



**Government of Pakistan  
National Tariff Commission**

**Report**

**On**

**Final Determination and Levy of Definitive Anti-Dumping  
Duties on Dumped Imports of Cold Rolled Coils/Sheets into  
Pakistan Originating in and/or Exported from the European  
Union, Republic of Korea, Chinese Taipei and Vietnam**

**ADC NO.60/2021/NTC/CRC  
February ---, 2022**

**Final Determination and Levy of Definitive Anti-Dumping Duties on Dumped Imports of Cold Rolled Coils/Sheets into Pakistan Originating in and/ or Exported from the European Union, Republic of Korea, Chinese Taipei and Vietnam**

The National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (the "Act"), the Anti-Dumping Duties Rules, 2001 (the "Rules") and the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Antidumping Agreement").

2. The Commission is responsible for conducting anti-dumping investigations for determination of dumping of the imported products, injury to the domestic industry and imposition of anti-dumping duty to offset injurious impact of dumped imports on domestic industry and to ensure fair competition thereof.

3. The Commission has conducted an investigation on dumped imports of flat-rolled products of iron or non-alloy steel of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250 mm, cold-rolled (cold-reduced), not clad, plated or coated, in rolls or slit to length sheets, of prime and secondary quality ("CR Coils/Sheets") into Pakistan originating in and/or exported from the European Union, Republic of Korea, Chinese Taipei and Vietnam (the "Exporting Countries"), under the Act and the Rules. The Commission has made this final determination in this investigation under Section 39 of the Act. This report on final determination is issued in accordance with Section 39(5) of the Act and Article 12.2 of the Antidumping Agreement.

4. In terms of Section 39(1) of the Act, the Commission shall make a final determination of dumping and injury within one hundred and eighty days of publication of a notice of preliminary determination in the official Gazette. Notice of preliminary determination in this investigation was published in Official Gazette and in newspapers on August 23, 2021.

**A. PROCEDURE**

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

**5. Receipt of Application**

5.1 On December 28, 2020, the Commission received a written application under Section 20 and 24 of the Act from M/s Aisha Steel Mills Limited, Karachi and M/s International Steel Limited, Karachi (the "Applicants"). The Applicants are producers of flat-rolled products of iron or non-alloy steel, cold-rolled (cold-reduced), not clad, plated or coated coils and sheets ("CR Coils/Sheets"). The Applicants alleged that CR Coils/Sheets originating in and/or exported from the Exporting Countries are being dumped into Pakistan, which have caused and are causing material injury to the domestic industry producing CR Coils/Sheets.

5.2 The Commission informed Diplomatic Missions of the Exporting Countries in Islamabad through note verbal dated December 30, 2020, of the receipt of application in accordance with the requirements of Section 21 of the Act.

## **6. Evaluation and Examination of the Application**

Examination of the application showed that it met requirements of Section 20 of the Act as it contained sufficient evidence of alleged dumping of CR Coils/Sheets into Pakistan from the Exporting Countries and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relates to the submission of information prescribed therein were also found to have been met

## **7. The Domestic Industry**

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

*“domestic industry” means the domestic producers as a whole of a domestic like product or those 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”.*

7.2 According to the information available with the Commission, the domestic industry producing CR Coils/Sheets consists of following five units:

- i. Aisha Steel Mills Limited (“ASL”), Karachi;
- ii. International Steel Limited (“ISL”), Karachi;
- iii. AHN Steel Pvt. Limited, Lahore;
- iv. Hadeed Pakistan Pvt. Limited, Lahore, and
- v. Pakistan Steel Mills Limited, Karachi.

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7.3 Out of these five units, two units i.e. M/s Aisha Steel Mills Limited, Karachi and M/s International Steel Limited, Karachi are Applicants in this investigation. The Commission on February 25, 2021 and May 25, 2021 sent questionnaires to AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd. respectively for necessary information. In response, AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd provided limited information only relating to production and installed capacity during Period of investigation (“POI”) for dumping.

7.4 On the basis of available information, the total installed production capacity of CR Coils/Sheets in Pakistan is 2,260,000 MT per annum. However, Pakistan Steel Mills Ltd. is not in operation since 2015, therefore, operational capacity of the domestic industry is 2,050,000 MT per annum. Further, both the Applicants also used CR Coils/Sheets inhouse for production of galvanized and coloured coils/ sheets. Their installed capacity for galvanized and coloured coils/ sheets is 796,000 MT per annum, therefore, domestic industry’s current operational installed capacity for production and sale of CR Coils/ Sheets in the market is 1,254,000 MT:

7.5 Following table shows unit-wise installed capacity of the domestic industry:

**Table-I**  
**Unit-wise Current Installed Production Capacity (MT)**

S. No.	Unit Name	Installed Capacity*
i.	Aisha Steel Mills Limited	700,000
ii.	International Steel Limited	1,000,000
iii.	AHN Steel Limited	50,000
iv.	Pakistan Steel Mills Limited	210,000
v.	Hadeed Pakistan Pvt. Ltd.	300,000
vi.	Total	2,260,000

\*Installed capacity is determined on the basis of CR coils of 0.5/0.6 mm thickness on triple shift basis

\*Sources: the Applicants, AHN Steel Pvt. Ltd. and Hadeed Pakistan Ltd.

**8. Standing of the Application**

8.1 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.”*

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

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

8.3 The application is filed by the Applicants, who are major producers of CR Coils/ Sheets in Pakistan. The other units in operation (AHN Steel Pvt. Limited and Hadeed Pakistan Pvt. Ltd.) are minor units, whereas the fifth unit in the industry, i.e. Pakistan Steel Mills Ltd. is not in operation since 2015. As per the information available with the Commission, the Applicants produced 89.34 percent of CR coils/ sheets of the total domestic production during October 01, 2019 to September 30, 2020. Therefore, the application fulfills standing requirements of Section 24 of the Act. Following table shows production share of each unit of the domestic industry during POI for dumping:

**Table-II  
Standing of Application**

S. No	Unit Name	Share in total production		Status
		Volume (MT)	% of total	
i.	Aisha Steel Mills Limited	165,256	43.20	Applicant
ii.	International Steel Limited	176,505	46.14	Applicant
iii.	AHN Steel Pvt. Limited	4,787	1.25	Indifferent
iv.	Hadeed Pakistan Pvt. Ltd.	35,963	9.40	indifferent
v.	Pakistan Steel Mills Limited	---	---	Closed
	Total	382,511	100.00	

Source: the Applicants, AHN Steel Pvt. Ltd. and Hadeed Pakistan Ltd.

8.4 None of the domestic producers have opposed the application. The application is made by the domestic producers who account for 89.34 percent of the total production of the domestic like product. Thus, the application fulfills both requirements of Section 24 of the Act (paragraphs 8.1 and 8.2 supra). Therefore, it is determined that the application is made by the domestic industry.

**9. Applicants' Views**

9.1 The Applicants, interalia, raised the following issues in application regarding dumping of CR Coils/Sheets and material injury to the domestic industry caused therefrom:

- i. CR Coils/Sheets imported from the Exporting Countries into Pakistan and CR Coils/Sheets produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from the Exporting Countries are exporting CR Coils/ Sheets to Pakistan at dumped prices; and

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- iii. Exports of CR Coils/Sheets by the exporters/producers from the Exporting Countries to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing CR Coils/ Sheets mainly through:
  - (a) Increase in volume of dumped imports;
  - (b) price undercutting;
  - (c) price suppression;
  - (d) decline in productivity;
  - (e) decline in capacity utilization;
  - (f) decline in sales;
  - (g) decline in profits;
  - (h) decline in return on investment;
  - (i) negative effect on inventories;
  - (j) negative effect on cash flows;
  - (k) magnitude of dumping margins

9.2 The Applicants also claimed that there is threat of material injury to the domestic industry.

9.3 The Applicants made following requests to the Commission:

- i. Initiate an investigation on dumping of CR Coils/Sheets from the Exporting Countries under Section 23 of the Act;
- ii. Impose appropriate antidumping duties on dumped imports of CR Coils/ Sheets in accordance with Section 50 of the Act; and
- iii. Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.

**10. Anti-dumping Duties In-place on Dumped Imports of CR Coils/Sheets:**

10.1 The Commission imposed following definitive anti-dumping duties on dumped imports of CR Coils/Sheets from the People’s Republic of China (“China”) and Ukraine for a period of five years effective from January 13, 2016:

**Table-III  
Definitive Antidumping Duty Rates**

Country	Exporter / Producer Name	Antidumping Duty Rate (%)
<b>China</b>		
	Shougang Casey Steel Company Ltd.	19.04
	Shougang Jingtang United Iron & Steel Co. Ltd.	19.04
	Beijing Shougang Cold Rolling Company Ltd.	16.27
	Handan Iron & Steel Group Han-Bao Co. Ltd.	13.17

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	Maanshan Iron & Steel Company Ltd.	19.04
	All others	19.04
<b>Ukraine</b>		
	Zaporizhstal Integrated Iron-and-Steel Works	18.92
	Ilyich Iron and Steel Works of Mariupol	18.36
	All others	18.92

10.2 On request of the Applicants, the Commission has conducted a sunset review of anti-dumping duties on dumped imports of CR Coils/Sheets from China and Ukraine under Section 58 of the Act and the anti-dumping duties imposed on dumped imports of the CR Coils/sheets from China have been extended for further period of five years, whereas anti-dumping duties imposed on imports of the CR Coils/sheets from Ukraine have been terminated.

10.3 The Commission has also conducted another antidumping investigation on imports of Cold Rolled Coils/Sheets/Strips into Pakistan originating in and/or exported from Canada and Russian Federation and has imposed definitive anti-dumping duty at the rate of 13.94 percent with effect from September 20, 2019 for a period of five years.

**11. Exporter(s)/Producer(s) Involved in Dumping.**

In the application, the Applicants have identified 43 exporters/producers involved in dumping of the investigated product from the Exporting Countries. The Applicants have also stated that there may be other exporters/producers of CR Coils/Sheet in the Exporting Countries, which are not known to them. Therefore, the Applicants have requested for imposition of antidumping duties on all imports of CR Coils/Sheets originating in and/or exported from the Exporting Countries.

**12. Initiation of Investigation**

12.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and determined that there was sufficient evidence of dumping of CR Coils/ Sheets into Pakistan from exporting countries and consequent material injury to the domestic industry. Therefore, the Commission decided to initiate an investigation in this case on February 23, 2021.

12.2 The Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette<sup>1</sup> of Pakistan and in two widely circulated national newspapers<sup>2</sup> (one in English language and one in Urdu Language) on February 25, 2021. Investigation concerning alleged dumped imports of CR Coils/

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated February 25, 2021.

<sup>2</sup> The daily 'Nation' and 'Express' of February 25, 2021 issues.

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Sheets into Pakistan originating in and/or exported from the Exporting Countries was thus initiated on February 25, 2021 in accordance with Section 27(2) of the Act.

12.3 In pursuance of Section 27 of the Act, the Commission notified Diplomatic Missions of the Exporting Countries in Islamabad of initiation of the investigation (by sending a copy of the notice of initiation) on February 25, 2021 with a request to forward it to all exporters/ producers involved in production, sales and export of CR Coils/Sheets in the Exporting Countries. Copy of the notice of initiation was also sent to exporters/ producers directly (whose addresses were available with the Commission), Pakistani importers, the Applicants and other domestic producers on February 25, 2021.

12.4 In accordance with Section 28 of the Act copies of full text of the written application (non-confidential version) were sent on February 25, 2021 to all exporters/ producers, whose complete addresses were available with the Commission and to the Diplomatic Missions of the Exporting Countries in Islamabad with a request to forward it to their respective exporters/ producers involved in production, sale and/or export of CR Coils/ Sheets.

**13. Investigated Product, Domestic Like Product and Like Product**

13.1 Section 2 of the Act defines "investigated product" (IP), domestic like product and like product as follows:

- i. **Investigated Product**  
*"means 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**  
*" means a product which is alike in all respects to an investigated product or, in the absence of such a product , another product which , although not alike in all respects, has characteristics closely resembling those of the investigated product".*

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

**13.3 Investigated Product**

13.3.1 The investigated product as defined in notice of initiation was flat-rolled products of iron or non- alloy steel of a width of 600mm or more, cold- rolled (cold-reduced), not clad, plated or coated ("CR Coils/Sheets"), of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm in rolls or slit to length sheets, excluding CR Coils/ Sheets used in auto skin/ grade. The investigated product is



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classified under Pakistan Customs Tariff<sup>1</sup> (“PCT”) Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

13.3.2 CR Coils/Sheets generally used in production of automotive parts, sub-assembly/inner body parts, fabrication of goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc.

13.3.3 CR Coils/Sheets that meet technical requirements, which are specified in the standards, are categorized as prime quality product and which do not meet technical requirements and specified criteria of the standards are termed as non-prime or secondary quality product, such as variation in specifications, chemical composition, deviation in mechanical properties i.e. tensile strength, yield strength, hardness surface imperfections, scratches, dents, cross break marks, rust, oxidation marks, wrinkles, metal sticking, damaged/torn/bent edges etc. Therefore, secondary quality CR Coils/Sheets are generated during production, slitting as well as sales of the product.

#### 13.3.4

13.3.4 M/S Siddiqsons Tin Plate Limited (“STPL”) a manufacturer of tinplate approached the Commission and submitted that the Applicants do not possess capability to produce Tin Mill Black Plate (“TMBP”) which is used in production of tinplate. The Staff of the NTC discussed this issue with the Applicants in May, 2021 during *on- the-spot* verification visit conducted. The Applicants responded that they have the capability to produce TMBP on its production facility and during the POI they had sold the CRC to M/S STPL meant to be used for production of Tinplate. To verify this, the Staff obtained record of sales made to STPL by the Applicants during the POI. Details of the Applicants’ sales to STPL were reported in on-the-spot investigation reports which were made available to interested parties including STPL by placing the same in the public file.

13.3.5 M/s STPL contested that they purchased CRC from the Applicants which was not TMBP. M/S Shamim Tin Merchant Pvt. Ltd and M/S Stamco Steel Corporation, also approached the Commission and submitted that TMBP was different from CRC in all aspects. According to them there were two types of TMBP i.e; SPCC which was not suitable for food packaging and MR type which was suitable for food packaging. Both of them pleaded that domestic industry was producing only SPCC grade and not MR type, therefore, they requested to exclude MR type TMBP from the scope of the investigation.

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

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13.3.6 On 02.07.2020, a meeting chaired by the Chairperson NTC was held with M/s International Steel Mills Limited (ISL), M/s Aisha Steel Mills Limited (ASML) and Siddiqsons Tin Plate Limited (STPL) to discuss whether TMBP was locally produced or not. During the meeting STPL pointed out that TMBP was not locally produced and requested to exclude it from the scope of the investigated product. M/s ISL and ASML informed that they were “producing and selling TMBP in Pakistan”. In view of the stated conflicting positions taken by all the three named parties, the Chairperson NTC decided to ask Engineering Development Board (EDB) to verify the local production status of TMBP which it had earlier confirmed during 2018. EDB was also asked to include representatives of NTC and STPL during verification process (Annex - I)

13.3.7 The EDB constituted a committee consisting of officers from EDB, NTC, FBR/Customs, Pakistan Council of Scientific and Industrial Research (PCSIR) and Pakistan Industrial Development Corporation (PIDC) for assessment of capability of the domestic industry to manufacture TMBP but did not include the representative of STPL. The Committee visited the manufacturing facilities of International Steel Limited and Aisha Steel Limited on October 7-8, 2021 and carried out analysis of the production facilities of the domestic industry. The Committee gave non-consensus reports (**Annex - II**) as the representative of FBR disagreed with other members of the Committee on actual production and capacity to produce TMBP by the domestic industry.

13.3.8 Findings of the above cited EDB Committee are summarized below:

(a) Findings relating to ISL:

- (i) ISL has the requisite facility that rolling mill can achieve minimum thickness of 0.15mm;
- (ii) ECL process is not available at manufacturing facility of ISL for which they have made arrangements with ASML for getting that process done over there;
- (iii) ISL supplied TMBP grade MRT2 & MRT3 to STPL; therefore; Committee recommended that current facility of ISL may be considered for manufacturing of TMBP and CRC.

(b) Findings relating to ASML:

- (i) ASML has the requisite facility that rolling mill can achieve minimum thickness of 0.15mm;
- (ii) ASML supplied the material to STPL to the extent of SAE1006 grade, therefore, Committee recommended that current facility of AMSL may be considered for manufacturing of TMBP and CRC.

13.3.9 In order to ensure transparency in the proceedings, the Commission decided to share the above cited reports of EDB with the Applicants as well as STPL and advised them to give views/comments thereon. Meanwhile, the Commission also scrutinized the findings of the report as well as contents of dissenting note of FBR's

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representative. Following was particularly noted by the Commission:

(a) para 6 in both the reports stated the data provided by the firms included, *inter alia*, purchase orders issued by STPL and consequent sales tax invoices issued by ISL and ASML. This could be an appropriate and legally correct evidence but the FBR’s rep stated in his dissenting note that despite demand from his side, no such documents were provided;

(b) during the visit, NTC’s rep was given a folder containing related documents. The Commission scrutinized this folder to see in particular the purchase orders issued by STPL during POI and sales invoices issued by ISL and ASML;

(c) copies of four contracts issued by STPL to ASML were found. One contract related to POI while three others were out of POI. Eight sales invoices were issued by ASML – four within POI and four out of POI. All the four cited purchase orders were for ‘CRC’ and all the invoices were for ‘CRC’ with given thickness and width as in purchase orders. No invoice for Sale of TMBP;

(d) in the cited folder copies of six purchase orders issued by STPL to ISL were found. Five out of six Orders related to 2021 i.e; post POI but one Order related to POI. Two sets of sales invoices – one consisting of 56 and other consisting of 86 invoices were there. In the set of 56 invoices which mostly related to POI, given description of product was, “CR Coil 0.150x1219 MILL EDGE STANDARD PACKED SPCC-1 BRIGHT FINISH OILED TENSION LEVELLED P” Thickness & width differed in certain invoices but other description remained the same. In all these 56 sales invoices, no corresponding purchase order number was mentioned, therefore, it could not be ascertained as to what was the description given in the Purchase Oder;

(e) in 2<sup>nd</sup> set of 86 invoices, 73 invoices had no corresponding purchase order No. but 13 had corresponding purchase Order No. 21080002 dated 09.08.2021. This is one of the six purchase orders as quoted at (d) above. Description in cited purchase order no. vis-à-vis description in sales invoices is quoted below:

Description in purchase order <b>(Annex- III)</b>	Description in sales invoices. One sample invoice <b>at Annex – IV</b>
Prime cold rolled steel coil 0.28MMX 1025mm	
Prime cold rolled steel coil 0.25 mmx 914 mm	Tin mill black plate 0.250x0914 standard packed MRT3 bright finish un oiled tension levelled p

(f) While the purchase order was for ‘CRC’ the corresponding sales invoice was for ‘TMBP’. This description in sale invoices is there in all the 86 invoices.

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Since no corresponding purchase order was mentioned in remaining 129 (56+73) sales invoices, therefore, it was not possible to correlate the given purchase order with the given invoice but there was no doubt that all purchase orders were for CRC with given thickness and width;

(g) in the EDB report relating to ISL it was mentioned that ECL process was not available at manufacturing facility of ISL for which they have made arrangements with ASML for getting that process done over there. This is an intermediary process and after getting ECL process from ASML, coils will be transported back to ISL (M/s ISL and ASML are not located adjacently – one is in Port Qasim area and other in Landhi Karachi, there is a long distance from one premises to other). This claim was not substantiated with any documentary evidence; no evidential contract with ASML was produced; no evidence showing exit gate passes from ISL and thereafter exit gate passes from ASML, no copies of sales tax invoices for value addition.

The Commission, after looking at the above came to the point that there were many unanswered questions. EDB report was materially deficient in many aspects.

13.3.10 During the public hearing held by the Commission on 27.09.2020, STPL again agitated that the Applicants do not have the capacity to produce TMBP and neither produced nor supplied the same to STPL during the POI/POR. Rather the Applicants supplied only CRC and never TMBP. The Commission responded to the STPL during the hearing that Applicants have furnished documents to the Staff of the Commission during on-the-spot verification showing sales invoices issued by the Applicants to STPL but STPL did not change their stance. Subsequent to the public hearing, NTC vide letter dated 29.09.2020 sent the sales invoices furnished by the Applicants for comments by the STPL. M/s STPL was also asked to explain differences between CRC Coils/Sheets and TMBP (**Annex - V**)

13.3.11 In response to NTC's letter dated 29.09.2020, STPL replied vide letter dated 05.10.2020 as under:

- (a) none of the sales invoices related to sales of TMBP and those mostly related to post POI which was irrelevant;
- (b) explained the differences between CRC & TMBP from input raw material to manufacturing processes and end uses of both the products;
- (c) in the preliminary determination (PD), NTC determined that the local industry had the capability to produce TMBP. M/s STPL furnished a summary of the sales invoices issued by the Applicants showing that CRC was ordered and CRC was supplied. STPL challenged NTC's findings in PD stating "had they manufactured TMBP, they would have supplied TMBP";
- (d) STPL was suffering hardships on account of antidumping duty levied on imports of TMBP. As evidence to this statement, STPL furnished

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production data of the quarter July-Dec 2021 which was 14% of the quarterly installed capacity. As a result, local user industry of TMBP was suffering;

- (e) summaries of invoices of imported CRC and TMBP were furnished to establish STPL's claim that two products were different;
- (f) STPL supports Antidumping Duty when implemented on those products which were manufactured in Pakistan and at the same time dumped in Pakistan. Therefore, they had supported levy of Antidumping Duty on CRC as the same product was being manufactured in Pakistan but did not support levy of Antidumping Duty on TMBP as the same was not produced in Pakistan. They undertook and assured, the NTC that the day TMBP is produced in Pakistan, STPL shall support Antidumping Duty on TMBP as well; and
- (g) STPL, therefore, requested NTC to exclude TMBP from the imposition of Antidumping Duty and save the collapsing only tinsplate industry in Pakistan which is running in the backyard of a backward province, Baluchistan.

**13.3.12 Views/comments sent by STPL, ISL and ASML on EDB's report are summarized below:**

**(a) M/s STPL's views: summarized para wise comments of STPL relating to ISL report (Annex - VI excluding cited Annexes in the report):**

- (i) product brochure of the ISL as available at its website shows that they produce CRC from 0.15mm to 3mm thickness. TMBP is not mentioned;
- (ii) steel sheet of same thickness can be CRC as well as TMBP. Thickness only do not determine a sheet to be TMBP. The steel sheet has to undergo different processes of production which defines TMBP. Input material (HRC) of certain grade does not mean that the final product shall be TMBP. TMBP production needs additional equipment and processes which is not available at ISL;
- (iii) during POI, ISL has supplied to STPL 17.37 M/Tons CRC only;
- (iv) no documentary evidence was relied upon to ensure that the total quantity of ISL (3,066 M/Tons) so called TMBP supplied after POI to STPL has undergone ECL processes at M/s. Aisha Steel Mills Limited. No Sales Tax Invoices were shared to verify that the Sales Tax on value addition process at M/s. ASML was paid. ECL is an intermediary process. It was surprising that so much of transportation was done from one unit to other carrying the total material and bringing it back, again for subjecting it in the ISL unit for the process of "ANNEALING", passing it through Skin Pass and the Recoiling Unit which may not have the Tension Leveler;
- (v) electrolytic cleaning line (ECL), Tension Leveler and Electrostatic oiler for applying a thin layer of DOS oil coating are the essential equipment, for the production process of TMBP, which finds no mention in this report. TMBP production Process Flow Chart based on international practice furnished;
- (vi) STPL gave purchase orders during POI for 4,000 M/Tons of TMBP in November 2017 which was not responded nor delivered;

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- (vii) STPL placed another trial order on 01.07.2019 for 50 to 100 M/Tons of TMBP with ISL. During pre-delivery inspection of the material, produced at ISL's premises by SGS the same was rejected as it could not meet the specifications of TMBP;
- (viii) STPL placed an open order via email on 12.05.2020 for supply of TMBP. ISL explained that they don't have the input material and DOS oil for TMBP and instead supplied 17.37 M/Tons of CRC;
- (ix) STPL issued Purchase Order NO. 20070040 dated 27.07.2020 for the supply of 1,000 M/Tons Cold Rolled Steel Coils (CRC) during POI and the supply against this order was made after POI;
- (x) following purchase orders for CRC after POI were also given to ISL:  
P/O No. 21020004 dated 02.02.2021  
P/O No. 21070003 dated 09.07.2021  
P/O No. 21080002 dated 09.08.2021  
P/O No. 21080003 dated 13.08.2021
- (xi) sales tax invoices issued after POI for Purchase Order No. 20070040 issued during POI do not show the purchase order number of STPL and date. The mention of TMBP in fact is incorrect as CRC was supplied against the Purchase Order issued during POI. Sales tax invoices issued by ISL wherein they have incorrectly mentioned TMBP against CRC orders. These invoices did not show Purchase Order numbers. In some cases, against purchase order No. 21080002 of CRC, the Sales Tax invoices issued incorrectly for TMBP as well as CRC mentioning the same purchase order. STPL being a public limited company is audited by Chartered Accountants, they have also pointed out this anomaly wherein CRC was contracted and so called TMBP was invoiced;
- (xii) regarding physical property of so called TMBP supplied to STPL, ISL was requested to get the material tested from SGS which they refused vide their email dated 21.09.2021 thereby losing a given chance to establish their claim of producing TMBP. ISL had themselves admitted vide their letter dated 13.06.2017 that they do not produce TMBP;
- (xiii) SGS report on pre-delivery inspection of TMBP at ISL Plant in 2019 is on record which shows that no DOS oil was applied on the material in addition to other discrepancies which they claimed as TMBP and material was not accepted by STPL;
- (xiv) machines available with ISL are inadequate for producing TMBP. Producing steel sheet of minimum thickness do not qualify that material to be called TMBP. SGS has confirmed it. No mention of gate passes or contract between ISL and ASML with sales tax paid receipts on value addition for conducting ECL in M/s. ASML unit on the total quantity of so called TMBP supplied after POI, to verify its authenticity has been made;
- (xv) it is a matter of fact that ISL produces CRC of SPCC grade and not TMBP. Showing MR T2/T3 type material do not mean that the product TMBP of MR type is produced without undergoing due process. STPL has kept some

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coils of the material supplied by ISL for inspection from a reputable third party within or outside Pakistan. STPL undertakes to bear the cost of third-party inspection; and

(xvi) STPL was not associated for doing the inspection and visiting the domestic industry despite the fact that NTC had asked EDB to associate and include STPL in the joint team. Thickness of 0.15mm and 0.22mm steel sheet do not qualify the steel sheet to be TMBP unless it has the properties, specifications and surface finish to be qualified as TMBP. ISL's own brochure shows the products they produce and available for sale, TMBP is not mentioned in the brochure.

**A. Comments by STPL on the dissenting note of the representative of FBR**

FBR representative has not commented on the report regarding the ECL on the material of ISL at M/s. ASML which, if have been done must have led to value addition and Sales Tax must have been paid on this value addition. The EDB report regarding the ECL (Electrolytic Cleaning Line) done at M/s. ASML on the consignment of alleged TMBP of ISL is silent. It would have been appropriate if the representative of FBR would have seen the contracts between ISL and ASML and verified all the Gate Passes of entry and exit between ISL and ASML units and the Sales Tax paid vouchers on value addition, on the total consignment to confirm that so called TMBP material supplied by ISL to STPL after POI has undergone this process at ASML.

***(b) Comments of STPL relating to ASML report (Annex - VII excluding cited Annexes in the report):***

(i) ASML has mentioned the production of 380,000 M/Tons during 2020-2021. It does not show what quantities of TMBP were produced. In fact, STPL did not receive a single consignment of TMBP. Brochure of ASML shows that they only produce CRC and galvanized sheets / Coils. The CRC produced is of JIS G.3141 specification in SPCC and other grades. There is no mention of TMBP;

(ii) thickness of steel sheets of CRC and TMBP is similar. It is the mechanical properties, due process of production and surface finish of TMBP which makes it a superior and different product than CRC;

(iii) ASML mentions producing CRC/TMBP under the contract agreement with STPL. STPL would like to see the ASML contract where they had committed to produce and supply TMBP and have supplied;

(iv) STPL supplied HRC to ASML to produce CRC – JIS G.3141 of SPCC grade knowing fully well that they cannot produce TMBP;

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(v) SAE 1006 grade is for HRC and is used to produce JIS G. 3141 CRC of SPCC and other grades. STPL got CRC of this grade from ASML;

(vi) ECL, Tension Leveler and Electrostatic oiler for applying a thin layer of DOS oil coating are the essential equipment for the production process of TMBP, which finds no mention in the report;

(vii) STPL did procure some quantity of CRC from ASML during POI. Summary of the CRC Sales Tax invoices issued by ASML are as follows:

S. No	Sales contract No. of ASML	Date	Description	Quantity (M/Tons)	ST Invoice No.	Date	QTY (M/Tons)
1	637468	18.05.2020	CRC	50	591/07/2020	10.07.202	10.522
					595/06/2020	16.06.202	29.17
					1278/07/202	21.07.202	11.042
2	637649	04.06.2020	CRC	1,000	587/09/20	11.09.202	19.87
					588/09/20	11.09.202	47.022
					633/09/20	12.09.202	50.006
					677/09/20	12.09.202	50.028
					678/09/20	12.09.202	50.09
					679/09/20	12.09.202	49.95
					680/09/20	12.09.202	49.922
					829/09/20	15.09.202	46.704
					830/09/20	15.09.202	44.624
					831/09/20	15.09.202	47.032
					833/09/20	15.09.202	47.346
					895/09/20	16.09.202	46.382
					896/09/20	16.09.202	49.014
					1012/09/20	17.09.202	47.046
					1084/09/20	18.09.202	49.622
1091/09/20	18.09.202	49.184					
1201/09/20	18.09.202	47.556					
1202/09/20	21.09.202	50.234					
1203/09/20	21.09.202	21.258					

(viii) Following sales contracts/agreement were made between ASML and STPL for purchase of CRC of JIS G.3141/SAE 1006 of SPCC grade:

S.No.	Sales Contract No.	Date	Quantity (M/Tons)
1	638772	15.07.2020	1550



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2	638805	15.07.2020	1450
3	639512	13.08.2020	380
4	639569	13.08.2020	1330
5	639246	13.08.2020	1140

(ix) HRC of SAE 1006 grade produces JIS G-3141 CRC of SPCC and other grades. This does not produce TMBP. In fact, ASML has never claimed nor supplied TMBP to STPL. Its product brochure shows the production and availability of CRC and Galvanized coils only; and

(x) thickness of steel material is not the only criteria to become TMBP, the properties of TMBP are different and has superior surface finish than CRC.

**(C) Comments of STPL on the dissenting notes of the representative of FBR**

No comments are required on this note since M/s. ASML neither claims to produce TMBP nor has supplied TMBP to STPL and their brochure is very clear on the products which they produce.

**13.3.13 Comments/views of ISL and ASML on EDB report:**

M/s S.U.Khan Associates submitted Comments relating to both ISL and ASML vide letter dated 03.12.2020 (**Annex - VIII**) which are summarized below:

- (a) EDB committee consisted of known institutions and the industry fully cooperated with the verification committee;
- (b) five members out of six were satisfied with the evidence shown by the industry. The committee recommended that the current manufacturing facilities of ASML/ISL may be considered for manufacturing of TMBP;
- (c) domestic industry fully agrees with the findings of the verification committee;
- (d) dissenting note of the representative of FBR was based on fugitive imaginations and mere assumptions that domestic industry was not capable of producing TMBP or it needed any additional process to manufacture TMBP;
- (e) issue of TMBP was not new from STPL side. Initially, STPL raised the issue that domestic industry did not produce CRC of less than 0.30mm thickness which was required for tinning process. Once domestic industry proved manufacturing of less than 0.30mm thickness of CRC then it started arguing that CRC and TMBP were two different products; and

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- (f) CRC and TMBP are one and the same product. Domestic industry has the capability of producing CRC/TMBP.

**On-the-Spot Verifications Reports**

13.3.14 Three on the spot verification reports were conducted and issued – 1<sup>st</sup> from Aug 27-28, 2015 which related to ASML, 2<sup>nd</sup> from May 24-26, 2021 relating to ASML and 3<sup>rd</sup> from May 27-29,2021. In all these reports except mentioning relevant PCT heading there was no separate mention of TMBP or any discussion thereon. The NTC visiting Staff collected thickness-wise CRC data from the Applicants and lowest slab covered thickness from 0.15 to 0.5.

**Importance of the matter**

13.3.15 This is one of those important cases where two domestic industries – one (ISL & ASML) upstream and other downstream (STPL) are fighting on a product. **Section 2(e)** of the Act states;

(e) “Domestic like product” means a “like product” **that is produced by the domestic industry” (emphasis added)**

**Section 36 (1)** of the Act is quoted to highlight the limitations of the Commission:

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

The defined period in the cases in hand as stated at para 11.1.4 was from 1<sup>st</sup> Oct, 2017 to 30<sup>th</sup> Sep, 2020.

13.3.16 The Commission felt while reviewing the case that available information/data was not sufficient and precise information was needed. The Commission sought precise information in the following ‘**Format**’ from three parties i.e; ISL, ASML and STPL and strictly relating to POI:

Purchaser's information (M/S STPL)			Seller's Information (M/S ASML/ISL)				
Purchase Order No. & Date	Description and Specs	Qty (MT)	Delivery Order No. &	Sales Tax (ST) Invoice No. & Date	Description and Specs in ST Invoice	QTY (MT)	Remarks

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			Date				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Note:

1. Complete information relating to POR/POI (01-10-2017 to 30-09-2020)
2. Sequential order for information be followed starting from 01-10-2017 (first thing first)
3. Information, preferably on MS exce lsheet
4. Entries relating to TMBP should be highlighted into the relevant rows
5. Hard copy of each document be attached in sequential order

13.3.17 M/s ASML and M/s ISL furnished the information on the given format on 29.11.2020 and 01.12.2020 respectively (**Annex – IX & X (filled formats)**) and M/s STPL also on 01.12.2020 (**Annex – XI (filled format)**). Upshot of this information follows as under:

- (a) during POI/POR, ISL sold 31.60 MT of CRC to M/s STPL against three purchase orders. Purchase orders were for CRC and three sales invoices issued by ISL were also for CRC. No supply of TMBP;
- (b) during POI/POR, ASML sold 863 MT of CRC to M/s STPL against one purchase order. Purchase order was for CRC and 19 sales invoices issued by ASML were also for CRC. No supply of TMBP. In one purchase order of 5MT, STPL had mentioned 'CRC for TMBP'. Three sales invoices issued by ASML for this supply were for CRC. ASML termed it as trial lot for TMBP; and
- (c) during POI/POR, STPL had issued two purchase orders to ISL for TMBP but there was no mention of these orders in the filled Format; and

Above summarized information was quite revealing for the Commission that during POI/POR no production or supply of TMBP either by ISL or ASML.

13.3.18 After submission of the above cited information on the given 'Format' M/s S.U.Khan Legal Consultants of ISL & ASML made a presentation to the Commission vide letter No. SUK/21/4988-a dated 09.12.2020 reiterating the following:

- (a) TMBP and CRC are same;
- (b) domestic industry produces CRC of thickness less than 0.30mm meant for use in production of tin plate;
- (c) in previous investigations, the Commission has determined that TMBP

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- was part of product scope;
- (d) in case of earlier investigations relating to China and Ukraine concluding on 13.01.2017, TMBP was part of product scope. (This is now under sunset review);
  - (e) m/s STPL challenged this investigation before the Anti-dumping Appellate Tribunal vide Appeal No. 103 of 2017 wherein Commission's determination was upheld;
  - (f) m/s STPL challenged the decision in the Hon'able Islamabad High Court which is pending adjudication. In this position, the Commission can't take a different view;
  - (g) EDB in its current report has recommended that current manufacturing facilities of ASML/ISL may be considered for manufacturing TMBP. Domestic industry fully agrees with the findings of the Committee; and
  - (h) sales data of ASML/ISL during POI and post POI has been sent to the Commission to show that thousands of tons of CRC/TMBP was sold to STPL.

13.3.19 The Commission reviewed the position and decided to re-examine the matter which was being agitated for more than six years on the following parameters:

- (a) whether CRC and TMBP are different products or the same;
- (b) whether thickness of CRC is the determining factor to be CRC or TMBP;
- (c) whether domestic steel industry is following Japanese or American standard while manufacturing their products;
- (d) whether internationally there are different industrial standards for TMBP or CRC or only one standard for both the products;
- (e) whether input steel is same for CRC and TMBP;
- (f) whether there is any price difference between CRC and TMBP;
- (g) whether M/s STPL placed any specific orders to ASML/ISL for supply of TMBP;
- (h) in Pakistan, a specific PCT heading was created in Pakistan Customs Tariff vide Finance Act, 2019. Was there any international instance where separate HS heading was created for TMBP in the Customs Tariff of the country;
- (i) whether any pre-shipment inspection was done for supply of TMBP by the Applicants to STPL;
- (j) whether domestic industry sold TMBP to any other buyer in the local market;
- (k) whether domestic industry exported TMBP to any foreign country because there were substantial exports done by the industry;
- (l) Whether any lab test was done for determining TMBP or CRC;

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- (m) whether presence of MRT2, MRT3, MRT4 etc. in any product will make it TMBP;
- (n) whether use of MR steel will make the product TMBP;
- (o) whether STPL besides purchases from domestic industry has also been importing TMBP;
- (p) whether in import documents STPL was mentioning specific TMBP standard;
- (q) was there any clarification on the part of STPL that they were manufacturing 'A', 'B' and 'C' grade tin plates;
- (r) whether findings/report of any Committee constituted on the advice of the Commission, be it EDB's Committee are binding on the Commission;
- (s) whether the Commission can take a different view in the present investigations than the earlier one; and
- (t) whether in presence of pending Appeal in the Hon'able High Court, the Commission can examine and decide this matter at its own merits.

13.3.20 Before adjudicating on different dimensions of the case as listed in above para, the Commission decided to ask specific questions from three parties. Accordingly, ASML was asked 22 questions, ISL 24 and STPL 22 and their respective responses are pasted at **(a), (b) and (c)** below as a referral to the conclusions drawn under para 11.1.21 below (*Annexes with the answers are not being pasted below because of bulk of information but that is part of official record and available for consultation by any interested party*):

(a) Response of Aisha Steel Mills Limited to questions asked by the Commission

<b>S.No</b>	<b>Commission's Question</b>	<b>M/s ASML's Response</b>
1	Is ASML following Japanese Industrial Standard in manufacturing of its steel products?	Yes. ASML is following Japanese Industrial Standards in manufacturing of its steel products.
2	What is Japanese Industrial standard (JIS) for CRC. Please provide copy of it.	JIS G-3141 provides physical tolerances as well as chemical composition. Copy of Standard JIS 3141 is provided as <b>Annexure A</b>
3	What is SPCC as mentioned in Purchase Orders of STPL? Is it symbol of grade CRC?	SPCC is a commercial quality cold rolled steel. Yes, SPCC is a symbol of grade of CRC. JIS G-3303 applies for TMBP. However, this standard gives physical tolerances and does not say anything about chemical composition.
4	Is there is a separate JIS for TMBP. If yes, then provide copy of that.	JIS G-3303 applies for TMBP which provides physical tolerances only. Copy is attached as <b>Annexure B</b> .
5	Is there one JIS for both CRC and TMBP. Please provide copy of it which clarifies this point.	JIS 3141 standard is applicable for CRC which provides both physical tolerances as well as chemical composition. However, for TMBP as well as Electrolytic Tinplate, standard JIS -G-3303 is applicable. JIS-G-3303 only provides

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		physical tolerances for TMBP for which chemical composition is defined through JIS 3141/SAE 1006. As far as CRC for Tinning is concerned both the standards JIS-G-3303 and JIS-G-3141 overlap.
6	M/S STPL gave Contract No. 637468 dated 18.5.2020 for 50 MT of CRC. Given standard in the cited contract is JIS 3141/SAE1006. Sales tax invoices furnished by ASML to the Commission show the same space as given in the Contract. JIS 3141/SAE 1006 is for CRC of TMBP. PI explain	The chemical composition of SAE 1006 can be used both for CRC and TMBP.
7	M/s STPL issued following Sales Contracts for supply of CRC to ASML during the POI: (Copies Enclosed). i. 638772 dated 15.7.20 for 1550 MT. ii. 638805 dated 15.7.20 for 1450 MT. iii. 639512 dated 13.8.20 for 380 MT iv. 639569 date 13.8.20 for 1330 MT v. 639246 date 13.8.20 for 1140 MT Whether supplies were made during POI? If yes then furnish information on the earlier given format.	Sales Contracts were issued during POI but supplies were made afterwards in post POI/ POR period.
8	Has ASML supplied TMBP to any buyer in local market other than STPL during POI. If yes then provide information on the given format.	As per our information, there is only one unit in Pakistan which produces Tinplate i.e. Siddiqsons Tinplate Limited. This fact can be ascertained from final determination of the NTC in antidumping investigation of tinplate (ADC No. A.D.C No. 53/2018/NTC/TP). All supplies of CRC meant for tinning process/ TMBP were made to Siddiqsons only. Siddiqsons sold the material purchased from ASML after tinning to its customers under the tag of TMBP. It is important to note that Siddiqsons purchased material from ASML as CRC and itself sold the material under the tag TMBP after tinning. This shows that TMBP and CRC are same.
9	Is ASML is also exporting its products to different countries. If TMBP has been exported to any country during the POI then provide information on the given format.	Yes ASML has exported its products to different countries, but not in TMBP tag .
10	Is there any price differential between CRC and TMBP? Please provide evidence both in case yes or No.	Typically thin CRC is used in TMBP & the additional cleaning requirements are mandatory for shiny Tin coating. Because of additional process of cleaning TMBP has slightly higher price than other CRC. .

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11	PI provide colored Flow Chart/Diagram showing stepwise processes involved while converting HRC to CRC and TMBP. Wherever there is any difference in processing step then highlighted.	Process flow Diagram is attached as <b>Annexure G</b> .
12	Is the HRC used for CRC and TMBP is of same grade/standard?	Yes, same grade standard i.e. SAE 1006. This is because JIS-G-3303 does not provide separate chemical composition for TMBP as it only defines physical tolerances. Siddiqsons got all the material from ASML through toll manufacturing i.e. HRC was arranged by Siddiqsons and cold rolling was done by ASML. Siddiqsons purchased/ arranged the HRC of same standard/ grade which is normally used by ASML for its CRC i.e. SAE 1006. This shows that HRC of same grade/ standard is used in CRC and TMBP.
13	What is JIS HRC used in TMBP. PI provide copy of that.	Relevant standard for HRC to be used in both CRC and TMBP is JIS-G-3131 (attached as <b>Annexure D</b> ). There is no specific standard for HRC to be used in TMBP or CRC.
14	What is MR type steel? It is used for CRC or TMBP? PI provide documentary evidence.	MR grade refers to low residual element in base steel for TMBP which is equivalent to SAE 1006 used for CRC.
15	In above cited covering letter, ASML has stated that the Appellate Tribunal in Appeal No. 103/2017 has decided that TMBP and CRC are same. PI provide precise relevant evidence to the Commission which was earlier furnished to the Tribunal.	The documents submitted to the Tribunal in Appeal No. 103/2017 including parawise reply to Appeal (with annexures), written arguments and documents supporting the oral arguments are provided as <b>Annexure E</b> . Furthermore, 1) As JIS –G-3303 clearly mentioned that black plate is produced from non-alloy cold reduced low-carbon(CRC) steel sheets and strips(reference clause 3.1 std G-3303). (2) Austen International Steel Traders depicted on their web page that TMBP is produced through hot rolling process followed by Cold reducing through a cold mill to the desired thickness.(3) JFE steel cooperation Japan points out the TMBP originally was used for Tin coating. Subsequently, it is now being used for many different applications as well as CRC. from Austen International Steel Traders and JFE Black Plate brochure are included in the Tribunal documents.
16	Is any country other than Pakistan has separate HS code/heading for TMBP?	We are attaching herewith extracts from the website of World Trade Organization (Attached as <b>Annexure F</b> ) having 8 digit custom classification of different countries including India, Turkey, China and Korea. For these countries there is no separate classification for

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		TMBP as per our information
17	Is there a separate HS code/heading for TMBP in Japan? If yeas, then what is the code.	Please refer to the attached <del>Annexure G</del> for PCT Classification in Japan for Cold Rolled Coils less than 0.5mm.
18	AS per information furnished by ASML to the commission vide above cited letter dated 29.11.2021, twenty-two (22) sales tax invoices were issued by ASML to STPL during POL STPL contracts/purchase orders were for CRC. All invoices were for CRC. STPL Contract stated CRC for TMBP and the given JIS is 3141/SAE 1006. Does CRC for TMBP means TMBP or this is an input for TMBP? PI explain.	For all sales to Siddiqsons, HRC was arranged by Siddiqsons and ASML provided only tolling services (i.e. conversion of HRC into CRC/ TMBP). Therefore this CRC was purchased by Siddiqsons as CRC for TMBP.
19	Is CRC thickness of 0.30 mm or less is TMBP as per ASML position? Is it internationally so?	AS per JIS standard 3303, manufacturing of TMBP thicknesses specified form 0.150 mm to 0.60mm. ASML can produce whole range of thicknesses.
20	Can CRC and TMBP is distinguishable through naked eye?	No both CRC and TMBP cannot be distinguished from naked eye. Infact TMBP is low gauge and low carbon CRC which cannot be seen from the naked eye.
21	Whether there was any lab test report conducted by 3rd party before making supply to STPL. Since this was years old dispute, why this course was not adopted.	No lab test was conducted by any third party because it was not required by the customer. In our sales to Siddiqsons mostly the HRC was arranged by Siddiqsons and ASML only provided tolling services. That is why there was no required for 3rd party lab tests.
22	Whether any pre-shipment inspection was conducted for supplies to STPL by any credible Pre-Shipment Inspection Agency. Why this course was not adopted?	The reply is same as given in point 21 above. ASML have no confusion in CRC and TMBP, both are same product. Third party pre-inspection was not required by customer and hence was not adopted.

**(b) Response of International Steel Mills Limited to the questions asked by the Commission**

	<b>Commission's Question</b>	<b>ISL's Response</b>
1	Attention of ISL is drawn to its above quoted letter dated 01.12.2021 wherewith filled Format was sent to NTC. Nos. and dates of the Purchase Orders of M/s Siddiqsons Tin Plate Ltd (STPL) have neither been quoted in the Format nor copies furnished as Annexes to the Format. First of all, please furnish	We would like to submit before the Commission that prior to this, STPL was not buying the product under consideration from local manufacturers and this 32 MT of sales during POI / POR was a trial production as per the requirements of STPL and we haven't received



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	requisitioned information on the given Format.	a formal purchase order. The confirmation from STPL in this regard have already submitted as correspondence between STPL & ISL with the Commission as Annexure-I(a) of the said letter dated 01-12-2021.
2	Is ISL following Japanese industrial standard in manufacturing of its steel products?	ISL Manufactures Cold rolled and coated Steel in JIS (Japanese) and equivalent grades.
3	What is Japanese Industrial standard (JIS) for CRC. Please provide copy of it.	JIS G 3141 and equivalent Copy of the Standard is enclosed as <b>Annexure A</b> .
4	What is SPCC as mentioned in ISL invoices? Is it symbol of grade of CRC?	SPCC steel is a commercial quality cold rolled steel. SPCC is a material grade and designation defined in JIS G 3141.
5	Is there a separate JIS for TMBP? If yes, then provide copy of that.	JIS G-3303 applies for TMBP which provides for physical tolerances only. Copy is attached as <b>Annexure B</b> .
6	Is there is only one JIS for both CRC and TMBP? Please provide copy of it to clarify this point.	JIS 3141 standard is applicable for CRC which provides both physical tolerances as well as chemical composition. However, for TMBP as well as Electrolytic Tinplate, standard JIS -G-3303 is applicable. JIS-G-3303 only provides physical tolerances for TMBP for which chemical composition is defined through JIS 3141/SAE 1006. As far as CRC for Tinning is concerned both the standards JIS-G-3303 and JIS-G-3141 overlap.
7	M/s Siddiqsons Tin Plate Limited (STPL) placed an order for 4,000 MT of TMBP vide email dated 25.11.2017 followed by letter No. STPL ISL/ dated 25.11.2017. Copies attached at Annex-I & II. What happened to it. Was supply made during PO1? Please provide information on the already given Format.	<p>STPL sent an inquiry to ISL, on 25<sup>th</sup> Nov 2017. Subsequently, ISL sent a quote on 13<sup>th</sup> Dec 2017.</p> <p>STPL declined ISL's Offer on 15<sup>th</sup> Dec 2017 - The detailed correspondence is attached for reference as <b>Annexure C</b>.</p> <p>Since STPL declined ISL's offer due to disagreement on commercial terms hence, no supplies were made against the PO1.</p>
8	M/s STPL placed another Order for 50-100 MT of TMBP vide email dated 01.7.2019 giving detailed specs therein. Copy attached as Annex III. Payment was made in advance. Was there a pre-supply inspection at the premises of ISL by SGS for this Order. Oder was cancelled by STPL based upon findings of SGS (Annex IV). Advance payment made by STPL for this Order was adjusted against subsequent supply of GI coils. If it is not correct, was any supply made against the cited order during POI. If yes then provide information on the already given Format OR explain your position with reference to Annex-IV with documentary evidence.	<p>Material was produced on 16<sup>th</sup> July 2019 – 23MT.</p> <p>Payment received by ISL: 26<sup>th</sup> July 2019 – PKR 2.123mn</p> <p>Yes, there was a pre-supply inspection conducted by SGS dated 23<sup>rd</sup> Aug 2019.</p> <p>After the said inspection; SGS shared a report with ISL for which ISL shared a detailed response with SGS, this was also shared with STPL. (Response of ISL on the SGS report is provided at <b>Annexure D</b>.)</p>

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		<p>ISL notified STPL vide email dated 20<sup>th</sup> Nov 2019 that ISL is confident of supplying TMBP Material to STPL – no response received from STPL’s end regarding this; however, stream of orders was received from STPL in 2020 (e.g PO # 20070040 dated 27<sup>th</sup> July 2020). Had ISL not able to produce TMBP, STPL would not have placed further orders. Here it is important to note that SGS has no where stated in its report that the product was not TMBP. SGS has itself noted that the material grade was MR which is specifies it as TMBP. As regards DOS oil, ISL clarified that DOS oil was applied and evidence was provided to Siddiqsons. SGS report mainly highlighted regular operational issues which are does not deny the capability of the domestic industry to produce TMBP. Detailed comments on SGS reports included in above referred annexure D.</p>
<p>9</p>	<p>M/s STPL issued Purchase order No.20070040 dated 27.7.2020 for purchase of 1,000 MT CRC. Copy attached at Annex.V. Whether supply was made during POI? If yes then furnish information on the given Format.</p>	<p><i>PO for this transaction was issued by Siddiqsons on 27.07.2020 whereas invoice against supply was issued in the month of February 2021. Details of this PO has already been shared with the Commission. However, ISL is again attaching herewith the said PO alongwith the invoices issued against this PO as <b>Annexure E-1</b>. From PO included in the said attachment, it can be seen that the description of goods used by Siddiqsons is “<b>Cold Rolled Steel In Coils 0.22 x 800 T-2 – Prime Quality</b>”. T-2 Tamper of the material is specifically required in TMBP whereas Siddiqsons regarded the material in its PO as Cold Rolled Steel in Coils. This shows that Siddiqsons is also clear that TMBP is actually CRC. Furthermore, it is also evident from the invoices issued by ISL against this PO with product description of Tin Mill Black Plate which confirms the end use requirement of Siddiqsons.</i></p>
<p>10</p>	<p>Has ISL supplied TMBP to any buyer in local market other than STPL during POI?. If yes then provide information on the given format.</p>	<p>As per information of ISL, there is only one unit in Pakistan which produces Tinsplate i.e. Siddiqsons Tinsplate Limited. This fact can be ascertained from final determination of the NTC in antidumping investigation of tinsplate (ADC No. A.D.C No. 53/2018/NTC/TP). All supplies of TMBP were made to Siddiqsons only.</p>
<p>11</p>	<p>M/s ISL is also exporting its products to different countries. If TMBP has been exported to any</p>	<p>Yes, ISL has significant exports of CRC to many countries. However, ISL has not exported</p>

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	country during the POT then provide information on the given format.	TMBP.
12	Is there any price differential between CRC and TMBP both in local and international market? Please provide evidence both in case of Yes or NO.	The difference in price of commercial quality CRC and TMBP is due to two factors i.e cleaning operation and special material. However, special material (i.e. HR of T-2, T-3 tamper) is only used when it is required by the customer TMBP of T2 and T3 grade. If Siddiqsons requires CRC for its tinning process under SAE 1006/ JIS-G-3141, the difference will only be due to cleaning operation.
13	Please provide colored Flow Chart/diagram showing stepwise processes involved while converting HRC to CRC and TMBP. Wherever there is any difference in processing step then that be highlighted.	Process flow chart is attached as <b>Annexure E-2</b> .
14	Is the HRC used for CRC and TMBP is of same grade/standard?	It depends on the requirement of the customer. If customers asked for CRC for Tinning process under SAE 1006 HRC will be the same. However, If customers asks for T-2 or T-3 tamper, there will be a slight difference in chemical composition. The HRC used to produce CRC is defined in standard as SPHC in JIS G 3131.
15	What is JIS for HRC used in TMBP? Please provide copy of that.	There is no separate JIS for HRC to be used in CRC for tinning process. JIS-G-3131 is relevant for mild Hot Rolled Steel which is applicable for both CRC and TMBP. It is further added that ISL uses HRC of tamper T-2 and T-3 as per the requirement of Siddiqsons. Copy of JIS-G-3131 is attached as <b>Annexure F</b> .
16	What is MR type steel? Is it used for CRC or TMBP? PI provide documentary evidence.	MR Type is a typical steel grade used for black plates, MR is base steel, low in residual elements, that has high corrosion resistance and is widely used in general applications such as containers. It is slightly different from CRC based on its base steel chemical composition. (Mill Test Certificates of HR for TMBP and HR for CRC attached).
17	In above cited covering letter dated 01.12.2021, ISL has stated that the Appellate Tribunal in Appeal No. 103/2017 has decided that TMBP and CRC are same. PI provide precise relevant documentary evidence furnished to the Tribunal.	Relevant documents are attached as <b>Annexure G</b> .
18	Is any country other than Pakistan has separate HS code/heading for TMBP? If yes name the country.	We are attaching hereiwith extracts from the website of World Trade Organization (Attached as <b>Annexure H</b> ) having 8 digit custom classification of different countries including India, Turkey, China and Korea. For these countries there is no separate classification for

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		TMBP as per our information
19	Is there a separate HS code/heading for TMBP in Japan? If yes, then what is the code	Please refer to the attached <b>Annexure-I</b> for PCT Classification in Japan for Cold Rolled Coils less than 0.5mm.
20	As per information furnished by ISL vide above cited letter dated 01.12.2021, three sales tax invoices were issued by ISL to STPL during POI. STPL Purchase Orders were for CRC. All the three invoices shared with the Commission relate to CRC. Where is TMBP?	This is a regular demand of CR by customer for the purpose of producing bailing hoops for packing purpose. CR was demanded by customer and was supplied accordingly. This does not fall in the scope of TMBP material.
21	Is CRC thickness of 0.30 mm or less is TMBP as per ISL position? Is it internationally so?	AS per JIS standard 3303, manufacturing of TMBP thicknesses specified form 0.150 mm to 0.60mm. ISL can produce whole range of thicknesses.
22	Can CRC and TMBP is distinguishable through naked eye?	TMBP and CRC are identical in their finished forms. The only differentiating factor are the physical properties which cannot be seen through naked eye.
23	Whether there was any lab report conducted by 3rd party before making supply to STPL. Since this was years old dispute, why this course was not adopted.	No 3 <sup>rd</sup> party lab test was conducted as it was not required.
24	Whether any pre-shipment inspection was conducted for supplies to STPL by any credible Pre-Shipment Inspection Agency. Why this course was not adopted?	<i>As mentioned in response number 8, yes, there was a pre-supply inspection conducted by SGS dated 23<sup>rd</sup> Aug 2019.</i>

**(c) Response of STPL to the questions asked by the Commission**

S. No.	Commission's Question	M/s STPL's Response
1.	Are M/s International Steel Limited (ISL) and Aisha Steel Mills Limited (ASML) following Japanese or American industrial standard in manufacturing of its steel products? Pl give proof.	ISL is following Japanese Industrial Standard, whereas ASML is following Japanese Industrial Standard and American Standard for producing the steel products as shown in their websites, for M/s ASML ( <a href="http://www.aishasteel.com">www.aishasteel.com</a> ) and for M/s. ISL ( <a href="http://www.isl.pk">www.isl.pk</a> ). The products manufactured as per the websites are ( <del>Annex-A</del> ) for ASML and ( <del>Annex-B</del> ) for ISL.
2.	What is Japanese Industrial standard (JIS) for CRC. Please provide copy of it.	Japanese Industrial Standard manual categorizes steel products. These products are given different numbers e.g., CRC is classified under JIS G 3141 ( <del>Annex-C</del> )
3.	What is SPCC mentioned in STPL Purchase Orders? Is it symbol of grade of CRC?	CRC is produced in different grades. SPCC is one of the CRC Grade under the Japanese Industrial Standard. ( <del>Annex-C</del> )
4.	Is there a separate JIS for TMBP? If yes, then provide copy of that.	Yes, TMBP has a separate JIS number and is classified under JIS G 3303 ( <del>Annex-D</del> )
5.	Is there only one JIS for both CRC and TMBP? Please provide copy of it. Which clarifies this point.	No. There is separate JIS for CRC (JIS G 3141) and separate for TMBP (JIS G 3303) ( <del>Annex-C and D</del> )
6.	ISL and ASML are of the view that STPL has been changing its position from time to time. First it was pleading that local industry was not capable of Producing	STPL requires thin input material to produce Electrolytic Tin Plate. The thickness of the material has to be between 0.15mm to 0.30mm. Initially, during the earlier POI (01.04.2012 to 31.03.2015) STPL purchased 166 M/Tons CRC from ASML of gauge varying from 0.25mm to 0.29mm which did not produce the Tinline of desired quality. Later, the quality of CRC in

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	<p>CRC/TMBP below 0.30 mm thickness. Industry has established that it has been producing products of less than 0.30 mm thickness and supplying to STPL. Now, STPL is stating that local industry is not producing or is not capable to produce TMBP. When STPL is getting CRC of the required thickness then what is the issue. As per Applicants, STPL is interested in getting imports on dumped prices and there is no other issue. PI explain your position with documentary evidence.</p>	<p>thinner gauges was improved and STPL placed its purchase orders with M/s. ASML on 06.05.2020 and M/s. ISL on 01.05.2020. The allegation of ASML and ISL charging STPL with the intention to import TMBP at dumped prices is not correct. ASML and ISL have upgraded their equipment to produce the thinner grades of CRC, therefore, STPL has placed purchase orders for CRC during and after POI for thousands of tons. Presently, STPL has not contested CRC being subjected to Anti-Dumping Duty. In fact, STPL imports TMBP as it is not produced locally. The day ASML and ISL produces TMBP, STPL shall purchase from them.</p>
<p>7.</p>	<p>Local industry is maintaining its position that CRC and TMBP are one and the same product. PI provide documentary evidence that these are two different products.</p>	<p>CRC and TMBP are two separate products and are sold as such, internationally. The JIS manual (Annex-C &amp; D) shows that CRC and TMBP are separate products. The explanation of following companies also show that CRC and TMBP are different products.                  (i). Ton Yi Industrial Corp., producer of CRC and TMBP (<del>Annex-E</del>)                  (ii). Shandong Better Way Imp. &amp; Exp. Corp., Traders of metals. (<del>Annex-E1</del>)</p>
<p>8.</p>	<p>During public hearing STPL has stated that it is manufacturing 'A' 'B' and 'C' grade tin plates for different types of clients. CRC purchased from local industry is used for making 'B' and 'C' grade and for making 'A' grade TMBP is imported. PI explain the following:</p> <p>a) Provide write up explaining your processes for making different grade of tin plates. A colored flow Chart/ diagram is needed to see your processes;</p> <p>b) Explain uses of different grades of tin plates;</p> <p>c) Provide verifiable list of your grade wise clients; and</p> <p>d) What was your quantum of purchases from local industry vis-a-vis imports of CRC and TMBP during POI?</p>	<p>a. Uniform process is followed to produce Tinplate. "A", "B" and "C" category of Tinplate depends upon the input material and its quality. (colored copy of the production line <del>Annex-F</del>)</p> <p>b. "A" category Tinplate is used for the packing of Vegetable Oil / Ghee and some other products. "B" and "C" grade Tinplate is used to produce containers for paint industry and for price conscious general users of vegetable oil / ghee and the containers used for packing of vegetable oil / ghee for commercial purposes. The customers who buy "B" and "C" grade Tinplate, normally import secondary Tinplate or buy it from the market.</p> <p>Remarks: The import of secondary Tinplate in Pakistan during the POI was 135300 M/Tons. STPL in order to compete and be in market sell the Tinplate produced from CRC to mostly the users of imported secondary Tinplate.</p> <p>c. Client wise list of "A", "B" and "C" categories (<del>Annex-G</del>)</p> <p>d. During POI, 17 M/Tons of CRC was received from ISL and 914 M/Tons from ASML, totaling 931M/Tons. 60814 M/Ton of TMBP was imported to produce Tinplate for local supply and export and 4,758 M/Tons of CRC.</p>
<p>9.</p>	<p>Provide copies of GDs/invoices showing specs of TMBP imported during POI.</p>	<p>Some Import GD's along with their invoices of TMBP, during POI period (Annex-H1, H2, H3...H10). Remaining invoices of imported TMBP (Annex-J1 includes 87 invoices). The total quantity of TMBP imported during POI was 60814 M/tons,                  Remark: All the import GD's have not been submitted as the downloading of</p>

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		GD's from website takes time. Since this response is time bound therefore, some GD's are being enclosed. 100% of GD's can be submitted after some time.
10.	Is there any price differential between CRC and TMBP? Please provide evidence both in case of Yes or NO.	There is price difference between CRC and TMBP. TMBP is expensive even if the thickness and width of both materials is same. A leading trading company who deals in first class mills material indicates the latest TMBP and CRC price. ( <del>Annex-K</del> ) Price of local CRC is PKRs. 117000/- for thickness 0.25mm in May 2020 ( <del>Annex-L</del> ). Landed cost of TMBP is PKRs 124049/- for Thickness 0.25mm booked in May 2020. Sales Contract of TMBP for RMB 4440/MT. Imported through this consignment. ( <del>Annex-M</del> ) The prices are for the same period and thickness. Remark: We were importing expensive material from abroad as local similar material was not available.
11.	PI provide colored Flow Chart/Diagram showing stepwise processes involved while converting HRC to CRC and TMBP. Wherever there is any difference in processing step then that be highlighted.	Colored Flow chart / diagram showing step wise processes of HRC conversion into CRC and TMBP ( <del>Annex-N</del> )
12.	Is the HRC used for CRC and TMBP is of same grade/ standard?	No.
13	What is JIS for HRC used in TMBP. PI provide copy of that.	Japanese Industrial Standard used for HRC to produce TMBP is JIS G 3131 ( <del>Annex-O</del> ).
14,	What is MR type steel? Is it used for CRC or TMBP? PI provide documentary evidence.	MR is one of the TMBP type steel. MR stands for "Low in metalloids and residual elements". It is covered in JIS G 3303 ( <del>Annex-D</del> ).
15.	What is the difference between JIS G 3303 and JIS G 3141	The difference between CRC and TMBP as per JIS G 3141 and JIS G 3303 is about standards, material, chemical properties, mechanical properties, thickness characteristic and surface oiling. ( <del>Annex-P</del> )
16.	M/S. ISL and ASML have stated in response to NTC that the Appellate Tribunal in Appeal No. 103/2017 has decided that TMBP and CRC are same. This shows that your submissions were duly considered by the Commission while investigating the earlier case which went to the Tribunal. What is new in your current submissions which can convince the Commission to arrive at different findings. PI provide all relevant but precise information.	The learned counsel in the Antidumping Appellant Tribunal Islamabad has submitted in Appeal No. 103/2017 that there is no difference between CRC and TMBP basing his input on the composition of the material. Had that been so, the Japanese Industrial Standard would not categorize these two products (CRC & TMBP) separately giving separate code headings. Chemical composition is one parameter for determining a metal, there are many other parameters as well for such determination Being different products the producers of TMBP and CRC issue separate catalogues ( <del>Annex-Q, Q1</del> ) The learned counsel of the local producers claimed before the Antidumping Appellant Tribunal as mentioned in the decision, that Arcelor Mittal the biggest producer of steel has categorized TMBP as CRC and extract from their website was quoted. In fact, Arcelor Mittal Packaging Product's catalogue on their website ( <a href="https://packaging.arcelormittal.com/repository2/Unassigned/ArcelorMittal%20Packaging%20-%20product%20catalogue.pdf">https://packaging.arcelormittal.com/repository2/Unassigned/ArcelorMittal%20Packaging%20-%20product%20catalogue.pdf</a> ) categorically shows the production line of TMBP and Tinplate and states that Tinplate is produced from Black Plate (TMBP) ( <del>Annex-R</del> ). Had CRC been same as Black Plate, it would have also been mentioned and showed in the production line. Arcelor Mittal have also given separate specification of TMBP and CRC vide letter dated 10.12.2021 ( <del>Annex-S</del> ). Nowhere, TMBP appears to be interchangeable with CRC. Not being satisfied with the decision of Antidumping Appellant Tribunal

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		<p>Islamabad STPL filed an Appeal No. 174/2017 with the Islamabad High Court and the matter is pending in the court.</p> <p>M/s. ISL vide their letter dated 03.02.2016 has confirmed that they only produce CRC of more than 0.23mm (<del>Annex-T</del>). M/s. ISL, vide their other letter dated 13.06.2017 had also confirmed that they do not produce TMBP (<del>Annex-U</del>)</p> <p>Initially, when antidumping duty was imposed in January 2017 on import from Ukraine and China on the basis of POI (01.04.2012 to 31.03.2015) TMBP was not classified separately and therefore the issue was not raised. In the non-confidential notes kept with the SEF it has been mentioned that while verifying the sales figures of the applicant M/s. STPL was found to be one of their <b>“main customer”</b> of CRC of less than 0.30mm thickness. It is pointed out that not a single consignment of CRC having less than 0.30mm thickness was supplied by ISL and only 166 M/Tons of CRC was supplied by ASML and due to quality issues the purchase was discontinued. STPL imported 39203 M/Tons TMBP and 31938 M/Tons CRC during the earlier POI period. How can STPL be a major customer with such a small supply of CRC from the applicants during this POI period? Based on these inputs Antidumping Duty on CRC was imposed on all gauges with some exclusions. In fact, STPL was supplied less than 1/4<sup>th</sup> of 1% of the imported quantity of CRC and TMBP during the POI (01.04.2012 to 31.03.2015).</p> <p>Remark: Landed cost of imported TMBP was higher than the price of the locally produced CRC.</p> <p>NTC has also recommended to FBR vide their letter No. 36/2016/NTC-CRC-887, dated 22<sup>nd</sup> may 2017 (Annex-V) to create separate heading of TMBP. The recommendation by itself proves that NTC had also agreed that TMBP is a separate product.</p> <p>The applicant have showed the end use of locally produced CRC to be used in different inedible products. In fact, the end use of the products produced by STPL i.e. Tinplate is mostly, for edible purposes.</p> <p>Under the current POI (01.10.2017 to 30.09 2020) the applicant had requested for Antidumping Duty on CRC and also quoted HS Code No. 7209.1891 and 7209.1899 which is of TMBP and have not been excluded. The HS code headings of TMBP need to be excluded in line with those categories of CRC which are not produced locally and used in auto industry and have been excluded.</p>																																										
17.	<p>Is any country other than Pakistan has separate HS code/heading for TMBP? If yes name the country and provide relevant HS code No. of that country</p>	<p>Some of the countries having separate HS codes for CRC and TMBP are as under</p> <table border="1" data-bbox="649 1438 1559 1801"> <thead> <tr> <th>S. No.</th> <th>Country</th> <th>Product</th> <th>H.S. Code</th> <th>Product</th> <th>HS Code</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>JAPAN</td> <td>CRC</td> <td>7209.1801</td> <td>TMBP</td> <td>7209.18092</td> <td>CRC HS Code of Japan and TMBP Invoice showing the HS Code Number (<del>Annex-ZA1</del>)</td> </tr> <tr> <td>2</td> <td>USA</td> <td>CRC</td> <td>7209.18.15.30</td> <td>TMBP</td> <td>7209.18.25.20</td> <td>US, Tariff HS code Enclosed (<del>Annex-ZA2</del>)</td> </tr> <tr> <td>3</td> <td>VIETNAM</td> <td>CRC</td> <td>7209.1899</td> <td>TMBP</td> <td>7209.1810</td> <td>Vietnam, Tariff HS Code Enclosed. (<del>Annex-ZA3</del>)</td> </tr> <tr> <td>4</td> <td>INDIA</td> <td>CRC</td> <td>7209.1899</td> <td>TMBP</td> <td>7209.1890</td> <td></td> </tr> <tr> <td>5</td> <td>TAIWAN</td> <td>CRC</td> <td>7209.1810.21-8</td> <td>TMBP</td> <td>7209.1830.29-6</td> <td>Taiwan, Customs Representation information. (<del>Annex-ZA4</del>)</td> </tr> </tbody> </table>	S. No.	Country	Product	H.S. Code	Product	HS Code	Remarks	1	JAPAN	CRC	7209.1801	TMBP	7209.18092	CRC HS Code of Japan and TMBP Invoice showing the HS Code Number ( <del>Annex-ZA1</del> )	2	USA	CRC	7209.18.15.30	TMBP	7209.18.25.20	US, Tariff HS code Enclosed ( <del>Annex-ZA2</del> )	3	VIETNAM	CRC	7209.1899	TMBP	7209.1810	Vietnam, Tariff HS Code Enclosed. ( <del>Annex-ZA3</del> )	4	INDIA	CRC	7209.1899	TMBP	7209.1890		5	TAIWAN	CRC	7209.1810.21-8	TMBP	7209.1830.29-6	Taiwan, Customs Representation information. ( <del>Annex-ZA4</del> )
S. No.	Country	Product	H.S. Code	Product	HS Code	Remarks																																						
1	JAPAN	CRC	7209.1801	TMBP	7209.18092	CRC HS Code of Japan and TMBP Invoice showing the HS Code Number ( <del>Annex-ZA1</del> )																																						
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18.	<p>Is there a separate HS code/heading for TMBP in Japan? If yes, then what is the code.</p>	<p>Yes, in Japan they have separate HS Codes as given at serial number 1 in Para R17 at above.</p>																																										

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19.	Can CRC and TMBP is distinguishable through naked eye?	It is difficult to judge and only highly skilled professional may differentiate.
20.	Whether there was any lab test report conducted by 3 <sup>rd</sup> party before making supply to STPL by local industry. Since this was years old dispute, why STPL did not take up this matter with the local suppliers.	Only 17 M/Ton of CRC was purchased from ISL during the POI and CRC is not under dispute, therefore, no lab test of CRC was required. 913 M/Tons of CRC was purchased during POI from ASML. There was no dispute on CRC thus there was no need to have a third-party lab test. No order of TMBP was placed with local industry before 01.07.2019 as earlier they had not responded to our P.O. for TMBP.
21.	Whether any pre-shipment inspection was conducted before making supplies to STPL by any credible Pre-Shipment Inspection Agency. If not, why STPL did not resort to this mechanism?	STPL had placed a Purchase Order of TMBP with ISL via email dated 01.07.2019 (Annex-W). This material was subject to pre-delivery inspection by a third party. STPL nominated SGS Pakistan to do the inspection at the ISL premises, before dispatch of the TMBP to STPL. SGS confirmed that the product is not TMBP as per the specification given in the purchase order (Annex-X). Based on the SGS Inspection report STPL did not lift the steel. ( <del>Annex-Y</del> ).
22.	As per the data/information submitted by domestic industry and your earlier submission, STPL has purchased CRC/TMBP around 34 MT from International Steel Limited and 913 MT from Aisha Steel Mills Limited during the POI. Please explain for what purposes the above-mentioned quantity of CRC/TMBP was purchased from Domestic industry. Please provide consumption details of said purchased quantities by STPL and provide documentary evidence in respect of Consumption	NTC is requested not to write "CRC/TMBP" as this gives an impression as if both are the same products and internationally, they are not so. We have categorically mentioned in our report to NTC that during POI, ISL had supplied 17 M/Tons of CRC and 913 M/Tons of CRC was supplied by ASML. STPL had not received a single tonnage of TMBP during POI. The CRC was purchased to produce Tinplate and its quality was ascertained as "B" and "C" and the Tinplate produced was sold to various customers ( <del>Annex-Z</del> ). The supply record of Tinplate showing details and sold to various customers of "B" and "C" grades is enclosed. ( <del>Annex-Z1, Z2</del> ). Quality of the Tinplate is graded by quality control department as per STPL internal standards ( <del>Annex-ZA5</del> ).

13.3.21 With the given information furnished by M/s ASML, ISL and STPL and the documentary evidence in response to questions the Commission came to the following conclusions:

- (a) domestic steel industry is following Japanese industrial standards (JIS) in manufacturing steel products;
- (b) there are separate JIS standards for TMBP and CRC. For TMBP, JIS G. 3303, for CRC, JIS G. 3141. All the three parties have furnished copies of the cited standards. Copies furnished by ASML and ISL are more elaborate. Consultation of the cited standards confirms that TMBP and CRC are totally different products starting from input material to end process and the product;



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- (c) ASML in response to question 18 and ISL in response to question 20 has unambiguously stated that during POI/POR, CRC was demanded by STPL and CRC was supplied and there was no question of TMBP. This settles down the core issue. No production and supply of TMBP;
- (d) STPL issued one Purchase Order to ISL vide letter dated 25.11.2017 for 4,000 MT TMBP (**Annex - XII**) as quoted by STPL on given 'Format'. Complete specs including JIS standard G. 3303 of required TMBP were given. In return ISL offered product while quoting JIS standard G. 3141 (**Annex - XIII**). M/s ISL has reported to the Commission that this order did not materialize. In the 2nd Purchase Order for TMBP given to ISL on 01.07.2019, M/s STPL had made advance payment. Order was for 50-100 MT. This material was inspected by SGS at pre-supply stage on 23.8.2019 and reported that instead of JIS G. 3303 for TMBP, prepared material was of JIS G. 3141 which was CRC. Numerous other deviations were also reported vis-à-vis given specs of TMBP to ISL. Consequently, STPL cancelled this contract and advance payment was adjusted against subsequent supplies from ISL. Had the industry enjoyed capacity to produce TMBP, it would have supplied the ordered quantity. This has proved that domestic industry had no capability to produce TMBP during POR/POI;
- (e) in answer to the questions whether industry has sold TMBP to any buyer in domestic market or exported the same during POR/POI, response was 'no'. This again established that industry was only exporting CRC or selling CRC in domestic market. At the websites of both the firms, there is no mention of manufacturing or marketing of TMBP, whereas; they are publicizing CRC and other products;
- (f) in answers to the questions, all the three have responded that there is a price difference in TMBP and CRC because TMBP involves additional processes/treatment. Domestic industry has not provided any evidence as to what is the extent of additional price. M/s STPL has furnished evidence, that during POI/POR price of CRC was Rs 117,000/mt and price of TMBP was Rs 124,000/mt. As per another evidence furnished by STPL, with the same specs of thickness, price differential in international market was around US \$ 250/mt. This fact also proves that TMBP and CRC were two separate products;
- (g) information made available to the Commission has shown that except in one case there were no pre-shipment inspections or lab tests. As per STPL stance, since Orders were for CRC and CRC was being supplied, therefore,

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there was no need for lab test or pre-inspection. In case of one Order for TMBP, there was a pre-supply inspection by SGS on the basis of which that Order was cancelled;

- (h) ISL has claimed that against one Order of STPL, they have supplied material of T2, T3 etc. which was TMBP. STPL has contested this stance and explained that presence of T2 or T3 does not make the product TMBP. Commission's consultation of JIS G. 3303 (TMBP) and JIS G. 3141 (CRC) has shown that **'T' in both the cited standards refers to 'temper' which is hardness of the product. This ranges from T1-T8 and this is common in both the standards. This hardness will not make the product TMBP. In fact, there are other related processes which have to be done for making the product TMBP;**
- (i) Domestic industry has claimed that in one Order of STPL, MR steel was used which makes the product TMBP. Commission's consultation of the above cited JIS for TMBP and CRC have shown that no doubt there is specific type of steel (MR) which is used for TMBP but this will not make it automatically TMBP. Processes laid down in the relevant standard (G. 3303) have to be followed so that end product becomes TMBP. In the above cited case, where there was pre-inspection, despite use of MR steel, SGS noted numerous deviations from the given standard and gave its finding that instead of G.3303 (TMBP) which was in the Order, it was product of G. 3141 (CRC). This established that MR alone will not make the product TMBP;
- (j) STPL was questioned to provide evidence of its imports of TMBP. Commission intended to see whether in the import documents STPL mentioned JIS G.3303 (TMBP) or not. STPL furnished copies of Customs GDs and invoices relating to POR/POI which clearly mentioned JIS G.3303;
- (k) during public hearing as well as in other presentations, STPL pleaded that they were purchasing CRC from domestic industry which was used for manufacturing of 'B' and 'C' grade tin plates. **For manufacturing of 'A' grade tin plate, they have been importing TMBP which was used for packaging of quality food products.** Detailed information was provided in this regard which is part of official record;
- (l) stance of the domestic industry as cited at earlier paras that Commission can't change its earlier view, was duly considered by the Commission and came to the conclusion that the Commission has to see the evidence in hand, examine objectively/impartially to arrive at legally and factually correct

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findings. The Commission also came to the conclusion that evidence laid down at preceding paras has never been before the Commission at the time of earlier investigations in case of China and Ukraine and PD in new investigations relating to four countries. Thus, a decision is being taken on merit as per exhaustive evidence gathered during this review and investigation process;

- (m) The point whether any finding of a committee constituted by the Commission are binding on it, be it EDB Committee. The Commission concluded that assistance of any person or committee can legally be obtained but their findings are recommendatory which can only be accepted factually and legally correct, otherwise, those can be disregarded. The Commission while reviewing the findings of the EDB Committee have already pointed out serious flaws in it as listed at para 11.1.9. The Committee did not question the Applicants that data provided during the visit was deficient and most of the documents related to post POI. There was no correlation between the presented sales invoices and the purchase orders. There was no supply of TMBP during POR/POI which the industry accepted itself in response to Commission's questions. No contract for transfer of so called TMBP coils from ISL to ASML for processing and transportation back, no gate passes or sales tax invoices issued by ASML for value addition. Had the Committee seen that there was no production or sale of TMBP during POR/POI then its findings would have been more meaningful. What new evidence was presented by the industry that they have now developed the capability to manufacture TMBP? Which new machinery was imported and installed, there is no documentary evidence in this regard even - no mention in the report. Neither related information demanded nor furnished by the domestic industry. Hence, findings/recommendations of the Committee due to serious flaws therein were found to be not acceptable by the Commission;
- (n) domestic industry has also raised the point that since earlier case is pending in the Hon'able Islamabad High Court, therefore, Commission can't take a decision on this issue. M/s STPL is Appellant in that case. The Commission is quite clear in its understanding that any decision in the present review/investigations will have no bearing on the case pending in the Hon'able court. Any decision in that case will be binding for all, be that the industry or Commission. Current review/investigations relate to future and not past case pending in the Hon'able Court;

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- (o) domestic industry has also raised the issue that STPL got created a separate PCT heading No. 7209.1891 for TMBP through Finance Act, 2019. The Commission asked questions to the three parties whether any other country has also created specific HS heading for TMBP. Domestic industry has responded that there is no such specific heading for TMBP. M/s STPL has reported in response to question No.17, that precedence of five countries is there. The Commission has checked up this position at its level and have found that USA, Singapore, Vietnam and Cambodia have specific heading for TMBP in their national Customs Tariffs Classifications. Copies of relevant Customs Tariff pages are attached at **Annex – XIV**. This does establish that TMBP is a separate commodity than CRC.
- (p) Notwithstanding the position, whether any other country has a specific HS heading for TMBP or not, legal '*locus standi*' of separate heading in Pakistan Customs Tariff needs to be understood. This PCT was created by the Parliament of this country vide Finance Act, 2019 and became operative w.e.f 1<sup>st</sup> July, 2019. This clearly meant that TMBP was a separate and different commodity than CRC and it was not a name of a process. If any application is filed for imposition of ADD on CRC, it will not automatically include TMBP through inclusion of its PCT code. Any misreading on this count needs to be avoided. Commission's staff was required to collect separate production and sales data of TMBP of PCT code 7209.1891 during any investigation where it was alleged by the domestic industry that TMBP was being dumped and causing injury to the industry. This was required to be followed with effect from 1<sup>st</sup> July, 2019. This clarity was also required on the part of the Staff. This is the reason that during on-the-spot verification conducted in May, 2021, erroneously, no separate data for production and sale of TMBP was obtained, analyzed or reported. The domestic industry has not separately established in application that dumping of TMBP has caused injury or there is a threat of injury. Thus, TMBP is not domestic like product and its inclusion in investigated product is incorrect.

13.3.22 In view of the above findings, the Commission has decided to exclude TMBP from the product scope of 'domestic like product'.

11.1.23 Before parting with TMBP part of the report, the Commission has decided to respond to the repeated submissions of the domestic industry that it has sold thousands of tons of TMBP to STPL. At the cost of repetition, assessment given at para 11.1.9 (e) & (f) relating to post POI supply of said to be TMBP by ISL to STPL is pasted below:

*"in 2<sup>nd</sup> set of 86 invoices, 73 invoices have no corresponding purchase order number but 13 have corresponding Order number 21080002 dated 09.8.2021.*

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*This is one of the six purchase orders as quoted at (d) above. Description in cited purchase order no. vis-à-vis description in sales invoices is quoted below:*

<i>Description in purchase order (<b>Annex III</b>)</i>	<i>Description in sales invoices. One sample invoice <b>at Annex - IV</b></i>
<i>Prime cold rolled steel coil 0.28MMX 1025mm</i>	
<i>Prime cold rolled steel coil 0.25 mmx 914 mm</i>	<i>Tin mill black plate 0.250x0914 standard packed MRT3 bright finish un oiled tension levelled p</i>

*Purchase order was for CRC and corresponding invoice was for TMBP. This description in sale invoices is there in all the 86 invoices. How EDB relied on this information, no explanation given. Since no corresponding purchase order was quoted in remaining 129 sales invoices, therefore, it was not possible to correlate the given purchase order with the given invoice but there was no doubt that all purchase orders were for CRC with given thickness and width”.*

13.3.24 The above is a typical example of maintaining concocted and misleading description in sales invoices on the part of ISL to show that it was producing TMBP. This information has misled Commission’s Staff as well as EDB Committee. There could be no such example in any commercial transaction where buyer is giving purchase order for “CRC” and manufacturer is supplying “TMBP” as shown at the above table which is an expensive product but without any additional cost. The Commission has noted the behavior of ISL with concern which creates questions on reliability of the data provided by it even other than TMBP. Case of ASML was simpler, all purchase orders were given for CRC and supply was also CRC as mentioned in the relevant sales invoices. No discrepancy in description was noted in the sales invoices vis-à-vis purchase orders issued by ASML.

**13.3.25 Dissenting View Point of the Chair Person on the Issue of TMBP**

I do not agree with the majority determination at paragraphs 11.1. 5 to 11.1.24 supra and 11.1. 28 infra to exclude TMBP, HS 7209.1891 from scope of domestic product (as not being manufactured locally) on following grounds:

- a) By definition, Tin Mill Blackplate (“TMBP”) is thin annealed Cold Rolled (CR) steel, which is often used as substrate for tinplate (ETP) and tin-free steel (TFS/ECCS). Generally CRC of lower gauge ranging between 0.15mm to 0.35 mm is characterised as TMBP. The conclusion drawn in paragraphs 11.1. 5 to 11.1.24 supra and 11.1. 28 infra is based on a very narrow definition of TMBP i.e. JIS G 3303, whereas TMBP can be classified according to specification, steel type, temper designation, annealing method, surface finish and other characteristics and these classifications are the same as those for tin plate and tin free sheets (Annex-XV).

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- b) Appellate Tribunal in Appeal No. 103/2017 dated 16 November 2017 after a thorough discussion decided that “ we don’t see any reason to accept TMBP and CRC (of thickness ranging from 0.15 mm-2.50 mm) as two different products, especially when both the products were capable of serving the same purpose or similar end uses having identical practical utility”.
- c) Even the SGS Pre Delivery Inspection Report dated September 04, 2019, (as mentioned in para 13.3.21(d)) did not say that material offered by ISL is not TMBP. It acknowledged that material offered by ISL has Steel Type MR, Temper Tolerance T4 (61) +-3, Annealing BA and thickness 0.25. All this clearly specifies the material as TMBP.
- d) All evidence of sale and purchase orders shows that secondary quality TMBP was supplied by ASML and ISL to STPL during and after POI. It is also accepted by STPL that they have received this material and produced secondary quality Tin Plate with this material. A report by Fortune Securities dated December 08, 2020 (Annex-XVI) further proves this point. The report clearly states that, “Siddiqsons entered into a contract with Aisha Steel Mills Limited (ASL) for monthly supply of 2,500-3,000 tons of secondary grade Tin Mill Black Plate (TMBP). Following surplus capacity in the CRC market, ASL has now started producing TMBP in a toll manufacturing setup, exclusively for STPL.”
- e) The important question here is whether industry can produce TMBP or not. Earlier, on this issue, the Appellate Tribunal in Appeal No. 103/2017 dated 16 November 2017 concluded that “we find no reason to accept that the domestic industry was not capable of manufacturing TMBP/ CRC sheets of 0.3 mm thickness and lower suitable for tinning.”
- f) A recent Report by EDB has comprehensively looked into this issue and concluded that domestic industry has the capacity to produce TMBP. All the relevant evidences, including minimum thickness rolled i.e.0.15 mm, supplier Mill Test Certificate of TMBP manufacturing material i.e. HRC, tensile result of TMBP 0.25 mm MR T3, thickness tolerance of 0.25 mm & 0.28 mm and delivery notes from ISL for Electrolysis Cleaning Service are attached with the report. (Annex-II).
- g) TMBP is classified in Pakistan Customs Tariff under HS 7209.1891 as TMBP of thickness less than 0.3 mm, without any specific standard or primary / secondary distinction. Exclusion of HS 7209.1891 would not only exclude TMBP JIS G 3303 but any product with any standard or specification of TMBP having thickness less than 0.3 mm.

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- h) It's a well established fact in business that new products are developed through cooperation of buyer and supplier. All the information apparent from different agreements between STPL and ASML & ISL purchase and supply orders suggest that this process of development is going on. Domestic industry has the capacity to produce the material as per requirement of STPL thus exclusion from definition of domestic product is not warranted.

13.3.26 During the course of the investigation, different automotive manufacturers, OEMs, the Pakistan Auto parts Manufacturers Association (“PAMA”) and Pakistan Association of Automotive Parts and Accessories Manufacturers (“PAAPAM”) and POSCO, Korea submitted that apart from the CR Coils/Sheets meant for automotive outer skin/ outer body , which are already excluded from the purview of this investigation, several grades of CR Coils/Sheets that are used in automobiles are also not being produced by the domestic industry. During the on-spot verification visit, the Applicants were asked to provide list of grades that they produced and sold to the automotive sector during POI. In response, the Applicants submitted that CRC used in auto parts is of various grades and they produce and supply CRC to auto parts manufacturers. However, CRC used in outer skin parts, structures and other high-end applications such as trunk boot, door panels, pillars etc. in four wheeler vehicles is high grade high tensile material which is not produced by the domestic industry during the POI. To validate this, the Commission obtained sales records of the Applicants to the auto parts manufacturers in the domestic industry. This fact as well as details of the Applicants’ sales to Automotive Sector are reported in on-the-spot investigations reports, which were made available to interested parties by placing the same on the public file. However, no contradictory comments from any interested party has been received so far.

13.3.27 Currently, the domestic industry is producing different automotive grades of CRC which includes SPCC, SPCD, SPCE and SPCG. However, the following auto grades of CRC have not been produced by the domestic industry during POI:

**Table-IV  
Auto Grades not Produced Locally**

<b>S.No</b>	<b>Grade Description</b>
i.	JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-45
ii.	SPCO-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
iii.	JSC26OGN-2 (SPCX), JAH59ORN 45/45
iv.	SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
v.	SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
vi.	HFS 429M, HFS 436L, HSS 441
vii.	SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
viii.	MSM-CC-DZC-90/90
ix	SAE1050, SAE1070, SAE1078, JS-SK60, JS-SK85
x.	Tin Mill Black Plate (TMBP) of a thickness 0.30 mm or less, PCT No. 7209.1891

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13.3.28 Accordingly, the above mentioned grades have been excluded from the scope of the investigated product. Further, during on-the-spot investigations at Applicants premises the Commission also found that the domestic industry can only produce CR Coils/ Sheets of a thickness of 0.15 to 03 mm and of a width up to 1250 mm. Therefore, the investigated product for the purposes of this investigation is: flat-rolled products of iron or non-alloy steel of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250mm, cold- rolled (cold- reduced), not clad, plated or coated, of prime and secondary quality (“CR Coils/Sheets”), of in rolls or slit to length sheets, excluding CR Coils/ Sheets used in automotive outer skins of four wheeler vehicles and following auto grades imported from the Exporting Countries (the “investigated product”):

**S.No Grade**

- i. JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-45
- ii. SPCD-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
- iii. JSC26OGN-2 (SPCX), JAH59ORN 45/45
- iv. SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
- v. SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
- vi. HFS 429M, HFS 436L, HSS 441
- vii. SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
- viii. MSM-CC-DZC-90/90
- ix. SAE1050, SAE1070, SAE1078, JS-SK60, JS-SK85
- x. Tin Mill Black Plate (TMBP) of a thickness 0.30 mm or less, PCT No. 7209.1891

13.3.29 The investigated product is classified under Pakistan Customs Tariff Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

13.3.30 Following table shows customs tariff structure of 2020-21 applicable on imports of Cold Rolled Coils/Sheets:

**Table-V  
Tariff Structure of Cold Rolled Coils/Sheets (%)**

PCT Heading	Description	Customs + Add. Duty	RD	FTAs/PTAs	Concession under SROs
Chapter 72	Iron and Steel				
72.09	Flat- rolled products of iron or non- alloy steel, of a width of 600mm or more, cold-rolled (cold-reduced), not clad, plated or coated.				
	- In coils, not further worked than cold-rolled (cold-reduced)				
	-- Of a thickness exceeding 1mm but less than 3mm				
7209.1510	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1590	- - - Others	11+2	5	CN_5; MY=10;	CD 1% and RD



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				SAFTA=5; LK_FTA Conc. = 100%	0% under SRO 655(I)/2006 for Auto Sector
7209.1610	--- Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1690	--- Others	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
-- Of a thickness of 0.5mm or more but not exceeding 1mm					
7209.1710	--- Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1790	--- Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
-- Of a thickness of less than 0.5mm					
7209.1810	--- Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1891	--- Tin mill black plate of thickness 0.33 mm or less	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1899	--- Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
- Not in coils, not further worked than cold- rolled (cold-reduced)					
-- Of a thickness exceeding 1mm but less than 3mm					
7209.2610	--- Of secondary quality	20+7	5	CN_16; MY=10; LK_FTA Conc. = 100%	---
7209.2690	--- Other	11+2	5	CN_5; MY=10; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
-- Of a thickness exceeding 0.5mm but not exceeding 1mm					
7209.2710	--- Of secondary quality	20+7	5	CN_16; MY=10; LK_FTA Conc. = 100%	
7209.2790	--- Other	11+2	5	CN_5; MY=10; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
-- Of a thickness of less than 0.5 mm					
7209.2810	--- Of secondary quality	20+7	5	CN_16; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.2890	--- Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector

**13.4 Domestic Like Product**

13.4.1 Domestic like product means the like product that is produced by the domestic industry. The domestically produced product is flat-rolled products of iron or

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non-alloy steel, cold-rolled (cold-reduced), not clad, plated or coated, of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250 mm, in rolls or slit to length sheets, excluding CR Coils/ Sheets used in automotive skins of four wheelers and auto grades mentioned at Table-IV supra. The domestic like product is classified under Pakistan Customs Tariff<sup>1</sup> ("PCT") Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

13.4.2 The domestic like product is also used for used in production of automotive parts, sub-assembly/inner body parts, fabrication of goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc.

**13.5 Like Products:**

13.5.1 In terms of Section 2(m) of the Act, like product means a product, which is alike to an investigated product in all respects or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product.

13.5.2 For the purposes of determination of dumping of the investigated product the like product is CR coils/sheets produced and sold by the exporters/producers of the Exporting Countries in their domestic market as well as exported to the countries other than Pakistan. For the purposes of determination of injury to the domestic industry the like product is the investigated product and the CR Coils/Sheets imported into Pakistan from countries other than the Exporting Countries.

13.5.3 There is no difference between the investigated product, the domestic like product and the CR coils/sheets imported from sources other than the Exporting Countries as all the three products are:

- i. produced with same/similar inputs and manufacturing process;
- ii. have same/similar appearance;
- iii. are substitutable in use and application.

13.5.4 Therefore, the Commission is satisfied that the investigated product, domestic like product and CR coils/sheets imported from sources other than the Exporting Countries are like products.

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

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**14. Period of Investigation**

14.1 In terms of Section 36 of the Act, Period of Investigation (“POI”) is:

*“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.”*

*“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”.*

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

For determination of dumping: From October 01, 2019 to September 30, 2019

For determination of injury: From October 01, 2017 to September 31, 2019

**15. Information/Data Gathering**

15.1 The Commission sent questionnaires on February 25, 2021 to the known exporters/ producers of CR Coils/Sheets from the Exporting Countries, asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent a copy of the Questionnaire to the Diplomatic Missions of the Exporting Countries in Pakistan on February 25, 2021 with a request to forward it to all known exporters/ producers of Cold Rolled Coils/Sheets in the Exporting Countries.

15.2 The deadline for the submission of the data/information on the prescribed Exporter’s Questionnaire was April 03, 2021. No response from any exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on April 29, 2021 explaining that in case of no response of the questionnaire, the Commission will be constrained to make determination of dumping of the investigated product on the basis of “Best Information Available” including those contained in the application submitted by the domestic industry. In response only one exporter/trader namely COFID Stahl-Handelsgesellschaft mbH from Germany provided very limited information in response to the questionnaire, which was not sufficient to determine individual dumping margin. Therefore, deficiencies were communicated to the exporter/trader, however it did not provide the requisite data/information. Thus, none of the exporters/ producers from the Exporting Countries has responded to the Commission’s questionnaire and did not provide requisite information necessary for determination of dumping margins.

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15.3 Questionnaires were also sent to known importers of the investigated product on February 25, 2021, followed by a reminder on April 29, 2021. In response to the Questionnaire, Agriauto Stamping Company Ltd., Dawood Engineering Pvt Ltd. and Pakistan Electronics Manufacturers Association have provided certain information relating to their imports of the investigated product, which is taken into account by the Commission in this investigation.

15.4 On February 25, 2021 and May 25, 2021 questionnaire was also sent to the other domestic producers i.e. AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd. for necessary information. AHN Steel Pvt., Ltd. and Hadeed Pakistan Ltd. have provided information for their capacities and production for the POI of dumping only.

15.5 The Commission has access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this investigation, the Commission has also used import data obtained through PRAL/Pakistan Customs in addition to the information provided by the Applicants in the application and the other parties. In addition to this, the Commission has also obtained certain information from publicly available sources, which, inter-alia, includes articles published in different journals and International Trade Centre database etc.

15.6 All interested parties were invited to make their views/comments known to the Commission and to submit information and documents (if any) regarding this investigation. During the course of this investigation (after initiation of this investigation and after preliminary determination, during the Hearing), the Commission received written submissions/ comments from the following parties which were mainly related to the scope of the investigated product, volume, prices of the investigated product, domestic like products and injury to the domestic industry due to dumped imports:

- a. European Commission, Directorate-General for Trade, Brussels
- b. POSCO, South Korea
- c. Siddique Sons Tin Plate Ltd. Pakistan
- d. Pirani Engineering Pvt. Ltd. Pakistan
- e. Pakistan Electronics Manufacturers Association, Pakistan
- f. MGA Industries Pvt. Ltd.
- g. Indus Motor Company Pvt. Ltd.
- h. Agri Auto Stamping Company Ltd.
- i. PAK Suzuki Motor Company Ltd.
- j. Hyundai Steel Company, South Korea
- k. Pakistan Iron and Steel Merchant Association, Pakistan
- l. Karachi Iron and Steel Merchant Association, Pakistan
- m. Dawood Engineering Pvt. Ltd
- n. Pakistan Automotive Manufacturers Association. Pakistan

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- o. Pakistan Association of Automotive Parts and Accessories Manufacturers Association, Pakistan.
- p. Stamco Steel Corporation

15.7 Views/comments and the information submitted by the above-mentioned interested parties have been considered in making this final determination. Views/comments of the interested parties germane to this investigation and response of the Commission are given in annotated form at Annexure-XVII.

15.8 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation. Therefore, this final determination is based on the information available to the Commission.

15.8 In terms of Rule 12 of the Rules, during the course of this investigation, the Commission also satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

**16. Verification of the Information**

16.1 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 to the accuracy of the information. Accordingly, the Commission has satisfied itself to the accuracy and adequacy of information and evidence supplied by the interested parties to the extent possible for the purposes of this final determination

16.2 In order to verify the information/data provided by the Applicants and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations at offices and plants of the Applicants from May 24 to 29, 2021.

16.3 The reports of on the spot investigations/verifications conducted at premises of the Applicants were provided in full to the Applicants. Non-confidential versions of the on-the-spot investigations/verifications reports are made available to other interested parties by placing the same on the public file.

**17. Public File**

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

**18. Confidentiality**

18.1 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.

18.2 The Applicants have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries & wages, number of employees etc. In addition to this, the Applicants have also provided certain other information on confidential basis under Section 31(2)(c), as such information, e.g. export or import price and import volume of the investigated product, may lead to the disclosure of the by nature confidential information of the Applicants by way of reverse calculations. However, the Applicants have submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.

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

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

**19. Preliminary Determination**

19.1 The Commission made preliminary determination in this investigation on August 23, 2021 in terms of Section 37 of the Act and imposed following provisional antidumping duties for a period of four months:

**Table-VI  
Provisional Anti-dumping Duties**

<b>Country Name</b>	<b>Duty Rate (%of C&amp;F price)</b>
Chinese Taipei	6.18
European Union	6.50
South Korea	13.24
Vietnam	17.25

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19.2 The Commission issued a notice of preliminary determination, which was published on August 28, 2021, in Official Gazette of Pakistan and in two widely circulated national newspapers (the “Express Tribune” and “Daily Nawa-e-Waqt”) notifying the preliminary determination.

19.3 On August 23, 2021, the Commission also sent copy of the notice of preliminary determination to the Diplomatic Missions of the Exporting Countries in Islamabad, the exporters, the importers, and the Applicants in accordance with the requirements of Section 37(4) of the Act. A detailed report (non-confidential version) of the preliminary determination was placed at the public file and was also posted on Commission’s website i.e. [www.ntc.gov.pk](http://www.ntc.gov.pk).

## **20. Hearing**

In terms of Rule 14 of the Rules, the Commission shall, upon request by an interested party made not later than thirty days after publication of notice of preliminary determination, hold a hearing at which all interested parties may present information and arguments. Upon request of Pakistan Automotive Manufacturers Association (PAMA), a virtual hearing via Zoom Application was held in the Commission on September 27, 2021 to obtain the views/comments of the interested parties. The information submitted by the participants during the hearing and record note of the hearing prepared by the Commission were placed on the public file for review and copy of the interested parties. Further, the Commission has considered the views/comments and information provided by the interested parties during the hearing in making this final determination

## **21. Disclosure of Essential Facts**

21.1 In terms of Rules 14(8) of the Rules, and Article 6.9 of Anti-dumping Agreement, the Commission disclosed essential facts to the interested parties in this investigation. In this context a Statement of Essential Facts (“SEF”) was dispatched on November 23, 2021, to all interested parties including the known exporters/ foreign producers, the Applicants, known Pakistani importers, and to the Diplomatic Missions of the Exporting Countries in Islamabad.

21.2 Under Rule 14(9) of the Rules, the interested parties were required to submit their comments (if any) on the facts disclosed in SEF, in writing, not later than fifteen days of such disclosure. The Commission has received comments on essential facts from the following parties:

- i. The Applicants
- ii. Pakistan Iron and Steel Merchant Association, Pakistan;
- iii. Karachi Iron and Steel Merchant Association, Pakistan;
- iv. Siddique Sons Tin Plate Ltd. Pakistan; and

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- v. Pakistan Association of Automotive Parts and Accessories  
Manufacturers Association, Pakistan

21.3 Views/comments and the information submitted by the above-mentioned interested parties have been considered in making this final determination. Views/comments of the interested parties germane to this investigation and response of the Commission are given in annotated form at Annexure-XVIII.

**B. DETERMINATION OF DUMPING**

**22. Dumping**

22.1 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”.*

**23. Normal Value**

23.1 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”.*

23.2 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.”.*



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23.3 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.”*

**24. Export Price**

The “export price” is defined in Section 10 of the Act as: “a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan”.

**25. Dumping Determination for the Exporting Countries**

As stated earlier (paragraphs 15.1 and 15.2 supra) the Commission sent questionnaires to exporters/ producers whose complete addresses were available with the Commission. A copy of the questionnaire was also provided to the embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/ foreign producers of the investigated product to submit information to the Commission. However, the Commission did not receive information in response to the questionnaire

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from any of the exporter/ foreign producer of the investigated product in this investigation. Therefore, dumping of the investigated product in this final determination is determined on the basis of best information available in accordance with Section 32 of the Act. Details of determination of normal value, export price and dumping margin are provided in the following paragraphs.

**26. Determination of Normal Value for the Exporting Countries**

26.1 The Commission has determined normal value for EU, South Korea and Chinese Taipei on the basis of information obtained from an online portal of MEPS International limited (“MEPS”), United Kingdom ([www.meps.co.uk](http://www.meps.co.uk)). MEPS International Ltd. is a leading steel market analysis and information providing company on global steel prices, indices etc. The normal values have been worked out on the basis of yearly average prices for the POI for dumping obtained from MEPS. The prices data provided the MEPS shows that the prices are reported at ex-works level in EU, South Korea and Chinese Taipei’s markets.

26.2 Domestic prices of CR Coils/Sheets in Vietnam are not available in MEPS, therefore, normal value for Vietnam has been constructed on the basis of the cost of production in Vietnam plus a reasonable amount for administrative, selling and general costs and profits in accordance with Section 6 of the Act. Normal value for Vietnam is constructed on the following basis:

- i. Raw materials cost is determined on the basis of the Applicants’ import price of raw materials at C&F level.
- ii. C&F prices are multiplied with the per unit consumption rate of the raw materials to arrive at material cost per ton. Consumption of raw material per unit is based on the yearly average of the Applicants. Inland freight is added to C&F prices to arrive at ex-factory prices of raw and packing materials.
- iii. Labor hours employed by the domestic industry to produce one metric ton of CR Coils/Sheets have been multiplied by labour rate applicable in the Vietnam to work out labour cost.
- iv. Variable overhead cost of domestic industry has been converted into equivalent fuel /petrol consumption. The same has been multiplied by fuel/petrol rate applicable in the Vietnam to arrive at variable overhead cost in Vietnam.
- v. Other fixed charges including depreciation of the Applicants on per metric ton basis have been taken as it is in construction of normal value.
- vi. In construction of the normal value, financial charges are calculated by using actual financial charges of the Applicants and the same has been deflated by difference between interest rate of the Vietnam and Pakistan.

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- vii. Profit mark up of 5% has been applied on cost to make & sell to reach at constructed normal value for the investigated product

26.3 Normal values determined for the Exporting Countries as per paragraphs 26.1 and 26.2 supra are for prime quality CR Coils/Sheets. However, analysis of the import data obtained from Pakistan Customs/ PRAL has revealed that about 34 percent of imports of the investigated product from the Exporting Countries was of secondary quality during the POI for dumping i.e. From October 01, 2019 to September 30, 2020. Analysis of the import prices of the investigated product shows that weighted average C&F price of secondary quality CR Coils/Sheets was 21.62 percent lower than the weighted average C&F price of prime quality CR Coils/Sheets. Therefore, to reach at secondary quality's normal values, the prime quality prices/normal values are discounted with the same ratio that pertains to the import prices of prime and secondary CR coils/sheets imported from the Exporting Countries POI for dumping. This difference works out 21.62 percent. Therefore, to determine normal value of the investigated product for the imports under "secondary quality" the respective prices/normal values are lowered by 21.62 percent.

26.4 Normal values of the investigated product determined on the fore-going basis for the Exporting Countries are provided in the following table:

**Table-VII  
Normal Values**

Country	Normal Values for:	
	Prime CRC	Secondary CRC
Chinese Taipei	100.00	78.38
European Union	102.64	80.45
South Korea	102.86	80.62
Vietnam	100.69	78.92

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t normal value of Prime CRC from Chinese Taipei by taking it equal to 100

**27. Determination of Export Prices of the Investigated Product**

27.1 In terms of section 10 of the Act, export price shall be a price actually paid or payable for an investigated product when sold for export from an exporting country to Pakistan.

27.2 As stated earlier (paragraph 15 supra) none of the exporter/ foreign producers from the Exporting Countries provided information in response to the questionnaire, therefore, export price has been worked out on the basis of the information/data obtained from PRAL on imports of the investigated product during the POI.

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27.3 The data obtained from PRAL shows prices at C & F level. To reach at ex-factory level the adjustments on account of ocean freight, inland freight, and insurance have been made in the C&F prices.

27.4 Evidence of ocean freight has been provided by the Applicants by taking a quotation from a local shipping company from ports of the Exporting Countries to Karachi Pakistan. Inland freight has been assumed as USD \*\*/MT and insurance has been taken as 0.9 percent of the C & F price.

27.5 Based on the above information, export prices of the investigated product for the Exporting Countries during the POI are given in the following table.

**Table-VIII  
Export Prices**

Country	European Union			South Korea			Chinese Taipei			Vietnam		
	Prime	Secondary	Total	Prime	Secondary	Total	Prime	Secondary	Total	Prime	Secondary	Total
C&F Price	100.00	105.17	104.97	123.56	108.13	123.09	131.26	97.95	125.09	114.69	--	114.69
Ocean freight	9.19	9.19	9.19	11.04	11.04	11.04	12.04	12.04	12.04	8.03	--	8.03
Inland freight	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	2.01	--	2.01
Insurance	0.90	0.95	0.95	1.11	0.97	1.11	1.18	0.88	1.13	1.03	--	1.03
Adjusted Price	87.90	93.02	92.82	109.40	94.11	108.93	116.03	83.01	109.91	103.62	--	103.62

Sources: PRAL and the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t Normal value of prime quality CRC from European Union by taking it equal to 100

**28. Dumping Margin**

28.1 Section 2(f) of the Act defines dumping margin in relation to a product as “the amount by which normal value exceeds its export price”.

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

28.3 The Commission has also complied with the requirements of Section 11 of the Act which states that the Commission shall, where possible, compare export price and normal value with the same characteristics in terms of level of trade, time of sale, quantities, taxes, physical characteristics, conditions and terms of sale and delivery at the same place.

28.4 Taking into account the requirements of Section 11 of the Act, dumping margins for the Exporting Countries work out as follows.

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Table-IX

Country Name	Dumping Margins as % of	
	Adjusted export price	C&F Export Price
Chinese Taipei	7.04	6.18
European Union	7.35	6.50
South Korea	14.96	13.24
Vietnam	19.09	17.25

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

29.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins, set out in paragraph 26.4 supra, are above the de minimis level.

29.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the dumped imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product, collectively account for more than seven per cent of the imports of like product. The information/data on dumped imports of the investigated product and other imports of CR Coils/Sheets has been obtained from PRAL. Volume of dumped imports of the investigated product and the CR Coils/ Sheets imported from other sources during the POI (October 01, 2019 to September 30, 2020) is given in the table below:

**Table-X**  
**Volume of Imports of CR Coils/Sheets**

Source of import	% of total
European Union	19.53
South Korea	20.48
Chinese Taipei	28.87
Vietnam	4.50
Other Dumped Sources*	5.96
Other sources	20.65
<b>Total</b>	<b>100.00</b>

\* Canada, Russia, China and Ukraine

Source: PRAL

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

## **C. INJURY TO DOMESTIC INDUSTRY**

### **30. Determination of Injury**

30.1 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...”*

30.2 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”.*

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

30.4 As stated earlier that there are five units in the domestic industry (paragraph 8 supra). Out of five, two major units are the Applicants in this case. The other units in operation AHN Steel Pvt. Limited and Hadeed Pakistan Pvt. Ltd were asked to provide the requisite data/information on the prescribed questionnaire, however they did not provide the data/information on the prescribed questionnaire. Whereas the fifth unit in the industry, Pakistan Steel Mills Ltd. is not in operation since 2015. Therefore, analysis of the injury factors is based on the Applicants information. As the Applicants produced 89.34 percent of the total domestic production of CR Coils/ Sheets during the POI (paragraph 8.4 supra), therefore the Applicants are considered as domestic industry for the purposes of this investigation.

### **31. Cumulation of Dumped Imports**

31.1 Section 16 of the Act states that:

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

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that

- “(a) dumping margin in relation to an investigated product from each country is more than the negligible amount as specified...., and volume of dumped imports from each investigated country is not less than the negligible quantity as specified.....; and
- “(b) a cumulative assessment of the effects of the imports is appropriate in the light of
  - (i) the conditions of competition between the imports; and
  - (ii) the conditions of competition between the imports and a domestic like product”.

31.2 Dumping margin for each Exporting Country is more than the negligible amount (paragraph 28.4 supra). Further, the volume of dumped imports during the POI from each Exporting Country individually was also well above the negligible quantity (paragraph 29.2 supra).

31.3 Information obtained from PRAL showed that, during the POI, landed cost of the investigated product from the Exporting Countries was in the same range. Therefore, there was a competition between dumped imports of the investigated product. Volume of imports and weighted average landed cost of the investigated product from the Exporting Countries during the POI for dumping is provided in the table below:

**Table-XI  
Volume and Landed Cost of Dumped Imports**

<b>Description</b>	<b>EU</b>	<b>South Korea</b>	<b>Chinese Taipei</b>	<b>Vietnam</b>
Import volume	100.00	104.85	147.78	23.05
Wted. Avg. C&F price	100.00	117.27	119.17	109.26
Wtd. Avg. Landed cost	134.18	129.65	145.59	132.20

Source: PRAL

Landed cost= customs duty+additional duty+regulatory duty+incidentals

Note: To keep confidentiality, the actual figures have been indexed w.r.t volume and weighted average C&F price of CRC from EU by taking it equal to 100

31.4 The information provided in the above table shows that there was a competition between dumped imports of the investigated product from the Exporting Countries during the POI.

31.5 The investigation has also revealed that there was a competition between investigated product and the domestic like product. Conditions of competition between imports of the investigated product and the domestic like product are discussed in detail in the following paragraphs.

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31.6 For the reasons given above, the effects of dumped imports on the domestic industry have been cumulatively assessed in the following paragraphs.

**32. Volume of Dumped Imports**

32.1 In order to ascertain the increase in the volume of dumped imports of the investigated product, the Commission has obtained import data from PRAL. It is worth mentioning that the imports data has been sorted carefully and the grades which are not being produced by the domestic industry have been excluded from imports data for purposes of this investigation.

32.2 With regard to the volume of dumped imports, in terms of Section 15(2) of the Act, the Commission considered whether there has been a significant increase in volume of dumped imports, either in absolute terms or relative to the production of the domestic like product in Pakistan. The following table shows imports of the investigated product, imports from other sources and production of domestic like product during the POI:

**Table-XII  
Volume of Dumped Imports**

Year	Sources of Imports:				Domestic production	Dumped imports as % of:	
	Dumped	Other Dumped	Other Sources	Total		Total imports	Domestic production
2017-18	16.47	24.68	7.02	48.17	100.00	34.19	16.47
2018-19	14.75	11.84	3.92	30.51	103.20	48.35	14.3
2019-20	20.69	1.68	5.82	28.20	84.28	73.39	24.55

Sources: PRAL and the Applicants

\* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 10 supra).

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic production figures during year 2017-18 by taking it equal to 100

32.3 Above table shows that the volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to the production of the domestic like product during the POI for dumping. Dumped imports of the investigated product decreased by 10.42 percent in the year 2018-19 and increased significantly by 40.26 percent in the POI for dumping i.e. 2019-20

32.4 Dumped imports of the investigated product, which were 16.47 percent of the domestic production in the year 2017-18 decreased slightly to 14.30 percent of domestic production in the year 2018-19 and increased to 24.55 percent of domestic production in the POI for dumping i.e. 2019-20.

32.5 Due to imposition of antidumping duties on other dumped sources (Canada, Russia, China and Ukraine) imports from these sources have declined sharply by 85 percent. Imports from other sources increased by 48.54 percent whereas imports from



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dumped sources increased by 40.26 percent in the year 2019-20. However, domestic production declined by 18.33 percent in the year 2019-20.

32.6 On the basis of above information, the Commission has determined that the dumped imports of the investigated product increased significantly in absolute terms as well as relative to the production of domestic like product during the POI.

**33. Price Effects:**

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

**33.1 Price Undercutting**

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

**Table-XIII  
Price Undercutting**

Year	Domestic like product's price	Landed cost of dumped imports	Price undercutting:	
			absolute	percentage
Oct 17-Sep 18	100.00	106.30	---	---
Oct 18-Sep 19	111.39	128.32	---	---
Oct 19-Sep 20	122.45	132.29	---	---

Note: Domestic price and landed cost are without sales tax Sources: the Applicants and PRAL  
To keep confidentiality, the actual figures have been indexed w.r.t domestic like product's price during year 2017-18 by taking it equal to 100

33.1.2 The information provided in the above table shows that the weighted average landed cost of the investigated product remained higher than the prices of the domestic like product during the POI for injury. Therefore, the domestic industry did not face price under cutting during the POI.

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**33.2 Price Depression**

33.2.1 Sales price of the domestic like product during the POI is given in table below;

**Table–XIV  
Price Depression**

Year	Domestic like product's price	Price Depression
Oct 17-Sep 18	100.00	---
Oct 18-Sep 19	111.39	---
Oct 19-Sep 20	122.45	---

Source: The Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic like product's price figures during year 2017-18 by taking it equal to 100

33.2.2 The above table shows that the price of the domestic like product increased throughout the POI. Therefore, domestic industry did not face price depression during the POI for injury.

**33.3 Price Suppression**

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

**Table-XV  
Price Suppression**

Year	Domestic like product's:		Increase in domestic like product's:				Price suppression	
	Cost to make & sell	Price	Cost to make & sell		Price			
				%		%		
Oct 17-Sep 18	89.03	100.00	--	--	0	--	--	--
Oct 18-Sep 19	109.54	111.39	20.51	23.00	11.39	11.30	9.12	8.20
Oct 19-Sep 20	118.24	122.45	8.70	7.90	11.06	9.90	--	--

Source: The Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic like product's price figures during year 2017-18 by taking it equal to 100

33.3.2 Above table shows that the weighted average cost to make and sell of the domestic like product, increased by 23 percent and 7.9 percent in the years 2018-19 and 2019-20 respectively, whereas weighted average prices of the domestic like product increased by 11.3 percent and 9.9 percent in the years 2018-19 and 2019-20 respectively. Therefore, the domestic industry, faced price suppression in the year 2018-19 as it was unable to recover increased cost to make and sell by way of an increase in price. However, investigation has revealed that this price suppression suffered by the domestic industry was due to the dumped imports of CR Coils/ Sheets from Russia and Canada. After levy of antidumping duty on these sources with effect

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from 20 September 2019 (paragraph 10.3 supra), the domestic industry was able to increase its prices to cover increase in cost during the year 2019-20.

**34. Effects on Market Share**

34.1 Total domestic demand of CR Coils/ Sheets in Pakistan is met through local production and imports. Size of the domestic market is established by adding sales of domestic like product and imports of the investigated product from dumped sources and imports of CR Coils/ Sheets from other sources. Following table shows the market share from each source of supply during the POI:

**Table-XVI  
Market Share**

Year	Domestic industry's sales		Sources of Imports:						Total domestic market	
			Dumped Sources		Other Dumped Sources*		Other Imports			
		%share		%share		%share		%share		%change
Oct 17-Sep 18	65.98	65.98	11.63	11.63	17.43	17.43	4.96	4.96	100.00	
Oct 18-Sep 19	69.49	76.33	10.42	11.45	8.36	9.18	2.77	3.04	91.04	(8.96)
Oct 19-Sep 20	59.26	74.85	14.62	18.46	1.19	1.50	4.11	5.19	79.18	(13.03)

Sources: PRAL and the Applicants

\* Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 10 supra), however, there are no imports from Ukraine

To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18

34.2 The above table shows that the domestic market of CR Coils/Sheets decreased by 8.96 percent in year 2018-19 and by 13.03 percent during the year 2019-20.

34.3 18 to 76.33 percent during the year 2018-19 and decreased to 74.85 percent during the year 2019-20. Market share of the dumped imports of the investigated product slightly decreased from 11.63 percent in the year 2017-18 to 11.45 percent during the year 2018-19 and increased to 18.46 percent in the year 2019-20 despite the decline in total domestic market. Market share of imports from other dumped sources, which are subject to antidumping duty, decreased from 17.43 percent in the year 2017-18 to 9.18 percent in the year 2018-19 and to 1.50 percent in the year 2019-20. This significant decline in imports was a result of imposition of anti-dumping duty on imports from Russia and Canada (paragraph 10 supra). Market share of imports from other sources decreased from 4.96 percent in the year 2017-18 to 3.04 percent in the year 2018-19 and increased again to 5.19 percent in the year 2019-20.

34.4 As stated earlier, the Commission has imposed anti-dumping duty on dumped imports of CR Coils/Sheets from Russia and Canada with effect from 20 September 2019 (paragraph 10 supra), therefore, imports from these sources declined significantly. However, the domestic industry could not be benefited from decline in volume from other dumped sources as this gap was filled by the exporters of the dumped imports from the Exporting Countries, which increased significantly from by

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40.26 percent during POI for dumping. Resultantly, market share of the dumped imports of the investigated product increased from 11.45 percent in 2018-19 to 18.46 percent in 2019-20, whereas domestic industry's market share decreased in the year 2019-20.

### **35. Effect on Sales of the Domestic Like Product**

35.1 Information on domestic sales of the domestic like product by the Applicants during the POI is given in the following table:

**Table-XVII**  
**Domestic Sales of the Applicants**

Year	Volume	% change
Oct 17-Sep 18	100.00	--
Oct 18-Sep 19	105.31	5.31
Oct 19-Sep 20	89.82	(14.72)

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t sales volume figures during year 2017-18 by taking it equal to 100

35.2 The above table shows that domestic sales of the domestic like product increased by 5.31 percent during the year 2018-19 and decreased by 14.72 percent in the year 2019-20. This decline in sales of the domestic like product is apparently due to significant increase in volume of dumped imports of the investigated product as in declined total market share of the investigated product increased.

### **36. Effects on Production and Capacity Utilization**

36.1 The Applicants are multi product companies. During the POI they also produced galvanized and coloured coils/sheets in addition to the CR Coils/Sheets. CR Coils in hard form are also used in manufacturing for Galvanized Coils/ Sheets as well as Color Coated Coils/ Sheets. As per accounting system and production flow of the Applicants, each production batch is separately identifiable with its finished product from the very start of the production process. Therefore, instead of recording production of such CR Coils in hard form as production of CR Coils, it is recorded as work in process inventory of the Galvanized or Coloured Coils. Since as per process flow, such CR Coils in hard form are not recorded as production of the CR Coils, no internal transfer arises. As production figures provided by the Applicants for CR Coils/Sheets do not include the CR Coils/Sheets produced for galvanized and coloured coils/sheets, therefore, installed production capacities of the Applicants for CR Coils have also adjusted downward in accordance with quantity of galvanized and coloured coils/sheets produced during the POI. The installed capacity, quantity produced and the capacity utilization of the Applicants during the POI were as:

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**Table-XVIII  
Capacity, Production and Capacity Utilization**

Year	Installed Capacity	Production	Capacity Utilization
Oct 17-Sep 18	100.00	79.96	79.96%
Oct 18-Sep 19	188.24	82.52	43.84%
Oct 19-Sep 20	215.98	67.39	31.20%

Source: Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t installed capacity figures during year 2017-18 by taking it equal to 100

36.2 The above table shows that the installed production capacity of the domestic industry increased during the POI. Current installed production capacity is considerably higher than the total demand of the country (Table-XV supra). Production of the domestic like product increased by 3.2 percent during the year 2018-19 and decreased by 18.6 percent during the year 2019-20. Decline in production coupled with increased installed capacity of the domestic industry resulted decline in capacity utilization. However, domestic industry would have benefited from imposition of antidumping duty imposed on imports from other dumped sources (para 11. supra), but due to significant increase in volume of dumped imports of the investigated product from the Exporting Countries barred the domestic industry for more production and capacity utilization.

### **37. Effects on Inventories**

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

**Table-XIX  
Inventories of Domestic Like Product**

Year	Opening inventory	Production	Sales		Closing Inventory
			Domestic	Exports	
Oct 17-Sep 18	6.08	100.00	93.43	0.22	12.43
Oct 18-Sep 19	12.43	103.20	98.39	2.89	14.35
Oct 19-Sep 20	14.35	84.28	83.91	9.67	5.05

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t production figures during year 2017-18 by taking it equal to 100.

37.2 The above table shows that the closing inventory of the domestic like product increased in the year 2017-18 to 58,196 MT in the year 2018-19 and then decreased in year 2019-20. This decline in inventories is a result of decline in production and significant increase in exports of the domestic like product.

### **38. Effects on Profits and Profitability**

38.1 The table given below shows the profits and profitability of the domestic industry for the POI:

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**Table-XX**  
**Profit and Profitability**

Year	Net Profits*	
	Total	Per MT
Oct 17-Sep 18	100.00	100.00
Oct 18-Sep 19	17.23	15.93
Oct 19-Sep 20	16.76	16.78

Source: the Applicants \* Including export sales profits  
 Note: To keep confidentiality, the actual figures have been indexed w.r.t respective figures during year 2017-18 by taking them equal to 100

38.2 It appears from the above table that the Applicants profitability remained positive during the POI. However, total profits are at declining trends during the POI.

**39. Effects on Return on Investment**

39.1 As the Applicants are multi-product companies and the investment and return on investment cannot be determined separately for different products, therefore, in terms of Section 17(2) of the Act, the return on investment of the Applicants is assessed for their entire operations during the POI. Information relating to investments and return on investment of the Applicants during the POI is provided in the following table:

**Table XXI**  
**Return on Investment**

Year	*Investments	**Returns	ROI (%)
Oct 17-Sep 18	100.00	24.64	24.64
Oct 18-Sep 19	105.69	9.96	9.42
Oct 19-Sep 20	113.04	8.65	7.65

Source: the Applicants  
 \*Investment = Equity + Long term Loans  
 \*\*Return = Profit before taxation + interest paid on Long term loan  
 Note: To keep confidentiality, the actual figures have been indexed w.r.t investment figures during year 2017-18 by taking it equal to 100

39.2 The above table shows that the investments in domestic industry increased throughout the POI. However, return on investment decreased during POI. Decline in ROI was mainly due to decrease in profits.

**40. Effects on Cash Flows**

40.1 As the Applicants are multi-product companies and the cash flow cannot be determined separately for different products, therefore, in terms of Section 17.2 of the Act, cash flow position has been assessed for entire operations of the Applicants. Information relating to net cash flows from operations of the Applicants is provided in the following table:

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**Table-XXII  
Net Cash Flows**

Year	
Oct 17-Sep 18	(100.00)
Oct 18-Sep 19	(3.81)
Oct 19-Sep 20	123.30

Source: the Applicants

40.2 The above table shows that the domestic industry's net cash flows from operations remained negative in 2017-18 which improved in 2018-19. In 2019-20 the cash flows of domestic industry improved significantly and became positive. The cash flows turned positive due to sharp decrease in inventories (paragraph 37 supra), significant increase in exports and increase in price (paragraph 33.3 supra) of the domestic like product due to imposition of the anti-dumping duties on Canada and Russia.

**41. Effects on Employment, Productivity and Salaries & Wages**

41.1 The data relating to the employment, salaries & Wages and productivity of the domestic industry for the domestic like product during the POI is given in the following table:

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

Year	Number of Employees	Salaries & Wages	Domestic Production	Productivity per worker	Salaries & Wages
Oct 17-Sep 18	100.00	100.00	100.00	100.00	100.00
Oct 18-Sep 19	110.29	91.52	103.20	93.57	88.69
Oct 19-Sep 20	100.72	86.84	84.28	83.68	103.02

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t corresponding figures during year 2017-18 by taking them equal to 100

41.2 The above table shows that the employment in the domestic industry increased during the year 2018-19 due to increase in production and capacity (paragraph 36 supra). However, employment declined in 2019-20 due to decline in production in this year. Productivity decreased by 10.57% in year 2019-20 as compared to year 2018-19 which was due to decline in the production of the domestic like product. Salaries and wages increased by 16.16% in year 2019-20 as compared to year 2018-19

**42. Effects on Growth**

After imposition of antidumping duties on CR Coils/Sheets imported from China, Ukraine, Canada and Russia (paragraph 10 supra), the Applicants have made investments and installed production capacity of the domestic industry has increased

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significantly, which is more than the domestic demand (Table-XV supra). Therefore, no further growth in the domestic industry is expected in near future.

#### **43. Ability to Raise Capital**

According to the Applicants, due to reduced profitability (paragraph 38 supra) of the domestic industry and decreasing returns on investment (paragraph 39 supra) during the POI of dumping, domestic industry cannot raise the amount of capital, when required.

#### **44. Magnitude of Dumping Margins**

Dumping margins determined for Exporting Countries ranges from 7.04 percent to 19.09 percent, which are considered enough to cause material injury the domestic industry. Further, injury factors discussed above show that domestic industry has suffered material injury on number of factors.

#### **45. Summing up of Material Injury**

45.1 It appears from the information and analysis in the preceding paragraphs that volume of dumped imports of the investigated product increased significantly in absolute as well as relative to production of the domestic like product during the POI for dumping. However, the landed cost of the investigated product did not undercut the prices of domestic like product during the POI. The domestic industry suffered price suppression during the year 2018-19 however, the suppression was not due to the dumped imports from the Exporting Countries. Market share of the dumped imports increased whereas domestic industry lost its market share during the POI. The domestic industry suffered injury during the POI on account of decline in sales, decline in profits, profitability, return on investment, production, capacity utilization, and productivity.

45.2 Effect of dumped imports on various injury factors are summarized in the table below:

**Table-XXIV  
Effects of Dumped Imports**

<b>Injury Factor</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
Volume of dumped imports	100.00	89.58	125.65
Dumped imports as % of total imports (%)	34.19	48.35	73.39
Production of domestic like product	100.00	103.20	84.28
Market share of dumped imports (%)	11.63	11.45	18.46
Market share of domestic like product (%)	65.98	76.33	74.85
Sales of the domestic like product	100.00	105.31	89.82
Capacity utilization of domestic industry (%)	79.96	43.84	31.2
Profits	100.00	17.23	16.76



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ROI (%)	24.64	9.42	7.65
Productivity per worker	100.00	93.57	83.68
Salaries and wages	100.00	88.69	103.02

Note: the figures in the table are indexed figures from tables in preceding paragraphs.

45.3 The above effects are significant enough on the basis of which it is determined that domestic industry has suffered material injury during the POI.

**D. CAUSATION**

**46. Effect of Dumped Imports**

The investigation of the Commission has revealed that the following happened simultaneously during the POI:

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to the domestic production;
- ii. Market share of dumped imports of the investigated product increased whereas market share of the domestic like product declined simultaneously;
- iii. Domestic industry faced negative effect on sales, production, productivity, and return on investment; and
- iv. Domestic industry faced decline in capacity utilization, profits and profitability.

Therefore, the Commission has determined that the domestic industry has suffered material injury during the POI due to dumped imports of the investigated product.

**47. Other Factors**

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

47.2 Section 18(3) of the Act states that the other factors which may be relevant for the purpose of examination may include the following:

- i. volume and price of imports not sold at the dumped prices;

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- ii. contraction in demand or changes in the patterns of consumption;
- iii. trade restrictive practices of and competition between foreign and domestic producers;
- iv. development in technology; and
- v. export performance and productivity of domestic industry

**47.3 Volume of Imports of CR Coils/Sheets from Other Sources:**

47.3.1 Following table shows volume of imports of the investigated product and CR Coils/Sheets imported from other sources:

**Table-XXV**  
**Volume of Imports from Other Sources**

Year	Domestic industry's sales	Sources of Imports:			Total domestic market
		Dumped Sources	Other Dumped Sources*	Others	
Oct 17-Sep 18	65.98	11.63	17.43	4.96	100.00
Oct 18-Sep 19	69.49	10.42	8.36	2.77	91.04
Oct 19-Sep 20	59.26	14.62	1.19	4.11	79.18

Sources: PRAL & the Applicants

\* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 10 supra), however, there are no imports from Ukraine.

Note: To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18 by taking it equal to 100

47.3.2 The above table shows that, after imposition of antidumping duties on dumped imports of CR Coils/Sheets from China, Ukraine, Canada and Russia imports from these sources declined sharply i.e. by 52 percent and 86 percent in the years 2018-19 and 2019-20 respectively. Imports from other sources decreased in 2018-19 by 44 percent and then increased by 49 percent in the year 2019-20. However, total imports from all other sources (other dumped + others) declined significantly by 50% in 2018-19 and by 52% in 2019-20. Therefore, volume of other imports was not the main cause of injury to the domestic industry during the POI.

**47.4 Prices of Imports of CR Coils/Sheets from Other Sources**

47.4.1 Following table shows prices (weighted average landed cost) of imports of the investigated product and CR Coils/Sheets imported from different sources:

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**Table-XXVI  
Landed cost of imports and Domestic Industry's Price**

Year	Landed Cost of imports from			Domestic Industry's price
	Dumped sources	*Other Dumped sources	Others	
Oct 17-Sep 18	106.30	102.65	94.72	100.00
Oct 18-Sep 19	128.32	115.49	131.82	111.39
Oct 19-Sep 20	132.29	136.79	132.71	122.45

Landed cost = C&F value+CD+ACD+RD+ADD+Incidentals

Sources: PRAL and the Applicants

\* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed (paragraph 10 supra), however, there are no imports from Ukraine

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic industry's price figures during year 2017-18 by taking it equal to 100

47.4.2 The above table shows that the landed costs of CR Coils/Sheets imported from other dumped sources as well as from all other sources were higher than the prices of the domestic like product during the POI. Therefore, imports from other sources were not the cause of material injury to the domestic industry during the POI.

**47.5 Contraction in Demand or Change in Pattern of Consumption**

47.5.1 Information obtained from PRAL and submitted by the Applicants shows that, there was contraction in demand in the year 2018-19 and year 2019-20 as compared to the size of domestic market in year 2017-18. Following table shows sources of supply and size of the market during the POI::

**Table-XXVII  
Domestic Market of CR Coils/Sheets**

Year	Domestic industry's sales		Sources of Imports:						Total domestic market	
			Dumped Sources		Other Dumped Sources*		Other Imports			
		%share		%share		%share		%share		%change
Oct 17-Sep 18	65.98	65.98	11.63	11.63	17.43	17.43	4.96	4.96	100	
Oct 18-Sep 19	69.49	76.33	10.42	11.45	8.36	9.18	2.77	3.04	91	-8.96
Oct 19-Sep 20	59.26	74.85	14.62	18.46	1.19	1.50	4.11	5.19	79	-13.03

Sources: PRAL and the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18 by taking it equal to 100

47.5.2 The above table shows that the domestic market of CR Coils/Sheets decreased by 8.96 percent in year 2018-19 and then decreased by 13.03 percent during the year 2019-20. In declining total market, share of the domestic industry increased by 10.35 percent during the year 2018-19 and decreased by 1.48 percent in the year 2019-20. Share of imports from other dumped sources declined by 8.25 percent and 7.68 percent in the years 2018-19 and 2019-20 respectively. Share of

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imports from other sources declined by 1.92 percent in year 2018-19 and increased by 2.15 percent in the year 2019-20. However, share of imports from dumped sources decreased by 0.19 percent in 2018-19 and increased by 7.01 percent in the year 2019-20.

47.5.3 The above information and analysis, show that share of dumped imports increased significantly despite contraction in demand during the POI, which caused injury to the domestic industry on account of sales and market share.

**47.6 Trade restrictive practices of and competition between foreign and domestic producers**

There was no such policy by the government of Pakistan during the POI that have negatively affected the domestic industry and created distortion in the competitive environment between foreign and domestic producers.

**47.7 Developments in Technology**

There was no development in technology during the POI that could have contributed to the material injury of the domestic industry.

**47.8 Export Performance of Domestic Industry**

The domestic industry did not suffer material injury due to its export performance during the POI as its exports of CR coils/sheets increased significantly in the POI. Following table shows exports of the domestic like product during the POI:

**Table-XXVIII  
Exports of the Domestic Like Product**

Year	Exports (MT)
Oct 17-Sep 18	100
Oct 18-Sep 19	1,299
Oct 19-Sep 20	4,344

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t export figures during year 2017-18 by taking it equal to 100

**47.9 Other Factors Reported in Annual Reports of the Applicants**

47.9.1 Annual reports of the Applicants refers following factors which have also affected the domestic industry:

- i. Impact of COVID 19;
- ii. Increase in policy (interest) rate in 2018-19;
- iii. Exchange rate deprivation;

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- iv. Changes in raw material (HRC) prices; and
- v. Fire incidence at Aisha Steel Ltd.'s plant in January 2020

**47.9.2 Impact of COVID 19**

47.9.2.1 COVID 19 suppressed economic activity. The large-scale manufacturing was down by 10.2% in 2019-20 as compared to last year. The complete lockdown in second quarter of the 2020 brought the whole economy to a standstill and with the same lockdown across the globe, international trade, travel and business activity declined significantly. However, Pakistan managed to contain the devastating effects of the COVID-19 through its smart lockdown strategy. Therefore, the economy has been turned into the recovery mode from COVID 19 slowdown in short span of time.

47.9.2.2 Steel demand in the country contracted from a decline of 36.5 percent in automobile production along with international price dynamics. At the same time, cuts in development spending and a general slowdown in economic activities coupled with COVID-19 outbreak reduced the demand for iron and steel products urging the local steel industry to curtail their production. All these factors contributed to the negative growth of 8 percent in iron and steel industry. Nevertheless, the COVID-19 pandemic is presenting a fair few short-term challenges to the steel industry. The quickening recovery in the country indicates that the industry should be able to weather this storm.

**47.9.3 Increase in Policy (interest) Rate in 2018-19**

The State Bank of Pakistan (SBP) increased policy rate as high as 13.25% in early 2019-20 to contain inflation. This situation impacted adversely to the domestic economy including the steel industry. However, to cope with COVID 19 the SBP responded to the crisis by cutting the policy rate by a cumulative 6.25 basis points to 7.0 percent since March 2020. The reduction of policy rate has impacted positively and the GDP growth rate is expected by 4 percent.

**47.9.4 Exchange Rate Deprivation**

Exchange rate depreciated considerably in 2018-19, however, during 2019-20 the Pak Rs. US\$ parity remained stable FY2020 which is providing a base for sustainable decisions by the business community. Further, some positive results of the Government's macro-economic reforms, particularly in the Current Account Deficit, which narrowed 77.9 percent to \$2.97 billion in July-June FY2020 from \$13.43 billion in the previous year, are also contributing stability to the economy.

**47.9.5 Changes in raw material (HRC) prices**

The raw material for CR Coils/Sheets mainly consists of Hot Rolled Coils (HRC). As no production of HRC is being done in the country, therefore, entire demand of HRC is met through imports. The international steel industry, like others, went through a tough patch. The demand fluctuated and the prices with it. The HRC

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price, in July 2019 was around US\$ 500 per ton FOB China, came down to around US\$400 in September, then rising back to around US\$ 500 in January 2020. The COVID-19 related slowdown caused the prices to fall back again to US\$ 400 levels. The prices, lately, have started to recover on account of gradual opening up of business in China and Europe and is now around US\$ 500 per ton. As the economy re-opens, it is expected that adverse impact of COVID-19 will be bottoming out. The local market is witnessing 'V' shaped growth as the steps taken and gradual decline in COVID-19 related cases has substantially improved business environment. The revival of two and three wheelers is well underway. The car, truck and bus industry is also picking up and a sharp turnaround is expected in the upcoming quarters. Therefore, adverse impacts of prices on domestic industry are likely to be over in near future.

**47.9.6 Fire incidence at Aisha Steel Ltd.'s (ASL) plant in January 2020**

Investigation of the Commission has revealed that a the fire incidence took place at old plant of ASL in January 2020. At that time, its new plant was fully operational, however, it was not operating at full capacity due to lower demand of domestic like product. Further, skin passing facility was restored within 30 days. Therefore, fire incidence did not effect on ASL's production of CRC. Furthermore, the plant was insured and the ASL has claimed its value from the insurance company, which is still due. In this situation ASL has decapitalized the value of that plant from its assets till the time it is restored, therefore, there is no impact of these assets in depreciation cost of the company.

**48. Causal link**

Based on the above information and analysis the Commission is of the view that the cause of material injury to the domestic industry during the POI for dumping was dumped imports of the investigated product as there was a causal link between dumped imports of the investigated product and material injury to the domestic industry.

**49. Threat of Material Injury**

The Applicants have also claimed threat of material injury to the domestic industry due to dumped imports of the investigated product. As the Commission has determined that the domestic industry has suffered material injury during the POI, therefore, there is no need to investigate/examine threat of material injury.

**E. CONCLUSIONS**

**50.** After taking into account all considerations for this final determination, the Commission reached on the following conclusions:

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- i. the application was filed by the domestic industry as the Applicants represent 89.3462 percent of total production of the domestic like product during the POI;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/ producers from the Exporting Countries at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from the Exporting Countries are above the negligible and *de minimis* levels;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level varies between 7.04 percent to 19.09 percent for Exporting Countries;
- vi. the domestic industry suffered material injury on account of volume of dumped imports of the investigated product, decline in: market share, capacity utilization, profits, profitability, return on investment, and negative effects on production, sales, productivity, salaries and wages in terms of Sections 15 and 17 of the Act; and
- vii. there is a causal relationship between dumped imports of the investigated product and the material injury to the domestic industry.

**F. IMPOSITION OF DEFINITIVE ANTI-DUMPING DUTIES**

**51.** In view of the analysis and conclusions with regard to dumping of the investigated product, material injury to the domestic industry and causal link between dumping and injury, the Commission is required to impose antidumping duties on dumped imports of the investigated product under Section 50(1) of the Act.

**52.** As no exporter/ foreign producer of the investigated product has provided requisite information in this investigation, therefore, individual dumping margins have not been determined for the exporters/producers of the investigated product. Country wide single dumping margin has been determined for each Exporting Country. Dumping margins and anti-dumping duty rates for the Exporting Countries is determined on the basis of best available information in terms of Section 32 of the Act.

**53.** For the purposes of imposition of lesser duty in terms of Section 50 (2) of the Act the Commission has to calculate the injury margin to ascertain whether lower duties would be adequate to remove injury being suffered by the domestic industry due to dumped imports of investigated product from the Exporting Countries. However,

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the Commission is of the view as the domestic industry has suffered material injury on account of volumes i.e. production, sales, market share, capacity utilization, which consequently impacted negatively to the profits, profitability, ROI and productivity and not on prices, therefore, injury margins determined on the basis of price/cost of the domestic like product and landed cost of the investigated product in this investigation will not represent/portray removal of injury to the domestic industry. Thus, in this situation, the Commission has decided to impose provisional anti-dumping duties equal to dumping margins in accordance with provisions of Section 43(1) of the Act. Therefore, following definitive antidumping duties on dumped imports of the investigated product importable from the Exporting Countries are hereby imposed for a period of five years effective from August 23, 2021. However, in accordance with Section 51(e) of the Act, definitive antidumping duty will not be levied on imports of the investigated product that are 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. The investigated product is classified under PCT heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890:

**Table-XXIX  
Definitive Anti-dumping Duty Rates**

<b>Country Name</b>	<b>Duty Rate (%of C&amp;F price)</b>
Chinese Taipei	6.18
European Union	6.50
South Korea	13.24
Vietnam	17.25

**54.** Following grades of CR Coils/Sheets imported from the Exporting Countries will not be subject to these definitive antidumping duties as these are excluded from scope of the investigated product:

**S.No Grade**

- i. JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-45
- ii. SPCD-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
- iii. JSC26OGN-2 (SPCX), JAH59ORN 45/45
- iv. SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
- v. SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
- vi. HFS 429M, HFS 436L, HSS 441
- vii. SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
- viii. MSM-CC-DZC-90/90
- ix. SAE1050, SAE1070, SAE1078, JS-SK60, JS-SK85
- x. Tin Mill Black Plate of a thickness 0.30 mm or less (TMBP), PCT No. 7209.1891



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**55.** CR Coils/Sheets imported from sources other than the Exporting Countries shall not be subject to the above-mentioned definitive antidumping duties.

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

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

**58.** 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.

(Robina Ather)  
Chairperson  
February ..., 2022

(Muhammad Saleem)  
Member  
February..., 2022

(Anjum Assad Amin)  
Member  
February..., 2022

**Comments of Interested Parties**

<b>Comments of Interested Parties</b>	<b>NTC View</b>
<b>Views/Comments of ABS &amp; CO on behalf of Siddiqsons Tin Plate Limited (STPL)</b>	
<p>“M/s, Ayesha Steel and M/s, International Steel Limited do not possess the capability/capacity to produce Tin Mill Black Plate (“TMBP”) and the only time and party for whom they shall be able to manufacture the TMBP is Siddiqsons Tin Plate Limited. TMBP has different specification than CRC and is classified under separate tariff headings. Therefore, the National Tariff Commission (“the Commission”) is requested to ensure that both the headings of TMBP i.e., 7209. 1891 and 7209. 1899 are withdrawn and excluded from the scope of investigation.”</p>	<p>The Commission has determined that the domestic industry did not produce TMBP during the POI, therefore, TMBP has been excluded from scope of investigated product. (refer paragraph 13.3. of the report).</p>
<b>Views/Comments of the Indus Motor Company Ltd, Pirani Engineering Pvt Ltd and Agriauto Stamping Company Ltd. ;</b>	
<p>“The term “Auto skin/Auto grade need to be clearly defined and same should be communicated to Customs for clarification as CR Coils/Sheets as input material is imported by the auto sector under SRO -655(I)/2006 and SRO 656(I)/2006 and thereby should be excluded and exempted from anti- dumping duty.”</p> <p>“Old Data prior to July 2020 (Mid Covid) was considered as basis for initiation of study. Where as globally prices of steel materials sand freight cost has gone up sharply since than ranging from 60% to 70%. NTC considered overall situation in the study.”</p>	<p>The Commission under Section 2 of the Act has clearly defined the investigated product while making preliminary determination in this investigation and has excluded the CR Coils/ Sheets used in automotive outer skins of four-wheeler vehicles and the auto grades which are not manufactured locally and used in manufacturing of automotive parts.</p> <p>For the purposes of this preliminary determination the Commission has considered the available information for the POI including international prices from MEPS international Limited for CR Coils/sheets.</p>
<b>Views/Comments of MGA Industries Pvt. Ltd.</b>	
<p>“The quality of the materials produced by the Aisha Steel Mills Limited and International Steel Limited is very low and does not match international standard. We are importing material such as JSC440WN, JAC590R which are not produced in Pakistan.”</p>	<p>The Commission has determined likeness of the investigated product and the domestic like product in accordance with provisions of the Act. Investigation of the Commission has shown that the domestic industry is following laid-down standards for the domestic like product. However, the Commission has excluded the CR Coils/ Sheets used in automotive outer skins of four-wheeler vehicles and the auto grades which are not manufactured locally and used in manufacturing of automotive parts.</p>
<b>Views/Comments of Hyundai Steel Company, South Korea.</b>	
<p>“---The National Tariff Commission has specifically excluded auto skins/ auto grade CR Coils/sheets from the scope of the Anti-dumping investigation. However, it must be noted that the Pakistan Customs Tariff Chapter 72 which deals with the Investigated Product does only differentiates between the products on the basis of physical attributes, i.e., thickness and primary or secondary quality. The Pakistan Customs Tariff does not provide any distinction between the products in chapter 72 on the basis of the downstream usage of the products. Therefore, no specific identification mechanism of any sort exists at the tariff level to allow for exempted products/non-included usage to be imported into the</p>	<p>The Commission has clearly defined the investigated product while making preliminary determination has defined the grades which are excluded from scope of this investigation.</p>

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<p>commerce of Pakistan without imposition of anti-dumping duties, if any are levied....”</p>	
<p><b>Views/Comments of POSCO Korea.</b></p>	
<p>Scope of the Investigated Product:          “Further clarity on the scope of the Investigated Product may be achieved through the following:          (a) In terms of exclusion of cold rolled coils/sheets used in auto-grade/auto-skins, the Commission ought to expressly clarify that the same extends to all types of vehicles, including two-wheelers, three-wheelers, passenger, and commercial vehicles, e.g., motorbikes, cars, busses, trucks, tractors, etc. While we understand that the applicants have expressed their inability in producing cold rolled coils/sheets used in auto parts for four-wheelers due to use of high grade high tensile material, no such clarity has been given with respect to auto parts for two and three-wheelers. Such a clarification would ensure that there is no semblance of ambiguity as to the nature of the exclusion extending to all types of vehicles; and          (b). The Commission may expressly clarify that cold rolled coils/sheets used in autograde/auto-skins shall be determined by way of the steel grades and/or chemical compositions stated on the mill test certificates issued by steel mills which specify the grade and chemical contents of the product.</p> <p>(ii) Incapacity of the Domestic Industry:          Domestic Industry can only produce cold rolled steel of width up to 1250 mm. Accordingly, demands for cold rolled steel of width more than 1250 mm can only be satisfied through imports. Therefore the Commission exclude all imports of cold rolled steel of width more than 1250 mm”</p>	<p>The Commission has clearly defined the investigated product while making preliminary determination has defined the grades which are excluded from scope of this investigation.</p> <p>Specifications of the investigated product have been clearly defined including width of the product in this preliminary determination.</p>
<p><b>Views/Comments of European Commission:</b></p>	
<p>Article 5.2 of the WTO Anti-dumping agreement (ADA) determines that "An application under paragraph 1 shall include evidence of (a) dumping, (b) injury within the meaning of Article VI of GATT 1994 as interpreted by this Agreement and (c) a causal link between the dumped imports and the alleged injury. Simple assertion, unsubstantiated by relevant evidence, cannot be considered sufficient to meet the requirements of this paragraph.          On the basis of the information available in the application, the damages described by the petitioners might not be a direct consequence of the dumped imports.          Nevertheless, the petitioners alleged that the domestic industry has suffered material injury due to the dumped imports and no other factors have negatively influenced the situation.          The comments provided should be taken into careful consideration during the course of the investigation, in particular:          - clarify inconsistencies in the application, in particular concerning import volumes;          - the domestic industry does not seem to be suffering. injury caused by allegedly dumped imports;          - any difficulties of the domestic industry is experiencing must be caused by other factors, such as an increase in costs;</p>	<p>The Commission has complied with requirements of the WTO’s Anti-dumping Agreement as well as the Act with respect to the application, initiation of this investigation and preliminary determination in this case.          The Commission’s investigation has shown that the application met requirements of Sections 20 and 24 of the Act as well as the investigated product was dumped during the POI, the domestic industry faced material injury and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI. The Commission has also analysed other factors and has reached on the conclusion that the other factors were not the major cause of material injury to the domestic industry. (please refer part D of the report).</p>
<p><b>Views/Comments of Automotive Parts &amp; Accessories Manufacturers (“PAAPAM”)</b></p>	
<p>(i) International Steel Mills Limited and Aisha Steel Mills Limited</p>	<p>that the application met requirements of</p>

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<p>(the “Applicants” or “Domestic Industry”) from the imports of the Investigated Product (the “IP”) have not suffered material injury nor is there a threat of material injury on account of dumping or any other factor mentioned in the Application. In fact, as can be seen from the financial statements of the Applicants, the Domestic Industry has thrived and has registered record sales and profits;</p> <p>(ii) The information provided in the Application was inadequate, unreliable, unsubstantiated, flawed, incoherent and insufficient, therefore, it does not justify the determination that anti-dumping duties need to be imposed;</p> <p>(iii) The Commission has erred on a number of counts while issuing the Notice of Initiation, more specifically:</p> <p>(a) The Application is riddled with unwarranted claims of confidentiality;</p> <p>(b) The Applicants have wrongfully contended, in the absence of necessary evidence, that certain circumstances exist which warrant the imposition of anti-dumping duties on the exporters/producers from the Exporting Countries;</p> <p>(c) The Applicants have, by way of the Application, attempted to eliminate all competition in a bid to further strengthen their oligopoly over the domestic market;</p> <p>(d) The Domestic Industry does not have the capability to satisfy the domestic demand of the Investigated Product in terms of quality and specifications required;</p> <p>(e) The Applicants have alleged dumping by the Exporting Countries but have failed to substantiate their claims with the requisite evidence;</p> <p>(f) The Domestic Industry has flourished in the past years and has gone from strength to strength;</p> <p>(g) There is no causal link between imports of Investigated Product and ‘injury’ claimed by the Domestic Industry;</p> <p>(h) Alleged injury, if any, suffered by the Domestic Industry is a result of COVID-19, poor management decisions, underutilization of capacities, and failing market strategies;</p> <p>(i) There is no threat of material injury to the Domestic Industry as, on the basis of the data available, no significant change in circumstances can be envisioned whereby any ‘dumping’ would injure the Domestic Industry; and</p> <p>(j) Each ground relied upon by the Applicants is either wholly inaccurate/incorrect or is strictly narrative and devoid of any legal backing. The Application is riddled with unwarranted claims of confidentiality.</p> <p>(iv) The Domestic Industry is already more than adequately protected, and any measures taken to increase such protection would only be trade restrictive and inevitably amount to measures which discriminate the treatment of foreign goods with identical domestic goods in contravention of the International Trade Regime;</p> <p>(v) The Anti-Dumping Duties Act, 2015 provides that the imposition of duties to offset injurious dumping is in the public interest. For the multitude of reasons given herein, it is axiomatic that a decision to impose duties in the subject matter would go against any and all</p>	<p>Sections 20 and 24 of the Act as well as the investigated product was dumped during the POI, the domestic industry faced material injury and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI. The Commission has also analysed other factors and has reached on the conclusion that the other factors were not the major cause of material injury to the domestic industry. (please refer part D of the report).</p> <p>Confidentiality is determined in accordance with Section 31 of the Act</p> <p>the application met requirements of Sections 20 and 24 of the Act</p> <p>Investigation has revealed that installed capacity of the domestic industry is considerably higher than the domestic demand of CR Coils/Sheets Investigation has shown that the exporters exported the investigated product at dumped prices during the POI.</p> <p>Commission investigation has shown that there was a causal relationship between dumped imports and material injury faced by the domestic industry during the POI. The Commission has analysed other factors as well including impact of COVID and has reached on the conclusion that other factors were not the main cause of injury to the domestic industry during the POI.</p> <p>The Commission has complied with all legal requirements and has made this preliminary determination in accordance with provisions of the Act.</p>
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public interest considerations; and	
<b>Views and Comments Submitted by Pakistan Iron and Steel Merchant Association and Karachi Iron and Steel Merchant Association:</b>	
<p>There are 4 re-rollers of steel in Pakistan at the moment i.e. rerolling HRC (hot rolled coils) to CRC (cold rolled coils) which are as follows:</p> <ul style="list-style-type: none"> <li>• Aisha Steel Mills Limited</li> <li>• International Steels Limited</li> <li>• AHN Steel Pvt Ltd</li> <li>• Hadeed Pakistan Pvt Ltd</li> <li>• Pakistan Steel Mills Corporation</li> </ul> <p>Therefore the applicants does not account for 100% of total domestic industry.</p> <p>The interested party(s) to this application or the applicants does have relationship with the exporters and products as well as Pakistani importers of the product under consideration. Aisha Steel Mills Limited have been importing from Taiwan, Vietnam and South Korea during October 2017 to September 2020, period of investigation, similarly International Steels Limited have been importing from Taiwan and Vietnam during this period.</p> <p>ISL also had imported from exporting Countries. Thus the applications does not fall in the scope of the definition of the domestic industry, as the applicants have been controlling the exporters and importers both by selling to importers and importing from exporters, applying for anti-dumping duties, thus barring the exporters to export and importers to import. Thus the Commission continues to violate Section 2(d) of the Act, by not properly applying regulations defined for Domestic Industry and interested party, as explained in the Act.</p> <p>The applicants does not fill the requirement of Section 24 of the Act, as the so called domestic industry/domestic producers are not producers of the investigated product as Pakistan Steel Mills Corporation is but they are entirely dependent on the imports of Hot Rolled Steel Coils as their</p> <p>As per section 24 of the Anti-Dumping Duties Act 2015, the applicants has provided incomplete information, which is not ample nor competent enough to initiate the investigation.</p> <p>As per Section 4 of the Act, a product is considered to be dumped if it is introduced into the Commerce of Pakistan at a price, which is less than its normal value, however the applicant's applications and the Commissions working has not proved the same.</p> <p>The applicants or the domestic industry is only producing very narrow variety of the investigated or domestic like product. There is</p>	<p>The Commission included the Hadeed Pakistan Ltd. in the investigation and has also considered its installed capacity and production. Domestic industry and standing of the application is determined in accordance with relevant provisions of the Act.</p> <p>The Commission has cross checked data provided by the PISMA and KISMA and reached on the concluded that ASL and ISL did not import the investigated product from the exporting countries during POI. Further HRC imported by the ASL and ISL is a separated product and does not fall under the scope of the investigated product.</p> <p>The Commission initiated this investigation after fulfilling all legal requirements including the requirements of Part-III of the Pakistan's Anti-Dumping Duties Act 2015 (the "Act") as well as Article 2 of the Anti-Dumping Agreement. The Commission examined accuracy and adequacy of the information and evidence provided in application in accordance with Section 23 of the Act and Article 5.3 of the Anti-Dumping Agreement and determined that the application contains sufficient evidence of dumping of the investigated product, material injury to the domestic industry and causal link between dumping and injury.</p> <p>The Commission's investigation has shown that the investigated product has been dumped into Pakistan in accordance with provisions of the Act, which caused material injury to the domestic industry and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI.</p> <p>The Commission has clearly defined the investigated product in this preliminary</p>

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<p>difference in grades and specifications of the investigated product and domestic like product.</p> <p>Under section 31 of the Anti-Dumping Duties Act 2015, the applicants has planted crucial information which is not otherwise available to other interested parties and therefore it has paralyzed the capacity of other interested parties to make their observation on the allegations of dumping as well as declared injury.</p> <p>PCT nos. 7209.1590, 7209.1510, 7209.2590 &amp; 7209.2510, should be 3 mm or thicker than 3 mm, however none of the applicants in the investigated case are producing/processing 3 mm or more, as per their catalogues/brochures and details given on their website, as far as 7211.2920 PCT no is concerned only International Steels Limited has the ability to do the slitting minimum to 400 mm only, Aisha Steel Mills Limited does not have the slitting facility available, whereas 7211.2920 defined material of up to 100 mm wide or width in maximum only.</p> <p>The largest importer of Tin Mill Black Plate and the only the producer of Tin Plate materials in Pakistan is Siddiqsons Pvt Ltd, who claim that they have been buying materials from both the applicants i.e. International Steels Limited and Aisha Steel Mills Limited but most materials from them is rejected by Siddiqsins Pvt Ltd.</p> <p>The export price have been determined by the applicants on the basis of information/data obtained from the Customs Department as</p>	<p>determination and has excluded the grades which are not being manufactured by the domestic industry. The Commission has also determined that the investigated product and the domestic like products are like products.</p> <p>In application the Applicants have requested to keep confidential the information which is either by nature confidential, which includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries &amp; wages, number of employees etc. or certain other information under Section 31(2)(c) of the Act such as information on export or import price and import volume of the investigated product, which may lead to the disclosure of the by nature confidential information of the Applicants by way of reverse calculations. However, the Applicants have submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act, which permit a reasonable understanding of the information submitted in the confidence. Further, the non-confidential initiation memo prepared by the Commission and placed in Public File in this investigation contained the indexed figures for all the parameters given in the Application which permits a reasonable understanding of the information submitted in the confidence</p> <p>Specifications of the investigated product have clearly been defined including its thickness and width. Provisional duties are imposed only on defined specifications i.e. from 0.15 mm to 3.0 mm thickness and up to 1250 mm width. All other thickness and width are not liable to the duty.</p> <p>The Commission has determined that the domestic industry did not produce TMBP during the POI, therefore, TMBP has been excluded from scope of investigated product. (refer paragraph 13.3. of the report).</p> <p>The Commission while making this preliminary determination has determined the Dumping</p>
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<p>they have stated in their application to the Commission, however both the export price and normal value can be derived from the information/data available at the Customs Department, as it is showing both the prices of base material of investigated product i.e. Hot Rolled Steel as well as investigated product Cold Rolled Steel. The dumping margin given by the applicants cannot be agreed upon at all and is irrational, as they have calculation by the calculated with the normal values being not known nor any evidences of the same is given.</p> <p>The applicants claim of increase in so alleged dumped imports is misleading and unfounded as it has already been proven that the dumping was not done, no material injury or threat of material injury is faced by the domestic industry as it still holds the market and its increase in the market share throughout the POI October 2017 to September 2020 kept on increase, also the production is decreasing in the exporting countries, so as the exports.</p> <p>Conclusively and with the concrete information given above with detailed analysis, it CANNOT be determined that the domestic industry faced any material injury due to decline in capacity utilization, productivity and return on investment, salaries and wages increased as increase in salary was made at higher rates and more number of workers were hired than required.</p> <p>Since there is no material injury found to the domestic industry and no threat of material injury also lies for the domestic industry, there stands no case of investigation being carried out further by the Commission, as the applicants/domestic industry has been doing very well since its start in 2011 to 2015 without any imposition of anti-dumping duties until 2017,</p>	<p>Margins for the Exporting Countries on the basis of the best information available as no exporters/ producers from the Exporting Countries has provided any data/information on the prescribed questionnaire. The basis for determination of export price, normal value and the Dumping margins have been clearly provided in the preliminary determination report</p> <p>The Commission's investigation has shown that the application met requirements of Sections 20 and 24 of the Act as well as the investigated product was dumped during the POI, the domestic industry faced material injury and there was a causal relationship between dumped imports of the investigated product and material injury faced by the domestic industry during the POI. The Commission has also analysed other factors and has reached on the conclusion that the other factors were not the major cause of material injury to the domestic industry. (please refer part D of the report).</p>
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**Annex-II**

**Comments of Interested Parties on Preliminary Determination, Hearing and SEF**

Comments of Interested Parties	Remarks/Commission's Response
<b>Views and Comments of Pakistan Iron and Steel Merchant Association and Karachi Iron and Steel Merchant Association:</b>	
<p>The Commission has not complied with Section 37 of the Act and the preliminary determination made and report published does not fall under the scope of Section 37 of the Act. Most of the crucial information was removed which made readers incapable of making understandings as well as the Commission helped the applicants to do so, therefore the Commission has not complied with Section 37 of the Act and the preliminary determination made and report along with statement of essential facts published does not fall under the scope of Section 37 of the Act.</p>	<p>While making preliminary determination the Commission has complied with requirements of Section 37 of the Act and Rule 10 of the Rules (amended vide SRO 84(I)/2014). Further, requirements of Section 31 of the Act have also been complied with respect to maintain confidentiality.</p>
<p>This application of the applicants does not qualify under Section 5, 6, 15, 20, 23, 31, 35 of the Act and Rule 3 of the Rules, neither did it comply with any of the other tangible provisions of the of the Anti-Dumping Duties Act 2015 as the information provided in the application was deficient, dubious, groundless, defective and rambling, therefore, did not justify initiation of the investigation by the Commission.</p>	<p>Before initiation of investigation in this case the Commission complied with requirements of Sections 20, 23 and 24 of the Act and Rule 3 of the Rules. Please refer Commission's initiation memo, notice of initiation, preliminary determination report, paragraphs 5 to 9, 12, 13 and 15 of this report, and the application filed by the Applicants.</p>
<p>Section 50 of the Act allows the Commission to impose anti-dumping duties but only once the Commission has established the existence of dumping and injury in accordance with the provisions of the Act, however, there is no dumping proved due to the fact that the adjusted export price and normal values calculated by the Commission based on the applicants data and information shared by the Commission in the tables of statement of essential facts as well as PD report, definitely and openly shows that the normal values were always lower than the adjusted export prices throughout POI, though our data also presented the same but it was disregarded by the Commission as the construction method given by us which shows price calculation with the help of LMB data as well as Customs import data showing applicants import values of HRC (the base and raw material for the investigated product) and also taking into account export prices in the Custom data.</p>	<p>While imposing anti-dumping duties in this case the commission has complied with all requirements of the Act including Section 50 of the Act. Further, dumping and dumping margins are determined in accordance with provisions of Parts III, IV and V of the Act along with provisions of Section 32, 33 and 35 of the Act. Please refer paragraphs 15.1, 15.2 part B (paras 22 to 28) of this report.</p>
<p>Rule 10(c) of the Rules mentions the amount of dumping margin, if any, found to exist and the basis for such determination including a description of the methodology used in determining normal value, export price, and any adjustments made in comparing the two, but the Commission in the said investigation has only relied upon the information given by the applicants, the normal prices have been reached using MEPS International Limited (MEPS) of UK www.meps.co.uk for most of the origins, which cannot be relied upon.</p>	<p>The Commission while making this final determination has determined Dumping of the investigated product on the basis of the best information available in accordance with relevant provisions of the Act as no exporters/ producer from the Exporting Countries has provided data/information. Please see paragraphs 15.1, 15.2 and part B of the report.</p>
<p>The Commission has violated Section 32 of the Act as it has relied only and only upon the information submitted to it by the applicants.</p>	<p>The Commission complied with provisions of the Act including Section 32 of the Act. Further, views/data submitted by the interested parties other than Applicants have also taken into account.</p>
<p>Details and grades of the investigated product provided by the</p>	<p>All information, views/comments submitted by the</p>



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<p>Government of Korean and other stakeholders were never considered by the Commission and these grades were not included as the same is not mentioned anywhere in the PD report of notice,</p>	<p>interested parties have been taken into account and as a result of that information certain grades of CR coils/sheets have been excluded from scope of the investigated product (refer paragraph 13 of the report).</p>
<p>As per Section 4 of the Act, a product is considered to be dumped if it is introduced into the Commerce of Pakistan at a price, which is less than its normal value, however the applicants and the Commissions working has not proved the same.</p>	<p>The investigation has revealed that the investigated product was dumped into Pakistan from the Exporting Countries during the POI. Please see Part B of the report</p>
<p>The domestic industry did not faced or suffered any material injury on account of the following factors Decline in sales, Decline in profits and profitability: Decline on return on investment Decline in production and capacity utilization, Decline in productivity.</p>	<p>The investigation has revealed that the domestic industry of CR coils/sheets suffered material injury due to dumped imports of the investigated product during the POI. Please refer Part C of the Report</p>
<p>There stands no causal link between the imports and any injury claimed by the applicant, as firstly there was no injury due to imports, secondly the other factors during the POI were the major reasons and concerns to the domestic industry of any decline or negative effects on their business.</p>	<p>The investigation has revealed that the material injury suffered by the domestic industry during the POI was due to dumped imports of the investigated product. Please refer Parts D of the Report</p>
<p>The imported investigated product and domestic like products are NOT LIKE products, much details to which have already been given in our earlier submission dated 10.06.2021.</p>	<p>The Commission's investigation has shown that the investigated product and domestic like product are like products as per provisions of the Act. See paragraph 13 of the Report.</p>
<p>Grades produced by the domestic industry should be included by the Commission, other than grades it produces, all should be exempted and taken out from the scope of the current investigation, as there are many grades and most of the standard grades not produced by the domestic industry as per the standards of the world, produced by most of the producers/manufacturers of the exporting country.</p>	<p>The Commission has carefully reviewed all information and the types/grades which are not being produced by the domestic industry have been excluded from scope of the investigated product (see paragraph 13.3 of the Report)</p>
<p>The provisional anti-dumping duty rates are wrongly calculated for European Union, South Korea, Chinese Taipei (Taiwan) and Vietnam as export prices from all the origins for both prime and secondary quality materials is higher in all terms from the normal values. For European Union the Commission is showing incorrect figures as it mentions in Table-VII of the PD report that adjusted export price for secondary ex European Union is higher and for prime is lower, which is practically impossible.</p>	<p>Dumping of the investigated product is determined in accordance with relevant provisions of the Act. Please see Part B of the Report.</p>
<p>PCT nos. 7209.1590, 7209.1510, 7209.2590 &amp; 7209.2510, should be 3 mm or thicker than 3 mm, however none of the applicants in the investigated case are producing/processing 3 mm or more, as per their catalogues/brochures, price lists and details given on their website, this information was presented to the Commission responding to initiation memo prepared by the Commission, our response dated 10th June 2021, again the same response was submitted on our response dated 27th September 2021 i.e. responding to preliminary determination report issued by the Commission for this case, but the Commission does not prefer to even read the same.</p>	<p>The investigated product is clearly defined as ranging from 0.15 mm to 3.00 mm and a width up to 1250 mm (paragraph 13.3 of the Report). All other thickness i.e. less than 0.15 mm and more than 3.00 mm are not part of the investigated product are not subject to any anti-dumping duty.</p>
<p>Steel demand in the country contracted from a further decline of 36.5% in automobile production along with international price dynamics. At the same time, cuts in development spending and a general slowdown in economic activities coupled with COVID-19 outbreak reduced the demand for iron and steel urging the local steel industry to curtail their production. All these factors contributed</p>	<p>The Commission has also analysed other factors including contraction in demand, COVID 19 etc. in accordance with Section 18(2) of the Act. See paragraph 47 of the Report.</p>

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<p>to the negative growth of 8% in iron and steel industry. Nevertheless, the COVID-19 pandemic is presenting a fair few short-term challenges to the steel industry”. When mentioning the reasons for less production and non-utilization of production capacity, the applicants have nowhere mentioned the reasons being alleged dumped imports from exporting countries, but other reasons are given which are well copied above.</p>	
<p>The Commission is altering numbers and particularly reducing numbers in the statement of essential facts, as initiation memo shows higher numbers of sales as well as the PD report, so the Commission must show in the statement of essential facts, less sales of the applicants/domestic industry so they can prove that there has been an impact on the sales therefore illegitimate anti-dumping duties must be imposed, however the Commission had the very same application and numbers from the applicant when it issued initiation memo and PD, but it changes numbers in the statement of essential facts to assist the applicants/domestic industry for their vicious purposes.</p>	<p>Facts/information relating to the domestic industry disclosed in SEF are verified facts.</p>
<p><b>Views/Comments of STAMCO Steel Corporation and Shamim Tin Merchant</b></p>	
<p>There are two types of TMBP, each having different requirements of raw-materials and are meant for different end-usages; (i) TMBP of SPCC Grade is main raw-material for producing 'non-food grade' Tinplate; (ii) TMBP of MR Type that is meant for producing 'food-grade' Tinplate, including but not limited to edible oils and other edibles. The local manufacturers/ applicants only produce TMBP of SPCC Grade. Tin Mill Black Plate of MR Type should be excluded from the scope of 'investigated products' under the subject investigation process.</p>	<p>The Commission has determined that the domestic industry did not produce TMBP during the POI, therefore, TMBP has been excluded from scope of investigated product. (refer paragraph 13.3. of the report).</p>
<p><b>Views/Comments of Pakistan Steel Imports Co.</b></p>	
<p>The alleged product do not fit in the definition of domestic industry and Commission ignored the effect of global price trend of Prime Hot Rolled and Prime Cold Rolled. Secondary quality CRC and Prime quality CRC are of different nature, properties and fall in different PCTs. Therefor they are not like products and secondary quality CRC should be exclude from provisional determination and liable anti-dumping duties be determined on imports of Prime quality CRC from the Exporting Countries The foreign based exporters not been heard and importers in Pakistan also been condemned unheard in contravention of the principal of natural justice</p>	<p>The Commission's investigation has showed that the investigated product and the domestic like products are like products. (See paragraph 13 of the Report) Despite providing ample opportunities no exporters/ producers from the Exporting Countries provided any data/information. However, the Commission has considered the views/points and submission made by the interested parties. Further, all interested parties including the exporters and importers were provided ample opportunities including the hearing in accordance with provisions of the Act to defend their interest (see paragraphs 15 and 20 of the Report)</p>
<p><b>Views/Comments of the Government of Korea</b></p>	
<p>The steel grade with carbon content of over 0.480/0 of the total weight are not produced by the domestic industry and this should be included in the list of automotive grades. These high carbon cold rolled steel are used as raw material for making automotive parts, such as chains, springs, safety belt buckles, etc. by further processing such as annealing, press-forming and heat-treatment. Typical grade are SAE 1050, SAE 1 070, SAE 1078, JS-SK60, JS-SK85, etc</p>	<p>The Commission has carefully reviewed all information and the types/grades which are not being produced by the domestic industry have been excluded from scope of the investigated product (see paragraph 13.3 of the Report)</p>
<p><b>Views/Comments of SU Khan Associates on behalf of Applicants</b></p>	
<p>It is important to note here that the issue of CRC and TMBP has not</p>	<p>The Commission has determined that the</p>

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only been previously decided by the Commission but has also been upheld by the Honorable Tribunal. Therefore, with regard to the issue the question arises here whether, in the presence of order of the Honorable Tribunal in Appeal No. 103/2017, the Commission can take a different position since the matter is sub-judice before the Honorable Islamabad High Court.

...it is quite clear that Siddiqsons had time and again agitated this issue before the Commission and other forums but had never been able to prove its stance. The Commission had, a number of times, rejected the plea of Siddiqsons and determined that TMBP is a part of the product which means TMBP is actually CRC. The Tribunal has also upheld the determination of the Commission and determined that TMBP and CRC are same and the domestic industry is capable of producing CRC of thickness less than 0.3mm which is meant for use in TMBP. Even the EDB team, which was constituted on request of Siddiqsons, confirmed the stance of domestic industry in their letter issued on June 12, 2018. Siddiqsons even challenged the order of the Tribunal on this issue before the Islamabad High Court which is pending adjudication before the Honorable High Court. Despite all the history, the Commission is again investigating the matter which is sub-judice before the Honorable Islamabad High Court. In such a situation, how the Commission take a different stance from its previous determination.

The domestic industry would again request the Commission not to exclude TMBP from the scope of the product since not only TMBP and CRC is same and domestic industry has capability of producing TMBP on its existing manufacturing facility since this issue has not only been determined by the Commission in earlier investigations but such determination have been upheld by the Antidumping Appellate Tribunal. Furthermore, since the matter is sub-judice before the Islamabad High Court, the Commission is not in a position to take a different view on the issue.

Among excluded grades the Commission has excluded the grade SAE 1050 which was requested by Atlas DID (Pvt) Limited. The Commission asked the domestic industry to submit its comments on the exclusion of SAE 1050 upon which Aisha Steel Mills Limited (one of the domestic producer) submitted wide its letter dated September 29, 2021 that it can produce SAE 1050 provided that there is demand from customers. Despite the said submission, the Commission excluded SAE 1050 from the product scope. The domestic industry would again request the Commission to include SAE 1050 in the product scope.

domestic industry did not produce TMBP during the POI, therefore, TMBP has been excluded from scope of investigated product. (refer paragraph 13.3. of the report).

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