports of Lead Pencils into Pakistan Originating in and/or Exported from China**

National Tariff Commission (the "Commission") initiated an anti-dumping investigation on December 13, 2017, under Section 23 of the Anti-Dumping Duties Act, 2015 (the "Act") after establishing that the application lodged by M/s Indus Pencils Industries Pvt. Ltd. Karachi (the "Applicant") was in accordance with Section 20 and 24 of the Act. The investigation was on dumping of Lead Pencils, originating in and/or exported from the People's Republic of China ("China") into Pakistan and material injury caused therefrom to the domestic industry producing Lead Pencils. The Commission made a preliminary determination in this case in terms of Section 37 of the Act on June 06, 2018. In accordance with the Act and the Anti-Dumping Duties Rules, 2001 (the "Rules"), the Commission has made its affirmative final determination as follows:

**Product under Investigation:** The investigated product is pencils with lead encased in a rigid (wood or plastic) sheath ("Lead Pencils"). It is classified under PCT Heading No. 9609.1000. Investigated product is used for writing/coloring in schools, offices etc.

**Period of Investigation:**

For determination of dumping: From July 01, 2016 to June 30, 2017

For determination of injury: From July 01, 2014 to June 30, 2017

**Determination of Dumping:** The Commission received necessary information from six Chinese producers/exporters of Lead Pencils, therefore, individual dumping margins are determined for the six producers/exporters on the basis of the information provided by them, which are ranging from 5.54% to 66.94%.

**Injury to the Domestic Industry:** Injury to the domestic industry has been determined in accordance with Part VI of the Act. The Commission has determined that the domestic industry suffered material injury on account of significant increase in dumped imports in absolute terms as well as relative to production of the domestic like product; significant price undercutting, price suppression, loss in market share, increase in losses, negative effect on: cash flows, return on investment and employment. Further, there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

**Injury Factors other than Dumped Imports:** The Commission has also examined factors other than dumped imports, which were causing injury to the domestic industry. Analysis showed that the domestic industry also suffered some injury due to its export performance and imposition of sales tax on inputs/raw materials in the year 2016-17. However, injury caused by such other factors was not the main reason of material injury to the domestic industry.

**Imposition of Definitive Anti-Dumping Duties:** In reaching this final determination, the Commission is satisfied that the investigated product has been imported from China at dumped prices, therefore, the Commission is required to impose antidumping duty on dumped imports under Section 50(1) of the Act. However, the Commission, terms of Section 50 (2) of the Act, has decided to impose lower duty equal to the injury margin as this lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of investigated product. The injury margin at C&F level works out 9.56%.

The injury margin determined at C&F level is more than the dumping margin at C&F level except in case of Zhejiang Best Intenerated Pencil Wood Co. Ltd. and Songxi Wanda Trading Co., Ltd. Therefore, definitive antidumping duty for Zhejiang Best Intenerated Pencil Wood Co. Ltd. and for Songxi Wanda Trading Co., Ltd., if the Lead Pencils exported by Wanda are produced by the Best, will be equal to the dumping margin i.e. 4.92 percent *ad valorm* of the C&F value. For all other exporters from China the definitive antidumping duty will be equal to the injury margin, which is 9.56 percent *ad valorm* of the C&F value.

The Commission has decided to impose definitive anti-dumping duty retroactively at the rates mentioned above on imports of Lead Pencils importable from China for a period of five years effective from the date of publication of notice of preliminary determination in the Official Gazette and in the press on June 06, 2018. Definitive antidumping duty levied on import of the investigated product would be in addition to other taxes and duties leviable on its imports under any other law.

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

Lead Pencils imported from other sources (other than the China) shall not be subject to the anti-dumping duty.

**Refund:** In terms of Section 55(2) of the Act, if the definitive anti-dumping duty rate is lower than the amount of provisionally determined dumping margin, the difference shall be refunded by the Commission. Therefore, importers of the investigated product may request for refund of the provisional antidumping duty (if any) on imports of the investigated product from China to the extent of the difference between the rate of definitive anti-dumping duty and the rate of provisional anti-dumping duty to the Secretary, National Tariff Commission, State Life Building No. 5, Blue Area, Islamabad within a period of *thirty* days of the publication of notice of this final determination.

**Disclosure meeting:** Pursuant to Rule 16 of the Rules, the exporters/producers of the investigated product whose individual dumping margins are determined, may request for a disclosure meeting within 15 days of the date of publication of this notice.

**Further Information:** A non-confidential version of the detailed report of final determination is placed on public file established and maintained by the Commission. It is also posted on the Commission's website: [www.ntc.gov.pk](http://www.ntc.gov.pk)

**Authority under Law:** This notice is published pursuant to Section 39 of the Act by order of the Commission.

(Naeem Anwar)  
Secretary  
October 10, 2018