



Government of Pakistan  
National Tariff Commission

Report on

**Conclusion of Sunset Review of Anti-Dumping Duty  
Imposed on Dumped Imports of Concrete Reinforcing  
Deformed Steel Bars Originating in and/or Exported from  
the People's Republic of China**

A.D.C No. 48/2015/NTC/Rebars/SSR/2022  
May 08, 2024

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

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**A. Introduction**

National Tariff Commission (the "Commission") having regard to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Agreement on Antidumping"), Anti-Dumping Duties Act, 2015 (the "Act") and the Anti-Dumping Duties Rules, 2022 (the "Rules") relating to the investigations /reviews and determination of dumping of goods into the Islamic Republic of Pakistan ("Pakistan"), material injury to the domestic industry caused by such imports, and imposition of anti-dumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof. Section 58 of the Act relates to the sunset review of anti-dumping duties imposed on dumped imports of the investigated product.

2. Having regard to the Section 58(1) of the Act, any definitive anti-dumping duty imposed by the Commission shall be terminated on a date not later than five years from the date of its imposition, however, as per Section 58(3) of the Act, a definitive anti-dumping duty shall not expire in case, the Commission determines in a review that the expiry of such anti-dumping duty would likely lead to continuation or recurrence of dumping and injury.

3. The Commission has conducted a sunset review of the anti-dumping duty imposed on dumped imports of dumped imports of deformed concrete reinforcing steel bars ("Rebars") from the People's Republic of China ("China") under the Act and the Rules. This report on conclusion of the sunset review investigation has been issued in accordance with Rule 43(2) of the Rules and Article 12.2 of the Agreement on Anti-dumping. The sunset review was initiated on October 17, 2022. In terms of Section 62(2) of the Act, the sunset review under Section 58 of the Act shall normally be completed within twelve months from its initiation. However, during the period from December 30, 2022 to August 29, 2023, the Commission was coram-non-judice as defined under Section 15 of the NTC Act 2015 due to retirement of members. Therefore, this sunset review was kept pending during this period.

**B. Background**

**4. Definitive Anti-Dumping Duty in Place**

The Commission imposed definitive anti-dumping duty at the rate of 19.15 percent of C&F value in *advalorem* terms on dumped imports of Rebars from China for a period of five years effective from October 23, 2017.

**C. Procedure**

The procedure set out below has been followed with regard to this sunset review:



Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

**5. Notice of Impending Expiry of the Definitive Anti-dumping Duty**

The Commission published a notice of impending expiry of the anti-dumping duty imposed on dumped imports of Rebars from China in official Gazette and national press on June 04, 2022 in accordance with Section 58(2) of the Act.

**6. Receipt of Application**

6.1 In response to the notice of impending expiry, on July 18, 2022, the Commission received a written application under Section 58(3) of the Act from M/s Amreli Steels Limited, Karachi, M/s Agha Steel Industries Limited, Karachi and M/s Mughal Iron & Steels Industries Limited, Lahore (the "Applicants").

6.2 The Applicants stated that expiry of anti-dumping duty on Rebars imported from China would likely lead to the continuation and recurrence of dumping of Rebars and material injury to the domestic industry. The Applicants requested the Commission for continuation of the antidumping duty for a period of further five years on dumped imports of Rebars originating in and/ or exported from China to Pakistan.

**7. Domestic Industry and Standing**

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".*

(3)



Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating In and/or Exported from the People's Republic of China

7.2 As per the information available to the Commission, the domestic industry producing Rebars consist of thirty-two (32) units (Table-I infra). According to the Pakistan Association of Large Steel Producers ("PALSP") Installed capacity of the domestic industry is around 3,653,000 MT per annum, out of which the Applicants' capacity is 1,285,000 MT/annum.

7.3 During course of this review investigation, the Commission sent questionnaire to other domestic producers of Rebars to gather data/information necessary for the purposes of the review, but none of them provided requisite data/ information to the Commission in response to the questionnaire. However, PALSP provided information on installed production capacities and production of the units in the industry. In a further attempt to obtain specific data relating to installed capacity, production, sales, and cost to make and sell etc., the Commission sent letters to the domestic producers who have supported this sunset review application. In response to said letter, only two domestic producers, namely M/S Fazal Steel (Pvt.) Ltd., Islamabad and M/S Ittehad Steel Industries Ltd., Islamabad provided limited data/information. This data/information is also utilized in this Review where it is applicable.

7.4 As per Rule 36(2) of the Rules, "A review under section 58 or 59 of the Act, shall not be initiated unless the Commission has determined, on the basis of an examination of the degree of support for, or opposition to, the application expressed by domestic producers of the like product, that the application has been made "by or on behalf" of the domestic industry within the meaning of section 2(d) and section 24 of the Act..."

7.5 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."*

7.6 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."*

7.7 The application is filed by the Applicants, who are major producers of Rebars in Pakistan. The Applicants also provided letters of support from seven other producers along with the application. Applicants and these seven units account for 63.60 percent of the total domestic production during year 2021-22. Rest of the units

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

in the industry remained silent or indifferent as they did not respond Commission's communications to them. However, PALSP has also supported the application. Therefore, the application fulfills standing requirements of Section 24 of the Act. Following table shows unit-wise installed production capacity, production and share in total production during 2021-22.

**Table-I`  
Domestic Industry and Standing of the Application**

S. No.	Unit Name	Installed Capacity	Share in total production (%)	Status
(1)	(2)	(3)	(5)	(6)
1	Amreli Steels Limited, Karachi	605,000	19.05	Applicant
2	Mughal Iron & Steel Industries Limited, Lahore	430,000	11.00	Applicant
3	Agha Steel Industries Ltd, Karachi	250,000	7.43	Applicant
	<b>Applicants Total</b>	<b>1,285,000</b>	<b>37.48</b>	<b>Applicants</b>
4	ASG Metals Limited, Karachi	200,000	2.00	Supporting
5	Faizan Steel, Karachi	112,000	3.24	Supporting
6	Fazal Steel Private Limited, Islamabad	108,000	2.55	Supporting
7	Frontier Foundry Steel Pvt Ltd, Peshawar	322,000	10.95	Supporting
8	Ittehad Steel Industries, Islamabad	240,000	5.63	Supporting
9	Karachi Steels Re Rolling Mill, Islamabad	42,000	1.08	Supporting
10	Naveena Steels, Karachi	24,000	0.67	Supporting
	<b>Supporting Units Total</b>	<b>1,048,000</b>	<b>26.12</b>	<b>Supporting</b>
	<b>Applicants and Supporting Units Total</b>	<b>2,333,000</b>	<b>63.60</b>	<b>Applicant+ Supporting</b>
11	Diamond Metals, Karachi	60,000	1.75	Indifferent
12	Farid Steel, Islamabad	48,000	1.39	Indifferent
13	Hattar Steel Re Rolling Mill, Islamabad	140,000	2.31	Indifferent
14	Kamran Steel Re Rolling Mills Private Limited, Lahore	108,000	3.14	Indifferent
15	Km Steel Mills, Gujranwala	48,000	1.39	Indifferent
16	Karim Aziz Industries Pvt. Ltd., Hasanabdal	60,000	1.75	Indifferent
17	M. Muhammad Hussain & Sons Private Limited, Islamabad	48,000	1.39	Indifferent
18	M.I.Z Rerolling Steel Mills, Islamabad	36,000	1.03	Indifferent
19	Mazhar Steels, Lahore	48,000	1.39	Indifferent
20	Mehboob Steel Re Rolling Mills, Gujranwala	48,000	1.39	Indifferent
21	Mujahid Enterprises, Haripur	96,000	2.78	Indifferent
22	Mujahid Steel Industries Private Limited, Haripur	96,000	2.78	Indifferent
23	Mustehkum Ittefaq Steel Industries, Islamabad	84,000	2.42	Indifferent

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating In and/or Exported from the People's Republic of China**

24	Neelum Steel Industries, Hattar	48,000	1.39	Indifferent
25	Pak Iron, Islamabad	48,000	1.39	Indifferent
26	Pak Steel Rerolling Mills, Islamabad	36,000	1.03	Indifferent
27	Razzaque Steels, Karachi	40,000	1.13	Indifferent
28	Royal Steel Mills, Daska	48,000	1.39	Indifferent
29	Sarhad Iron & Steel Mills Private Limited, Sawabi	60,000	1.75	Indifferent
30	Silichem Industries, Haripur	36,000	1.03	Indifferent
31	T.A Corporation Private Limited, Lahore	48,000	1.39	Indifferent
32	Tarbella Steel Rerolling Mills Private Limited, Sawabi	36,000	1.03	Indifferent
	<b>Indifferent Unit's Total</b>	<b>1,320,000</b>	<b>36.40</b>	<b>Indifferent</b>
	<b>Grand Total</b>	<b>3,653,000</b>	<b>100.00</b>	

Sources: the Applicants, PALSP, Fazal Steel Ltd. and Ittehad Steel Ltd.

## **8. Initiation of Sunset Review**

8.1 Upon examination of the application, the Commission established that it met the requirements of Sections 58 of the Act. Therefore, the Commission decided to initiate sunset Review on October 12, 2022, to determine whether there is likelihood of continuation or recurrence of dumping of Rebars from China and material injury to the domestic industry.

8.2 In terms of Section 27 of the Act, the Commission issued a notice of initiation of the sunset review of antidumping duty imposed on dumped imports of Rebars from China, 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 October 17, 2022. Thus, this sunset review was initiated on October 17, 2022.

8.3 The Commission notified the Diplomatic Mission of China in Pakistan on October 18, 2022, of the initiation of review by sending a copy of the notice of initiation of the sunset review. Copies of notice of initiation were also sent to the Applicants, known exporters/producers of Rebars in China, known importers and other domestic producers on October 19, 2022, in accordance with the requirements of Section 27 of the Act.

8.4 In accordance with Section 28 of the Act, on October 19, 2022, the Commission also sent copy of full text of the written application (non-confidential version) to the Diplomatic Missions of China in Pakistan and to the known exporters/producers of Rebars in China.

<sup>1</sup> The official Gazette of Pakistan (Extraordinary) dated October 17, 2022.

<sup>2</sup> The Daily 92 of October 17, 2022 and daily The News of October 17, 2022



Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

**9. Period of Review**

The period of review ("POR") for this sunset review is from July 01, 2019 to June 30, 2022.

**10. Views, Comments and Hearing**

10.1 All interested parties were invited for their views/comments and information, documents (if any) with regard to this review. However, the Commission did not receive any comments/information from any interested party.

10.2 Interested parties were required to request a hearing, if so wishes, in this review within 45 days of the publication of the notice of initiation. However, the Commission did not receive any request for a hearing. Therefore, no hearing was held in this review.

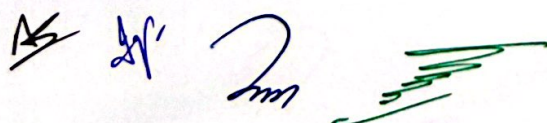
**11. The Product under Review and the Domestic Like Product**

**11.1 The Product under Review**

11.1.1 The product for which this review is carried out is deformed steel concrete reinforcing bars in straight lengths, U-bends or coils. Such deformed steel concrete reinforcing bars are in various diameters up to and including 40 mm, in various finishes including indentation, ribs, groves or other deformations, excluding plain round bars ("Rebars"), imported from China. The raw materials used in production of Rebars are steel billets. Rebar is classified under Pakistan Customs Tariff ("PCT") codes. 7214.2010, 7214.2090, 7214.3010, 7214.3090, 7214.9910, 7214.9990, 7215.1010, 7215.1090, 7215.5010, 7215.5090, 7215.9010, 7215.9090, 7228.2090, 7228.3090, 7228.1000, 7228.4000, 7228.5000, 7228.6000.

11.1.2 The Rebars has many end-use applications which, inter alia, includes construction of houses, buildings, dams, bridges and other infrastructure projects. Rebars are mostly used to reinforce concrete and masonry structures. It enhances the compression and tensile strength of concrete and prevents the concrete from cracking on load or changes in temperature etc.

11.1.3 Following table shows customs tariff structure (2023-24) applicable on imports of Rebars:




**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

**Table-II  
Tariff Structure of Rebars (%)**

PCT Heading	Description	Customs Duty	Add. CD	RD	Concessions/Exemptions SRO Ref.	FTAs/PTAs
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Chapter 72</b>	<b>Iron and Steel</b>					
72.14	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but included those twisted after rolling.					
	-forged					
	- Containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling:					
7214.2010	--- Of secondary quality	20	6	30		CN=16; MY=10; SAFTA=5; LK_FTA Conc. = 100%
7214.2090	--- Other	11	2	30		CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%
	- Other, of free-cutting steel:					
7214.3010	--- Of secondary quality	20	6	30		CN_16; MY=10; SAFTA=5; LK_FTA Conc. = 100%
7214.3090	--- Other	11	2	30		CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%
	-- Other:					
7214.9910	--- Of secondary quality	20	6	30		CN_21=13.33; CN_22=10.67; MY=10; SAFTA=5; LK_FTA Conc. = 100%
7214.9990	--- other	11	2	30	RD exempt on special steel round bars and rods of non-alloy steel exceeding diameter 75 mm for seamless pipes manufacturers	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%
<b>72.15</b>	<b>Other bars and rods of iron or non-alloy steel.</b>					
	- Of free-cutting steel, not further worked than cold-formed or cold-finished.					
7215.1010	--- Of secondary quality	20	6	30		CN_21=13.33; CN_22=10.67; MY=10; LK_FTA Conc. = 100%
7215.1090	--- Other	11	2	30		CN_5; MY=10; LK_FTA Conc. = 100%
	- Other, not further worked than cold-formed or cold-finished:					
7215.5010	--- Of secondary quality	20	6	30		CN_21=13.33; CN_22=10.67; MY=10; LK_FTA Conc. = 100%
7215.5090	--- Other	11	2	30		CN_5; MY=10; LK_FTA Conc. = 100%
	- Other					

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

PCT Heading	Description	Customs Duty	Add. CD	RD	Concessions/Exemptions SRO Ref.	FTAs/PTAs
7215.9010	--- of secondary quality	20	6	30		CN_16; MY=10; LK_FTA Conc. = 100%
7215.9090	--- Other	11	2	30		CN_5; MY=10; LK_FTA Conc. = 100%
<b>72.28</b>	<b>Other bars and rods of other alloy steel: angles, shapes and sections, of other alloy steel: hollow drill bars and rods, of alloy or non-alloy steel.</b>					
7228.1000	- Bars and rods, of high speed steel	11	2	30	Fifth Sch_ Pt.VII_ Tbl.B CD@5%	CN_0; MY=0; SAFTA=5 LK_FTA Conc. = 100%
	- Bars and rods, of silico-manganese steel:					
7228.2090	--- Other	11	2	30	Fifth Sch_ Pt.VII_ Tbl.B CD@5%	CN_0; MY=0; LK_FTA Conc. = 100%
	- Other bars and rods, not further worked than hot-rolled, hot-drawn or extruded:					
7228.3090	--- Other	11	2	30	Fifth Sch_ Pt.VII_ Tbl.B CD@5%	CN_0; MY=0; SAFTA=5 LK_FTA Conc. = 100%
7228.4000	- Other bars rods, not further worked than forged	11	2	30	Fifth Sch_ Pt.VII_ Tbl.B CD@5%	CN_0; MY=0; SAFTA=5 LK_FTA Conc. = 100%
7228.5000	- Other bars and rods, not further worked than cold-formed or cold-finished	11	2	30	Fifth Sch_ Pt.VII_ Tbl.B CD@5%	CN_0; MY=0; SAFTA=5 LK_FTA Conc. = 100%
7228.6000	- Other bars and rods	11	2	30	Fifth Sch_ Pt.VII_ Tbl.B CD@5%	CN_0; MY=0; SAFTA=5 LK_FTA Conc. = 100%

## 11.2. Domestic like product

The domestic like product is deformed steel concrete reinforcing steel bars commonly known as Rebars, produced by the domestic industry. It is classified under the same PCT codes as the product under review is classified. The domestic like product is also used for the same purposes as the product under review is used. It is produced from the same/similar production process and raw materials as is of the product under review. Its specifications, uses and classification are the same as of the product under review. Further, the Commission in its original investigation had determined that the investigated product and the domestic like product are like products.

## 12. Information/Data Gathering

12.1 The Commission sent questionnaires on October 19, 2022 to the known exporters/ producers of Rebars from China, 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 China in Islamabad, Pakistan on October 18, 2022 with a request to forward it to all known exporters/ producers of Rebars in China.

Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

12.2 No response from any exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on November 30, 2022 explaining that in case, no response of the questionnaire is submitted by them, the Commission will be constrained to make determination of likely continuation or recurrence of dumping of Rebars on the basis of "Best Information Available" including those contained in the application submitted by the domestic industry. However, none of the exporters/ producers from China responded to the Commission for provision of requisite information.

12.3 Questionnaires were also sent to other known domestic producers of the domestic like product and PALSP on October 19, 2022, followed by reminders on 30 November 2022. None of the other producers responded to provide requisite data/ information. However, PALSP provided information on installed production capacities and production of the units in the industry. In a further attempt to obtain specific data relating to installed capacity, production, sales, and cost to make and sell, the Commission sent letters to the domestic producers who have supported this sunset review application. In response to said letter, only two domestic producers, namely M/S Fazal Steel (Pvt.) Ltd., Islamabad and M/S Ittehad Steel Industries limited Islamabad responded and provided partial information.

12.4 Questionnaires were also sent to known importers of Rebars on October 19, 2022, followed by reminders on 30 November 2022. However, none of the importers have provided requisite data/ information on the prescribed questionnaire.

12.5 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 review, the Commission has also used import data obtained from PRAL's database 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.

**13. Verification of the Information**

13.1 In terms of Section 23, 32(4) and 35 of the Act and Rule 11 of the Rules, the Commission, during the course of an investigation or review, satisfies itself as to the accuracy of information supplied by the interested parties to the extent possible.

13.2 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 verification at the office and plant of M/s Mughal Iron & Steel Industries Limited Lahore from November 20 to 22, 2023 and at the offices and plants of M/s Amreli Steels Limited Karachi and M/s. Agha Steel Industries Limited Karachi from December 04 to 09, 2023. Reports of the on-the-spot verifications were made available to the interested parties by placing them on the public file.

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Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

**14. Confidentiality**

14.1 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 the interested parties upon good cause shown to be kept confidential.

14.2 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, inventory, production, profit/ (loss), return on investment, investment, salaries & wages, number of employees etc. In addition to this, the Applicant have also provided certain other information on confidential basis under Section 31(2)(c), as such information, e.g. export or import price etc., which may lead to the disclosure of the by nature confidential information by way of reverse calculations. However, the parties have submitted non-confidential summaries of the confidential information in accordance with Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.

14.3 Pursuant to requests made by the Applicant 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. However, in terms of Sub-section (5) of Section 31, non-confidential summaries of all confidential information, which provide reasonable understanding of the substance, have been placed in non-confidential file (public file).

**15. Public File**

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

**16. Disclosure of Essential Facts**

16.1 In terms of Rules 15(1) of the Rules, and Article 6.9 of Agreement on Antidumping, the Commission disclosed essential facts, and in this context circulated a Statement of Essential Facts (the "SEF") on March 15, 2024, to the Applicants, importers, Other Producers, Association and the diplomatic mission of China in Islamabad. The SEF was emailed to exporters /foreign producers of Rebars in China on March 15, 2024.



**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

16.2 Under Rule 15(2) 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. However, no response was received from any interested party.

**17. Determination of Likely Continuation or Recurrence of Dumping of Rebars**

17.1 In terms of Rule 40 of the Rules, determination whether expiry of anti-dumping duty will be likely to lead continuation or recurrence of dumping of Rebars shall be based on positive evidence and an objective examination of all relevant factors, including listed below. As no exporter/foreign producer has provided any information (paragraph 14 supra), therefore, likely continuation or recurrence of dumping of Rebars is determined on the basis of best information available. Information on the below mentioned factors has been gathered/ obtained from different sources including the Applicants, PRAL, articles published in different journals, ITC and different other websites etc.:

- (a) whether exporters/foreign producers stopped or continued exporting to Pakistan Rebars after imposition of antidumping duty;
- (b) likely dumping margin for Rebars;
- (c) the past and likely future performance of the exporters, foreign producers, including production, capacity utilization, the potential to extend production facilities, costs, sales volumes, prices, inventories, market share, exports, exportable surplus, profits, etc.;
- (d) Whether the Exporting country has developed other export markets after imposition of antidumping duty;
- (e) trade remedial actions taken by other countries on exports of Rebars and whether such actions are likely to cause a diversion of imports into Pakistan;
- (f) changes in market conditions in the exporting country and internationally, including changes in the supply and demand for Rebars; and
- (g) conditions of competition with non-dumped imports of the like product

**17.2 Whether exporters/ producers from China stopped or continued exporting Rebars to Pakistan after imposition of Anti-dumping Duty:**

17.2.1 The information relating to the imports of Rebars from China and imports from sources other than dumped source during the period of original investigation and the POR are given in the table III Infra. During the POR, Rebars was also imported free of taxes and duties including the antidumping duty under Section 51(ea) of the Act to be used in the foreign grant-in-aid projects. However, for the

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

purposes of this sunset review, imports of Rebars liable to taxes and duties (including antidumping duty) are only considered/ taken into account for analysis whether exporters/ producers from China stopped or continued exporting Rebars to Pakistan after imposition of the anti-dumping duty and recurrence of dumping of Rebars:

**Table-III  
Volume of Dumped Imports (MT)**

Year	Dumped Imports		Other Imports	Total Imports
	Liable to duty	Duty free		
(1)	(2)	(3)	(4)	(5)
2015-16*	229,469	--	1,799	231,268
2019-20	572	12,878	1,631	15,081
2020-21	1,924	1,214	2,309	5,447
2021-22	1,566	3,760	1,952	7,278

Source: PRAL \* Original POI

17.2.2 The above table shows that after imposition of anti-dumping duty, imports of Rebars significantly declined in absolute terms. Imports of Rebars from China almost vanished i.e. declined from 229,469 MT in the original POI to 1,566 MT in last year of the POR after imposition of antidumping duty.

17.2.3 Imports from non-dumped sources remain almost in the same range during the original POI and the POR. As volume of imports is dependent upon its price or landed cost vis-à-vis price of the domestic like product, therefore for an objective analysis, the landed cost of Rebars, other imports and prices of the domestic like product during the original POI and the POR are provided in the following table:

**Table-IV  
Landed Cost of the Imports and Domestic Like Product's Price**

Year	Domestic product's price	Landed cost of:		
		Dumped Imports		non-dumped imports
		Without ADD	With ADD	
(1)	(2)	(3)	(4)	(5)
2015-16*	100	74	--	--
2019-20	127	269	305	258
2020-21	142	245	277	314
2021-22	210	393	447	432

\* POI of Original Investigation

Sources: the Applicants, PRAL and NTC's working

Note: To maintain confidentiality, the figures have been indexed w.r.t domestic industry's price during the original POI.

17.2.4 The above table shows that price of the dumped imports was considerably lower than the price of the domestic like product as well as landed cost of the other imports during the original POI. Therefore, imposition of 19.15 percent anti-dumping duty on dumped imports improved domestic industry's competitiveness vis-à-vis dumped imports. Resultantly, dumped imports of Rebars dropped significantly. However, during the POR, even without anti-dumping duty, landed cost of Rebars

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Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating In and/or Exported from the People's Republic of China

remained significantly higher than the price of the domestic like product. This shows that the anti-dumping duty was not the only reason for decline in volume of dumped imports of Rebars during the POR, however price of Rebars may not be a representative price as its volume is negligible.

**17.3 Likely Dumping Margin for Rebars**

No exporter/ foreign producer has provided any information (paragraphs 14 supra). Further, the Commission does not intend to amend or change dumping margin or duty rate for Rebars, therefore, likely dumping margin in this review is not determined/calculated.

**17.4. Past and Likely Future Performance of the Exporters and/or Foreign Producers**

17.4.1 As per the information and evidence available with the Commission, installed production capacities and production of steel including Rebars has increased in China in recent years and few expansions are also in the pipeline. The following reports and articles published in different papers substantiate these facts.

17.4.2 The problem of excess steel capacities in China has also been highlighted by the Australian antidumping authority in March 2021 in the inquiry report of expiry review investigation of antidumping duties on steel reinforcing bars exported to Australia from China in following words:

*“the Commission notes the EUROFER research which indicated that Chinese domestic steel production exceeded domestic demand and there was a 70 per cent increase in China’s steel inventory compared to the average inventory levels from 2014 to 2019. With this level of excess production capacity, the Commission considers that exporters from China would not be prevented from exporting the goods to Australia should the measures be allowed to expire. “*

17.4.3 In May 2020 the Canadian antidumping authority also discussed this issue in its final findings of sunset review investigation of antidumping duties levied on imports of rebar from China:

*“China is the world’s largest steel producing country. In 2018, China produced 51.3% of the world’s total steel production, producing a total of 928.3 million MTs of steel. Efforts by the GOC to restrict additional steel-making capacity and force the closure of older facilities have had some success at curtailing China’s steel making capacity, with total capacity in China falling from 1,150 million MT in 2015 to 1,023 million MT in 2018. Evidence on the record also suggested that this trend could end, as there were several facility expansion projects that were expected to come online*

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

*in 2019 that could add over 38 million MT in new steel making capacity in China.*

*With respect to rebar production and capacity, information provided by the Canadian producers shows a modest reduction in Chinese rebar production capacity between 2018 and 2019. At the same time, Chinese rebar production rose overall in 2019. Both production capacity and expected production levels are forecasted to remain relatively unchanged for the next few years. However, even with this added level of production taken into consideration, the capacity utilization rate for Chinese rebar producers was still quite low and left substantial excess production capability available. The excess capacity expected in 2020 is significantly larger than the entire apparent Canadian market for rebar.*

*With respect to domestic market conditions in China, information on the record indicates weakening economic conditions, with lower domestic steel demand forecasted for the future. The OECD noted that growth in China has weakened due to the impact of escalating trade restrictions. Growth in China is expected to slow even further as increasing trade restrictions impact Chinese manufacturing output and investment."*

17.4.4 The authorities in the Australia and Canada noted that demand for long products particularly rebar is decreasing in China which will further increase surplus capacities and inventories. In this regard, an article "China's steel industry eyes major HRC capacity expansion in 2022-23", stated on 22 Feb 2022:

*"Government's direct interventions in steel production may ease in 2022, but China's crude steel production this year is still likely to decline further from 2021, mainly due to poor steel demand in property and its related sectors,"*

17.4.5 The total production output of rebar has increased in China over the years. In this regard, annual output of rebar taken from the website of National Bureau of Statistics of China is as follows:

**Table-VI**  
**Rebars Production in China (MT)**

Product	2020	2019	2018	2017
(1)	(2)	(3)	(4)	(5)
Corrugated steel Bars	267,540,000	249,160,000	222,260,000	198,980,000

17.4.6 According to a report titled 'Latest Developments in Steel Making 2021' by the Organization for Economic Co-operation and Development ("OECD"), there were some significant expansions in process or planned in China. Summary of the capacity expansions in Electric Arc Furnace ("EAF") and Basic Oxygen Furnace ("BOF") is provided in the following table:

(15)

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

**Table-VII  
Steel Making Plant Level Investments in China**

Company	Location	Equipment	Capacity (000' tons)
(1)	(2)	(3)	(4)
Anyang Zhoukou Steel	Xinpu, Henan	BOF	1750
Luzhou Xinyang Steel	Luzhou City, SicHunan	EAF	2000
Sichuan Jinsheng	Meishan City, SicHunan	EAF	1000
Shanxi Jinnan Iron and Steel	Shanxi province	BOF	3400
Fujian Dingsheng Iron and Steel	Ningde, Fujian	EAF	2000
Guangdong Shaoguan Iron & Steel Co., Ltd.	Zhanjiang, Guangdong	BOF	3625
Anshan Iron & Steel	Ningde, Fujian	Steelmaking	10000
Xuzhou Baofeng Special Steel	Yancheng city, Xiangshui	Steelmaking	8000
Shaanxi Hanzhong Iron and Steel	Hanzhong, Shaanxi	EAF	700
HBIS Laoting Steel Co., Ltd.	Hebei, Laoting	BOF	7470
Baowu Iron & Steel Group	Unknown	Steelmaking	3100
Wuzhou Yongda Iron and Steel	Wuzhou, Guangxi	EAF	1000
Total			44,045

17.4.7 From the above information and analysis it is determined that the installed production capacities of Rebars in China have increased and Chinese producers of Rebars have exportable surplus of Rebars to dump in Pakistan. Therefore, in case anti-dumping duty is terminated, there is likelihood of continuation and/or recurrence of dumping of Rebars.

**17.5 Whether Chinese Exporters have Developed Other Export Markets after Imposition of Antidumping Duty:**

17.5.1 According to the information obtained from Trade Map following were the major export destinations of the China for Rebar exports during 2017 and 2021. It is worth mentioning that this information is at 4-digit level HS codes of 7214,7215 and 7228, which may also include some other steel products including Rebars:

**Table-VIII  
China Exports to Major Countries (MT)**

HS	Destination	2017	Source	2021
(1)	(2)	(3)	(4)	(5)
7214	World	206,263	World	841,377
	Pakistan	76,951	Korea, Republic of	185,400
	Djibouti	8,698	Philippines	96,443
	Korea, Republic of	8,656	Mongolia	95,644
	Ethiopia	8,415	Myanmar	71,451
	Guinea	7,135	Thailand	46,362
	Others	96,408	Others	346,077
7215	World	9,241	World	72,074

(16)



**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

	United States of America	3,121	Belgium	14,250
	Australia	1,314	Viet Nam	10,363
	Ghana	471	Japan	6,337
	Canada	467	Malaysia	5,483
	Gabon	389	Thailand	5,220
	Others	3,479	Others	30,421
7228	World	11,553,704	World	4,522,847
	Korea, Republic of	2,643,544	Korea, Republic of	937,685
	Hong Kong, China	1,267,143	Hong Kong, China	604,873
	Philippines	810,293	Singapore	348,678
	Indonesia	801,825	Indonesia	271,250
	Singapore	794,989	Belgium	220,691
	Others	5,235,910	Others	2,139,670
<b>Grand Total of Export under all PCT Headings</b>		<b>11,769,208</b>	<b>Grand Total of Export under all PCT Headings</b>	<b>5,436,298</b>

17.5.2 The table above shows that the imports of Rebars from China have decreased from 11,796,208 MT during 2017 to 5,436,298 MT in 2021 the last year of the POR. The information in above table reveals that the major export destinations of China have changed coupled with decrease in total volume of exports as many of the importing countries have imposed trade remedial measures against imports from China (paragraph 17.6 infra). Moreover, the domestic production capacity in China has also increased (paragraph 17.4.7 supra). Hence, it indicates that excess production and/or inventories of Rebars as well as production capacity in China are waiting for lucrative markets which poses a likely increase in dumped imports from China in case, anti-dumping duty is terminated.

**17.6 Trade Remedial Actions Taken by Other Countries on Exports of Rebars and Whether Such Actions are Likely to Cause a Diversion of Imports into Pakistan:**

17.6.1 Since imposition of Anti-Dumping duty on Rebars with effect from October 23, 2017, several other countries have also imposed trade defense measures on imports of steel rebars from China to protect their steel industries. Some of the instances of tariffs and trade measures are identified as under:

**Table IX**

Sr. No.	Country	Measure	Products	Origin(s)	Details of Measures
1	US	Anti-dumping duty	Rebar	China, Belarus, Indonesia, Latvia, Moldova, Poland, Ukraine	After a third sunset review in October 2018, antidumping duties will remain in place at 114.53% for Belarus, 113% for China, 71.01% for Indonesia, 16.99% for Latvia, 232.86% for Moldova, 52.07% for Poland, and 41.69% for Ukraine.
2	Australia	Anti-dumping duty	Rebar	China	As a result of final determination of review in March 2021, antidumping duty @ 19% is continued.

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

3	Canada	Anti-dumping duty	Rebar	China	On March 2022, Canada initiated a sunset review of antidumping duties imposed in 2017 @41% Duties are currently intact.
4	Egypt	Anti-dumping duty	Rebar	China	Egypt declared that the AD restrictions will be valid for another 12 months, effective from June 6, 2022. As per the previous investigation, Chinese steel is subject to 29 percent tax.
5	Vietnam	Safeguard duty	Rebar	China	Vietnam imposed definitive safeguard duty on imports of the subject good following the conclusion of the sunset review. The rate of duty between 22 March 2020 and 21 March 2021 is 9.4%. The rate of duty between 22 March 2021 and 21 March 2022 is 7.9%. The rate of duty between 22 March 2022 and 21 March 2023 is 6.4%.
6	Morocco	Safeguard duty	Rebar	China	On 1 January 2022, the Moroccan authorities extended the definitive duty imposed on imports of wire rods and reinforcing bars following the conclusion of the sunset review. The rate of duty consists of an additional specific duty of DH 0.55/kg applicable to imports in excess of a quota of 146,410 tonnes for wire rods and a quota of 123,938 tons for reinforcing bars. The duty is in force until 15 October 2023.
7	Dominican Republic	Anti-dumping duty	Rebar	China	Dominica imposed antidumping duty @ 43%.Sunset review of antidumping duty is in process.

17.6.2 The above table shows that China's exports of steel rebars to several other countries have been restricted through trade remedial measures by those countries, which has created a surplus with Chinese exporters to export to other destinations. Therefore, there is likelihood of increase in volume of dumped imports of Rebars from China in absence of the anti-dumping duty.

**17.7 Changes in Market Conditions in China including Changes in the Supply and Demand for Rebars**

As per an article published in Financial Review dated 15 December 2021 stated that the country's steel demand was on track to be down 4.7 per cent, to 954 million tonnes, for 2021 and would slip further to 947 million tonnes next year. This slowdown in steel demand is actually due to slowing down of construction activities which is a primary driver for steel demand. This is also confirmed from Worldsteel Short Range Outlook October 2021. Extracts are quoted below:

*"The Chinese economy sustained its strong recovery momentum from 2020 into the early part of 2021. However, it has slowed since June. There have been marked signs of deceleration in the steel using sector's activity since July, leading to a steel demand contraction of -13.3% in July and then -18.3% in August. The sharp deceleration is partly attributable to occasional factors such as the recent adverse weather and small waves of infections through this summer, however more substantive causes include the slowing momentum in the real estate sector and the government cap on steel production. Real estate activity has weakened due to tough government measures on*

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

developers' financing introduced in 2020. At the same time, infrastructure investment has not picked up in 2021 due to a depletion of investment opportunities and limited local government financing ability. Furthermore, the strong manufacturing recovery across the world has reduced the export market.

From a high base last year and with a continued negative trend in the real estate sector, Chinese steel demand will have negative growth in the coming years. As a result, while the January to August apparent steel use still stands at a positive 2.7%, overall steel demand is expected to decline by -1.0% in 2021.

No growth in steel demand is expected in near future, with the real estate sector remaining depressed in line with the government policy stance on rebalancing and environmental protection. Some restocking activities might support apparent steel use. Recent government action to push for a transition away from the real estate-dependent growth model is likely to continue."

### **17.8 Conditions of Competition with Non-dumped Imports of the Like Product**

17.8.1 Information/data on weighted average ex-factory price of the domestic like product weighted average landed cost of Rebars with and without antidumping duty and weighted average landed cost of the like product during the original POI and the POR is given in following table:

**Table-X  
Landed Cost of the Imports and Domestic Product's Price**

Year/Period	Domestic product's price	Landed cost of dumped imports		Landed cost of non-dumped imports
		Without ADD	With ADD	
(1)	(2)	(3)	(4)	(5)
2015-16*	100	74	--	--
2019-20	127	269	305	258
2020-21	142	245	277	314
2021-22	210	393	447	432

\* POI of Original Investigation

Sources: the Applicants and PRAL

Note: To maintain confidentiality, the figures have been indexed w.r.t domestic industry's price during the original POI.

17.8.2 The information provided in the above table shows that price of the dumped imports was considerably lower than the price of the domestic like product as well as landed cost of the other imports during the original POI. Therefore, imposition of 19.15 percent anti-dumping duty on dumped imports improved domestic industry's competitiveness vis-à-vis dumped imports. However, during the POR, landed cost of Rebars as well as imports from other sources remained significantly higher than the price of the domestic like product. This shows that the conditions of competition vis-à-vis non-dumped imports has not changed before and after imposition of anti-dumping duty.

(19)

Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating In and/or Exported from the People's Republic of China

17.9 Based on the fore-going information, analysis and conclusions (provided at paragraphs 17.1 to 17.8) the Commission has determined that there is strong likelihood of continuation and/or recurrence of dumping of Rebars in case, antidumping duty is terminated because:

- (a) exporters/foreign producers almost stopped exporting to Pakistan Rebars due to imposition of antidumping duty;
- (b) the exporters/ foreign producers have huge potential and idle production, capacities to export Rebars at dumped prices;
- (c) number of other countries have taken trade remedial measures on exports of Rebars from China, which will likely be a cause of diversion of exports to Pakistan;
- (d) there are no significant changes happened during last five years in market conditions in the exporting country and internationally, including changes in the supply and demand for Rebars; and
- (e) non-dumped imports of the like product are not in direct competition with imports of Rebars.

**18. Determination of Likely Recurrence or Continuation of Injury to the Domestic Industry**

18.1 As per Rule 41 of the Rules determination whether expiry of antidumping duty will likely lead to continuation or recurrence of Injury to the domestic industry shall be based on positive examination and an objective analysis of all relevant factors including the following:

- (a). Whether there is likelihood of significant increase in volume of imports of Rebars in case, anti-dumping duty is allowed to expire;
- (b). Likely prices of Rebars in case, the measure is allowed to expire and their effect on prices of the domestic like product, particularly whether prices of Rebars are likely to undercut or lead to price depression or price suppression of the prices of the domestic like product;
- (c). The likely impact of imports of Rebars on the domestic industry in case, the antidumping duty is allowed to expire having regard to all relevant factors and indices, including any potential decline in sales, profits, output, market share, productivity, return on investment, capacity utilization and likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investments; and
- (d). Changes in market conditions in the economy of Pakistan and internationally, including changes in the supply and demand for Rebars.

18.2 Information, analysis, conclusions and determination on injury factors in accordance with Rule 41 of the Rules are provided in the following paragraphs. As

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

stated earlier (paragraph 9 supra) other producers in the domestic industry have not provided data/information to the Commission, therefore, most of the information on injury factors is of the Applicants. As the Applicants represent about 38 percent of the domestic production (Table-I supra), therefore, any inference drawn on Applicants' information will likely to be applicable to the entire domestic industry. However, the macro level information that is provided by the PALSP and two other producers has also utilized in some injury factors.

### 18.3 Likely Effect on Volume of Dumped Imports

18.3.1 The information on volume of imports of Rebars from dumped source and other sources during the original POI and the POR is provided in the following table. During the POR, Rebars was also imported free of taxes and duties including the antidumping duty under Section 51(ea) of the Act to be used in foreign grant-in-aid projects. However, for the purposes of assessment of likely effect of volume of dumped imports, only the imports of Rebars liable to taxes and duties (including antidumping duty) are considered/ taken into account for analysis. Information on imports, domestic industry's sales and total consumption of Rebars are provided in the following table:

**Table-XI  
Volume of Dumped Imports (MT)**

Year	Dumped imports**	Other imports	Total imports	Domestic industry's sales	Domestic consumption/Market	Dumped imports as % of domestic consumption
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2015-16*	229,469	1,799	231,268	712,364	943,632	24.32
2019-20	572	1,631	2,203	1,445,140	1,447,343	0.04
2020-21	1,924	2,309	4,233	1,808,802	1,813,035	0.11
2021-22	1,566	1,952	3,518	1,934,268	1,937,786	0.08

\* Original POI      \*\* Imports only liable to duty      Sources: PRAL, the Applicants and PALSP

18.3.2 The above table shows that after imposition of anti-dumping duty, imports of Rebars significantly declined in absolute terms. Imports of Rebars from China almost vanished i.e. declined from 229,469 MT, which were 24 percent of total domestic consumption in the original POI to 1,566 MT i.e. 0.08 percent of domestic consumption in last year of the POR after imposition of antidumping duty. Imports from non-dumped sources remain similar before and after imposition of the antidumping duty.

18.3.3 Sharp decline in imports is a result of imposition of anti-dumping duty on Rebars. As it is established that there is likelihood of significant increase in volume of dumped imports in case, the antidumping duty expires (paragraph 17 supra), therefore, there are likely consequent adverse volume effects on domestic industry's sales, production and capacity utilization.

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**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

### 18.4 Likely Effects on Production and Capacity Utilization

18.4.1 Installed capacity and production of Rebars of the domestic industry during the POI and the POR were as follows:

**Table – XII  
Installed Capacity and Production of the Domestic Industry**

Year	Applicants			Total Industry's		
	Capacity (volume)	Production (volume)	Capacity Utilization (%)	Capacity (volume)	Production (volume)	Capacity Utilization (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2015-16*	52.00	30.75	59.13	100.00	97.37	97.37
2019-20	122.33	64.32	52.57	381.22	161.57	42.38
2020-21	122.33	76.70	62.70	381.22	198.85	52.16
2021-22	142.78	81.02	56.74	405.89	216.13	53.25

\* POI of Original Investigation

Sources: the Applicants, PALSP, Fazal Steel and Ittehad Steel

Note: To maintain confidentiality, the figures have been indexed w.r.t total industry's installed capacity during the original POI

18.4.1 It is obvious from the table above that the installed production capacity of the domestic industry has significantly increased by 306 percent over the last five years to cater the expanding domestic market.

18.4.2 Production of the domestic like product also increased continuously after imposition of antidumping duty showing an increase of 122 percent over the last five years.

18.4.3 As it is evident from the fore-going information and analysis that, there is likelihood of significant increase in volume of imports of Rebars from China in case, antidumping duty is removed, therefore, increased imports will likely force the domestic industry to cut short production of the domestic like product. This situation would adversely affect production and capacity utilization of the domestic industry.

### 18.5 Likely Effect on Sales and market share of domestic industry

18.5.1 Following table shows sales and market share of each segment of supply during the original POI and the POR:

**Table-XIII  
Sales and Market Share**

Year	Domestic Industry's Sales		Imports from:				Total Market	
	volume	% share	Dumped Source		Other Sources		volume	%change**
			volume	% share	volume	% share		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2015-16*	75.49	75.49	24.32	24.32	0.19	0.19	100.00	---
2019-20	153.15	99.85	0.06	0.04	0.17	0.11	153.38	53.38
2020-21	191.69	99.77	0.20	0.11	0.24	0.13	192.13	92.13
2021-22	204.98	99.82	0.17	0.08	0.21	0.1	205.35	105.35

\* POI of Original Investigation

\*\* % change vis-à-vis original POI

Sources: The Applicants, PALSP, Fazal Steel and Ittehad Steel and PRAL

Note: To maintain confidentiality, actual figures are indexed by taking figures of total market of the original POI equals to 100.

(22)

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

18.5.2 The above table shows that the total domestic market of Rebars has significantly increased after imposition of the antidumping duty, which is 105 percent increase during the five years of imposition of the duty.

18.5.3 Domestic industry's sales also increased significantly after imposition of antidumping duty by 172percent vis-à-vis the original POI. Resultantly, almost the entire domestic market is catered by the domestic industry. Market share of the domestic industry which was 75.49 percent in the original POI increased to 99.82 percent during the POR. Thus, imposition of antidumping duty has positively impacted sales and market share of the domestic industry.

18.5.4 As there is likelihood of significant increase in volume of dumped imports of the product under in case, antidumping duty is removed, therefore, any increase in volume of imports will take domestic industry's market share, because almost entire domestic market is filled by the domestic industry.

### **18.6 Likely Price Effects on Prices of the Domestic Like Product**

18.6.1 Likely effect of dumped imports on the sales price of the domestic like product in the domestic market has been examined in the following paragraphs to establish whether there is likelihood of price undercutting (the extent to which the price of Rebars will be lower than the price of the domestic like product), price depression (the extent to which the domestic industry may experience decline in its selling prices of domestic like product), and price suppression (the extent to which increased cost of production could not be recovered by way of increase in selling price of the domestic like product) in case, antidumping duty on dumped imports of Rebars expires.

#### **18.6.2 Likely Price Undercutting**

18.6.2.1 Information on weighted average ex-factory price of the domestic like product and weighted average landed cost of Rebars, with and without antidumping duty during the original POI and the POR are given in following table:

**Table-XIV  
Price Undercutting**

Year	Domestic like product's price	Dumped imports' Landed cost		Price undercutting	
		Without ADD#	With ADD#	Without ADD#	With ADD#
(1)	(2)	(3)	(4)	(5)	(6)
2015-16*	100	74	--	26	--
2019-20	127	269	305	--	--
2020-21	142	245	277	--	--
2021-22	210	393	447	--	--

\* POI of Original Investigation

# ADD: Antidumping Duty

Sources: the Applicants and PRAL

Note: To maintain confidentiality, actual figures are indexed by taking figures of the original POI equals to 100

(23)

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating In and/or Exported from the People's Republic of China**

18.6.2.2 The information in above table shows that the domestic industry faced price undercutting in the original POI. However, there was no undercutting during the POR even without anti-dumping duty. Therefore, there is no likelihood of price undercutting in case, antidumping duty imposed on Rebars expires.

### 18.6.3 Likely Effect on Price Depression

The information provided in Table-XIV above shows that prices of the domestic like product increased after imposition of antidumping duty throughout the POR. Further, landed cost of Rebars remained considerably higher, ranging from 21 percent to 45 percent, than the price of the domestic like product even without antidumping duty. Therefore, there is no likelihood of price depression in case, antidumping duty imposed on Rebars expires.

### 18.6.4 Likely Effect on Price Suppression:

18.6.4.1 Following table shows information with regard to weighted average cost to make and sell and weighted average ex-factory sales price of domestic like product during the original POI and the POR:

**Table-XV  
Price Suppression**

Year	Domestic like product's		Increase in:		Price Suppression
	Cost to make and sell	Ex-factory price	Cost to make & sell	Price	
(1)	(2)	(3)	(4)	(5)	(6)
2015-16*	88	100	(14)	(11)	---
2019-20	128	127			---
2020-21	133	142	6	15	---
2021-22	200	210	66	68	---

\* POI of Original Investigation

Sources: the Applicants and PRAL

Note: To maintain confidentiality, the figures are indexed by taking ex-factory price of the original POI equals to 100

18.6.4.2 The above table shows that domestic industry did not face price suppression during the POR as the increase in cost to make and sell of the domestic like product was recovered by way of an increase sales price. The domestic industry was able to increase its prices and recovered the increased cost because landed cost of Rebars was higher than the cost to make and sell of the domestic like product. Therefore, there is no likelihood of price suppression in case, antidumping duty imposed on Rebars expires.

### 18.7 Likely Effect on Profits and Loss:

18.7.1 Applicants' information on their profits or loss for the original POI and the POR is given in the following table:

(24)



**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating In and/or Exported from the People's Republic of China**

**Table-XVI  
Applicants' Profit/(Loss)**

Year	Gross Profit	Net Profit/(Loss)
(1)	(2)	(3)
*2015-16	100	(135)
2019-20	6035	(347)
2020-21	10063	4363
2021-22	14205	5341

\* POI of Original Investigation Source: the Applicants

Note: To maintain confidentiality, the figures are indexed by taking gross profit of the original POI equals to 100

18.7.2 The above table shows that the Applicants' earned gross profits throughout the POR, however incurred net loss during the POI of original investigation and in first year of the POR. In second and third years of the POR the Applicants earned significant net profits.

18.7.3 Investigation of the Commission has revealed that net loss incurred by the Applicants during first year of the POR was not due to imports of Rebars as there were negligible imports during the POR and the landed cost of imports were significantly higher than the cost to make of sell of the domestic like product (paragraph 18.6.4 supra).

18.7.4 Although landed cost of Rebars without antidumping duty remained higher than the prices of the domestic like product during the POR, however, as there is likelihood of significant increase in volume of imports of Rebars in case, antidumping duty expires, which will adversely affect production and sales of the domestic like product, resultantly there is likelihood that the profits of the domestic industry will be adversely affected in case anti-dumping duty imposed on Rebars expires.

### **18.8 Likely Effect on Inventories of the Domestic Like Product**

18.8.1 Inventory position of the Applicants of the domestic like product during the original POI and the POR is given in the table below:

**Table-XVII  
Inventories of the Applicants' Domestic Like Product**

Year	Opening Inventory	Closing Inventory
(1)	(2)	(7)
*2015-16	165	100
2019-20	405	493
2020-21	493	351
2021-22	351	425

\* POI of Original Investigation Source: Applicants

Note: To maintain confidentiality, the figures are indexed by taking closing inventory of the original POI equals to 100

18.8.2 The above table shows that after imposition of the antidumping duty, closing inventory level of the Applicants' domestic like product has increased during the POR. The investigation has shown that this increase in closing inventory was

(25)

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

because of significant increase in domestic demand (paragraph 18.5 supra) and production (paragraph 18.4 supra) after imposition of the antidumping duty, and the domestic industry has to maintain a certain level of inventories to meet any urgent requirements of domestic market .

18.8.3 As is established in fore-going paragraphs that there is a likelihood of significant increase in volume of dumped imports of Rebars in case, antidumping duty terminated, therefore, there is likely adverse effects on inventories of the domestic like product.

**18.9 Likely Effect on Cash Flow:**

18.9.1 Information on net cash flows of the Applicants from operating activities is given below

**Table-XVIII  
Applicants' Net Cash Flow**

Year	(Value)
*2015-16	100
2019-20	(75)
2020-21	31
2021-22	249

\* POI of Original Investigation Source: Applicants

Note: To maintain confidentiality, the figures are indexed by taking net cash flow of the original POI equals to 100

18.9.2 The above table shows that net cash flow from operating activities of the Applicants improved after imposition of antidumping duty in the second and third years of the POR. It was analyzed during the review proceedings that improvement in profitability of the Applicants positively impacted their cash flows.

18.9.3 As it is established in the preceding paragraphs that expiry of the antidumping duty will likely lead to significant increase in volume of Rebars, which will adversely affect sales and production of the domestic like product, consequently it will adversely effect on cash flows of the domestic industry.

**18.10 Likely Effects on Employment, salaries, wages, and productivity:**

18.10.1 The information regarding Applicants' employment, salaries & wages, production and productivity during the original POI and the POR are given in the following table:

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

Year	Employees	Salaries & wages ( value)	Production (volume)	Productivity (per worker)	Salaries & wages (per unit)
(1)	(2)	(3)	(4)	(5)	(6)
*2015-16	100	100	100	100	100
2019-20	292	691	209	72	330
2020-21	290	806	249	86	323
2021-22	280	928	264	94	352

\* POI of first Original Investigation Source: the Applicants

Note: To maintain confidentiality, the figures are indexed with respect to the original POI assuming it equals to 100

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

18.10.2 The above table shows that the number of employees significantly increased after imposition of antidumping duty due to significant increase in domestic industry's installed capacity and production (paragraph 18.4 supra).

18.10.3 Productivity per worker slightly decreased and salaries & wages for production of the domestic like product increased during the POR compared to the original POI due to increase in number of employees as well as inflationary trend in the economy.

18.10.4 As there is likelihood of significant increase in volume of imports of Rebars in case, antidumping duty is removed, therefore, there is likelihood consequential adverse effects on production and sales of the domestic like product, which would adversely affect employment, production and salaries & wages of the domestic industry.

### **18.11 Likely Effect on Growth and Ability to Raise Capital Growth**

After imposition of antidumping duty on Rebars, the domestic industry has made substantial investments and installed production capacity of the domestic industry has increased to 3,653,000 MT per annum in 2021-22 (paragraph 18.4 supra), which shows a positive effect of imposition of the antidumping duty on the domestic industry. The current installed capacity of the domestic industry is more than the domestic demand. There is likelihood of adverse effects on growth plans of the domestic industry in case, antidumping duty is terminated on dumped imports of Rebars as the domestic industry would likely to face decline in production and sales of the domestic like product, which will adversely effect prices, cash flows, profits and profitability etc. of the domestic like product. Resultantly, the growth and ability to raise capital of the domestic industry is likely to be affected adversely.

### **18.12 Likely Effect on Return on Investment**

18.12.1 The Applicants are multi-product companies and the investment and return on investment ("ROI") 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 determined for their entire operations during the POR. The information regarding the ROI during the original POI and the POR is given in the following table:

**Table-XX  
Return on Investment**

Year	ROI (%)
(1)	(2)
*2015-16	12.33
2019-20	4.87
2020-21	8.79
2021-22	9.31

\* POI of Original Investigation Source: the Applicants

(27)

**Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China**

18.12.2 The above table shows that return on investment significantly increased from 4.87 percent in the first year of the POR to 9.31 percent in last year of the POR. The increase in ROI during second and last year of the POR was due to increase in profits earned by the domestic industry.

18.12.3 As the information, analysis and conclusions provided in fore-going paragraph show, there is likelihood of significant increase in volume of imports of Rebars in case, antidumping duty is terminated, therefore, there is likelihood that the domestic industry would be constrained to reduce production, sales and sales price of the domestic like product. This situation would adversely effect return on investment of the domestic industry.

**18.13 Changes in Market Conditions in the Economy of Pakistan and Internationally, Including Changes in Supply and Demand for Rebars**

18.13.1 According to the Economic Survey of Pakistan 2021-22:

*"Unprecedented global crisis caused by the outbreak COVID-19 pandemic in early 2020 had led to equally unprecedented worldwide measures to protect lives and livelihoods. Governments and Central banks engaged in accommodative fiscal and monetary policy measures to protect the population from an economic meltdown. The imposed mobility and other necessary restrictive measures took a huge toll on social and economic prosperity. In 2021 vaccination programs, although unevenly spread among world regions, allowed to gradually relax economic restrictions. In the meantime, economic policies continued to support the strong economic revival across the globe that resulted in economic growth exceeding potential output growth in 2021. Supply-demand imbalances became apparent exacerbated by supply chain disruption and bottlenecks in the transport sector. International commodity prices responded abruptly to the economic rebound accelerated inflation in most parts of the world. In early 2022, the Russian-Ukraine conflict elevated global commodity prices, fueled inflation and domestic inflation rates further. Threats from high inflation, rising interest rates, lingering supply constraints, and mounting uncertainties affected the global economic forecasts. The impact of war has revised the global growth forecast downward by 0.8 and 0.2 percentage points to 3.6 percent in both 2022 and 2023. The projection for economic growth of European Economies has been revised downwards by 1.1 percentage points to 2.8 percent. Similarly, the outlook for advanced and emerging economies also revised downwards by 0.6 and 1.0 percentage points, respectively. In the medium-term, the outlook is revised downwards for all groups, except commodity exporters who are benefitting from the surge in energy and food prices."*

18.13.2 "Iron & Steel production jumped by 16.5 percent during 2021-22 against the contraction of 8.6 percent in the same period last year. Billets/Ingots, mainly used

(28)

Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

*in construction industry, grew by 32.8 and H/C.R. Sheets/ Strips/Coils/plates increased by 7.9 percent. Both reflect the growth momentum in automobile and construction-allied sectors."*

18.13.3 *"In Pakistan though economy recovered from the pandemic (a 0.94 percent drop in FY2020) and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. This high growth, however, is unsustainable and has resulted in financial and macroeconomic imbalances. The coordinated monetary-fiscal policy approach after the COVID-19 outbreak has succeeded in reviving the real economic activity. Specifically, the fiscal-monetary stimulus packages have a cascading effect on growth through a revival in private investment. In addition, the accommodative monetary policy stance in FY2021, focused on the revival of the construction industry and mandatory housing finance targets by the SBP, together with the rebound in external demand has set the stage for stronger growth momentum in FY2022. Further, growth momentum was observed on account of broad-based expansion in large-scale manufacturing (LSM) and improved crop production. However, the economy also started to show signs of excess demand and overheating through an increase in the import volume of capital and consumer goods, energy, and non-energy imports."*

18.13.4 *"On the external front, the exports grew remarkable on account of policy supports provided-including regionally competitive energy tariff rates, Export Facilitation Scheme 2021, enhancement in coverage and loan limits under LTFF, Changes in FX regulations to facilitate exports, the launch of an e-Tijarat portal and tariff rationalized in various sectors in line with objectives of National Tariff Policy 2019-2024."*

18.13.5 *"Accommodative fiscal and monetary measures continued in FY2022 provided incentives to the businesses to perform better. Thus, LSM picked up the momentum and staged the overall growth of 10.4 percent during July-March FY2022. The performance was broad based on the back of strong growth of high weighted sectors such as textile, food, wearing apparel, chemicals, automobile, tobacco, and iron & steel products."*

18.13.6 *During July-March FY2022, LSM staged the growth of 10.4 percent against 4.24 percent growth in the corresponding period last year. Production of 11 items under the Oil Companies Advisory Committee increased by 2.0 percent, 36 items under the Ministry of Industries and Production surged by 10.3 percent, while 76 items reported by the Provincial Bureaus of Statistics increased by 12.1 percent. The expansion of LSM is also appeared to be broad based, with 17 out of 22 sectors of LSM witnessed a positive growth. Furniture, Wood Products, Automobile, Footballs,*

(29)



Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

*Tobacco, Iron & Steel Products, Machinery and Equipment, and Chemical Products remained the top performing sectors of LSM.*

18.13.7 Based on the above information the Commission is of the view as the economic growth of Pakistan economy is picking up and there will be increasing demand of the domestic like product. In such a situation increase in volume of dumped imports of Rebars will adversely affect performance of the domestic industry.

**19. Summing up Likely Recurrence or Continuation of Injury to the Domestic Industry**

On the basis of information and analysis at preceding paragraphs, the Commission has reached to the conclusion that expiry of anti-dumping duty imposed on dumped imports of Rebars from China would lead to likely recurrence of injury to the domestic industry on account of the following:

- (a). There is a likelihood of significant increase in volume of imports of Rebars from China.
- (b). Increase in volume of dumped imports of Rebars will likely lead to decline in production and sales of the domestic like product, which will consequently adversely affect the prices, market share, capacity utilization, profits, inventories, ROI, employment, wages and productivity of the domestic industry.

**D. Conclusions**

20. After taking into account all information, analysis and findings, the Commission has reached on the following conclusions:

- (a). The domestic industry filed an application for sunset review of the antidumping duty imposed on dumped imports of Rebars from China within prescribed time period in accordance with Section 58(3) of the Act in response to the notice of impending expiry of the antidumping duty. The application met requirements of Sections 24 and 58 of the Act and Rule 32 of the Rules.
- (b). There is likelihood of continuation and/or recurrence of dumping of Rebars in case, antidumping duty imposed on it is terminated.
- (c). Termination of antidumping duty imposed on imports of Rebars will lead to likely recurrence of injury to the domestic industry by way of increase in volume of dumped imports, which will consequently adversely affect the prices, market share, capacity utilization, profits, inventories, ROI, employment, wages and productivity of the domestic industry.

(30)



Conclusion of Sunset Review of Anti-Dumping Duty Imposed on Dumped Imports of Concrete Reinforcing Deformed Steel Bars Originating in and/or Exported from the People's Republic of China

**E. Continuation of Definitive Antidumping Duty**

21. In terms of Section 58(3) of the Act, definitive anti-dumping duty shall not expire in case, the Commission determines in the review that the expiry of such anti-dumping duty would be likely to lead to continuation or recurrence of dumping of Rebars and injury to the domestic industry.

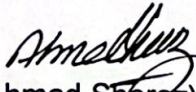
22. In view of the information, analysis, and conclusions in the forgoing paragraphs, the Commission has determined that expiry of antidumping duty imposed on dumped imports of Rebars from China would be likely to lead to continuation of dumping and as a result the domestic industry is likely to suffer injury. Therefore, the Commission has decided to continue imposition of antidumping duty on dumped imports of Rebars for a period of further five years with effect from October 17, 2022 @ 19.15 percent of C&F value in *advalorem* terms .

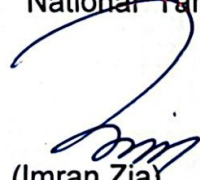
23. Rebars imported from sources, other than China shall not be subject to this antidumping duty. Further, in accordance with Section 51(1) (ae) of the Act, definitive antidumping duty will not be levied on imports of Rebars that are used as inputs in products destined solely for exports or for use in the foreign grant-in-aid projects and are covered under any scheme exempting customs duties for exports or foreign grant-in-aid projects under the Customs Act, 1969 (IV of 1969).

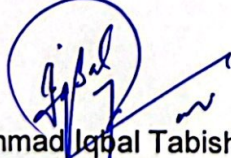
24. In accordance with Section 51 of the Act, the antidumping duty shall take the form of *ad valorm* duty. Release of the dumped imports of Rebars for free circulation in Pakistan shall be subject to imposition of such antidumping duty.


25. Definitive antidumping duty levied would be in addition to other taxes and duties leviable on import of Rebars under any other law.

26. The definitive antidumping duty would be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and would be deposited in Commission's account "G1270X", titled "National Tariff Commission Fund" maintained with State Bank of Pakistan.

  
(Ahmad Sheraz)  
Member, NTC  
May 08, 2024

  
(Imran Zia)  
Member, NTC  
May 08, 2024

  
(Muhammad Iqbal Tabish)  
Member, NTC  
May 08, 2024

  
(Naeem Anwar)  
Chairman, NTC  
May 08, 2024