



**Government of Pakistan
National Tariff Commission**

Report on

**Final Determination and Imposition of
Definitive Anti-Dumping Duty on Dumped
imports of Paint Brush Filaments into
Pakistan Originating in and /or Exported
from the People's Republic of China**

AD.C. No. 63/2023/NTC/PBF
September 02, 2024

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

National Tariff Commission (the "Commission") having regard to the Anti-Dumping Duties Act, 2015 (the "Act"), the Anti-Dumping Duties Rules, 2022 (the "Rules"), and the WTO's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the "Anti-dumping Agreement").

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

3. The Commission has conducted an investigation against dumped imports of Paint Brush Filaments into Pakistan originating in and/or exported from the People's Republic of China ("China") under the Act and the Rules. The Commission has made this final determination in this investigation under Section 39 of the Act. This report on final determination has been issued in accordance with Rule 16 of the Rules and Article 12.2 of the Anti-dumping Agreement.

4. In terms of Section 39 of the Act, the Commission shall normally make a final determination of dumping and injury within one hundred and eighty days of the date of publication of a notice of preliminary determination in the official Gazette. Further the final determination shall be based on information obtained by the Commission during course of the investigation. The notice of preliminary determination in this case was published in the official Gazette (extra ordinary) dated June 13, 2024. The final determination is based on the information collected and/or obtained by the Commission during this investigation.

A. PROCEDURE

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

6. Receipt of Application

6.1 On December 01, 2023, the Commission received a written application under Section 20 and 24 of the Act from M/s. Universal Brushwares (Pvt.) Limited, Karachi (the "Applicant"). The Applicant is engaged in manufacturing and sales of Paint Brush Filaments. The Applicant has alleged that Paint Brush Filaments, imported under PCT Nos. 5404.1900, 5404.9000 and 5406.0000, originating in and/or exported from the People's Republic of China ("China") are being dumped into Pakistan. According to the Applicant, the dumped import of Paint Brush Filaments from China has caused material retardation of the establishment of the Pakistan's domestic industry producing Paint Brush Filaments.

6.2 The Commission informed the Diplomatic Mission of China in Islamabad through a note verbal dated December 12, 2023, of the receipt of application in

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

accordance with the requirements of Section 21 of the Act.

7. 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 dumping of Paint Brush Filaments into Pakistan from China and caused material retardation of the establishment of the Pakistan's domestic industry producing Paint Brush Filaments therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

8. Initiation of the Investigation

8.1 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 *prima facie* dumping of Paint Brush Filaments, PCT Nos. 5404.1900, 5404.9000 and 5406.0000 into Pakistan from China and such imports *prima facie* caused material retardation to the establishment of domestic industry. Therefore, the Commission decided to initiate an investigation in this case on January 19, 2024.

8.2 The Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on January 20, 2024. Investigation concerning dumped imports of Paint Brush Filaments into Pakistan originating in and/or exported from China was thus initiated on January 20, 2024, in accordance with Section 27(2) of the Act.

8.3 In pursuance of Section 27 of the Act, the Commission notified Diplomatic Mission of China in Islamabad of initiation of the investigation (by sending a copy of the notice of initiation) on January 22, 2024, with a request to forward it to all exporters/ producers involved in production, sales and export of Paint Brush Filaments in China. Copy of the notice of initiation was also sent directly to exporters/ producers whose addresses were available with the Commission, Pakistani importers, and the Applicant on January 22, 2024.

8.4 In accordance with Section 28 of the Act, on January 22, 2024, the Commission sent copies of full text of the written application (non-confidential version) along with exporter's questionnaire to exporters/ producers in China whose complete addresses were available with the Commission. The Commission on January 22, 2024 also sent copies of full text of the written application (non-confidential version) along with exporter's questionnaire to the Diplomatic Mission of China in Islamabad with a request

¹ The official Gazette of Pakistan (Extraordinary) dated January 20, 2024.

² The daily 'The News' and 'Mumtaz of January 20, 2024. issues.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

to forward it to their respective exporters/ producers involved in production, sale and/or export of Paint Brush Filaments.

9. Domestic Industry

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

“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.

“Explanation: - For the purposes of this clause, producers shall be deemed to be related to exporters or importers only if

- (i) one of them directly or indirectly controls the other;*
- (ii) both of them are directly or indirectly controlled by the same third person; or*
- (iii) together they directly or indirectly control a third person:*

“Provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers and for that purpose one shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the latter.

9.2 As per the information available with the Commission the Applicant is the only unit in Pakistan manufacturing Paint Brush Filaments. Therefore, the Applicant constitutes 100 percent of the domestic production of the domestic like product. The Applicant started trial production in November 2021 and commercial production in the start of the year 2022. The Applicant planned to complete its plant in three phases. Phase – I was completed with an installed production capacity of 310 Tons per annum and is in operation since January 2022. Phase – II is completed in March 2023 which enabled the Applicant to expand its product range to produce solid brush filaments. Phase-III is planned to be completed in second half of 2024. After completion of Phase-III the installed production capacity of the Applicant will be increased to 665 Tons per annum.

9.3 The Applicant is also one of the oldest manufacturers of paint tools, specializing in brushes, rollers, and associated accessories. It was established in July 1947 to manufacture paint brushes. As paint brush filaments (raw material/input for brushes) were not produced in the country, therefore, the Applicant used to import paint brush filaments to produce paint brushes. The paint brush manufacturing industry

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

encountered significant material shortages in 2020 and 2021 due to COVID 19 pandemic and global supplies challenges. In response to these shortages, the Applicant initiated a vertical integration project in December 2020, and has set up a paint brush filaments manufacturing unit, which become operational in start of the year 2022. The Applicant itself has imported three consignments totaling 32.04 MT in January, February and March of 2022 (i.e. in start of the proposed POI). The Applicant has stated as follows in this regard:

“All transactions occurred at the outset of our production. considering the time required for installation, we initiated the opening of the letter of credit (LC) as a precautionary measure to bolster our existing business in the paint brush manufacturing sector”

9.4 Considering the defined criteria for the domestic industry outlined in Section 2(d) of the Act, along with the provisions of the WTO's Anti-dumping Agreement and the jurisprudence established by the WTO's Dispute Settlement Body, the Commission has established that the Applicant is a legitimate producer of the subject product and is eligible to file an application under Section 20 of the Act, because its primary objective lies in domestic production and sales of the domestic like product rather than in import of the investigated product because:

- i. The Applicant constitutes entire domestic paint brush filaments manufacturing industry that started its commercial production on January 2022. The Applicant's decision to import paint brush filaments at the beginning of the POI is explained as a precautionary measure to support their existing business during the installation period.
- ii. Language of Section 2(d) of the Act is crucial in understanding the Commission's discretion regarding the exclusion of related parties and importing producers from the definition of the domestic industry. The use of the word "may" in Section 2(d) provides the Commission with discretionary authority in both cases. This discretionary language signifies that the Commission has the option to exclude related parties and/or importing producers from the domestic industry, but it does not impose a mandatory obligation to do so. Rather exclusion of producer from domestic industry is conditional as is provided in explanation under Section 2(d) of the Act. Exclusion is dependent upon the behavior of the producer concerned i.e. the concerned producer behaves differently from other producers. The question of different behavior does not arise in this case as the importing producer itself is the Applicant and the only producer of the product concerned.
- iii. The WTO panel in EC – Fasteners (China) found that *"the use of the term 'may' in Article 4.1 makes it clear that investigating authorities are not required to exclude related producers or importing producers" and that "there is nothing in*

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

Article 3.1, or in Article 4.1, that limits the discretion of investigating authorities to exclude, or not, related or importing domestic producers."

- iv. To establish whether the applicant is a legitimate producer of the subject product, the Commission has also considered judgment of the Anti-Dumping Appellate Tribunal ("the Tribunal") in appeal no. 335 of 2019 dated February 16, 2022, which had referred to an earlier Judgment of the Tribunal in appeal no 58 of 2019. The Tribunal in this judgment held that an applicant being the only producer of the domestic like product cannot be excluded from the definition of domestic industry and its interests cannot be considered against the domestic industry. The Commission has considered the behavior of the applicant and determined that its primary objective lies in domestic production and sales of the domestic like product rather than in import of the investigated product.
- v. The Applicant is the only producer in the industry; therefore, if it was denied the right to file the application under the Act, the right of the domestic industry were deprived.

10. Standing of the Application

10.1 Section 24 of the Act enjoins upon the Commission to assess standing of the domestic industry on the basis of the degree of support for or opposition to the application expressed by the domestic producers of the domestic like product. Section 24(1) of the Act states as follows:

".... 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."

10.2 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."

10.3 The application is filed by M/s. Universal Brushwares (Pvt.) Limited (the Applicant), who represents 100 percent of domestic production, as the Applicant is the only unit producing Paint Brush Filaments in Pakistan. Thus, the application fulfills requirements set out in Section 24 of the Act.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

11. Applicants' Views

11.1 The Applicant, *inter alia*, raised the following issues in application regarding dumping of Paint Brush Filament and causing material retardation of the establishment of the Pakistan's domestic industry producing therefrom:

- a. Paint Brush Filament imported from China into Pakistan and Paint Brush Filament produced in by the domestic industry are like products;
- b. Exporters/producers from China are exporting Paint Brush Filament to Pakistan at dumped prices; and
- c. Exports of Paint Brush Filament by the exporters/producers from China to Pakistan at dumped prices has caused and is causing material retardation of the establishment of the Pakistan's domestic industry producing Paint Brush Filaments mainly through:
 - (i) Increase in volume of dumped imports;
 - (ii) price under cutting;
 - (iii) price suppression;
 - (iv) Restricted to gain market share;
 - (v) decline in productivity;
 - (vi) decline in capacity utilization;
 - (vii) decline in sales;
 - (viii) decline in profits;
 - (ix) magnitude of dumping margins

11.2 The Applicant made following requests to the Commission:

- a) Initiate an investigation on dumping of Paint Brush Filament from China under Section 23 of the Act;
- b) Impose appropriate antidumping duties on dumped imports of Paint Brush Filament in accordance with Section 50 of the Act; and
- c) Impose provisional measures under Section 43 of the Act to prevent injury being caused during the investigation.

12 Exporters/ Producers of Paint Brush Filament from the China:

The Applicant identified 13 producers/exporters from China involved in dumping of the investigated product. The Applicant has further stated that there may be other producers/exporters, but they are unaware about them. Therefore, the Applicant has requested for imposition of anti-dumping duty on all imports of the investigated product

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

originating in and/or exported from China.

13 Investigated Product, Domestic Like Product and Like Product

13.1 Sub-sections (k), (e) and (m) of Section 2 of the Act defines investigated product, domestic like product and like product as follows:

- a. **Investigated Product:**
“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.
- b. **Domestic Like Product:**
“means a like product that is produced by the domestic industry”.
- c. **Like Product:**
“a product which is alike in all respects to an investigated product or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product”.

13.2 For the purposes of this investigation and given the definitions set out above, investigated product, domestic like product and like product are defined and determined in the following paragraphs.

13.3 Investigated Product:

13.3.1 The investigated product as defined in notice of initiation is Paint Brush Filaments (the “investigated product”) imported from China. It is classified under Pakistan Customs Tariff (“PCT”) codes 5404.1900 and 5404.9000. The investigated product is used in manufacturing paint brushes.

13.3.2 The Applicant stated in application that the investigated product is also imported under PCT 5406.0000. Apparently this PCT Code 5406.0000 refers to man-made filament yarn (other than sewing thread) put up for retail sale. However, the Applicant claimed that Paint Brush Filaments are also imported/cleared under this PCT Code, therefore, the Applicant has included this PCT Code (5406.0000) in the scope of investigated product.

13.3.3 In order to verify Applicant’s claim, information/import data obtained from Pakistan Customs was examined in detail. On examination of the Customs data it was found that the alleged importer cleared three import transactions under PCT Code 5406.0000, but, description of these three transactions was unclear, i.e. whether it was Paint Brush Filaments or any other type of filament. However, as per the information provided by M/s Hunan Famous Trading Co., Ltd. (paragraph 15.2 infra) it has exported

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

Paint Brush Filament under HS/PCT code 5406.0000. Therefore, to avoid any possible circumvention of duty by declaring the product under review in this PCT code, the same is also included in scope of the investigated product. Thus, the investigated product is classified under PCT codes 5404.1900, 5404.9000 and 5406.0000.

13.3.4 Following table shows customs tariff structure of 2022-23 applicable on imports of Paint Brush Filament:

Table – I
Tariff Structure of Paint Brush Filaments (%)

| PCT Heading | Description | Customs Duty | Add. Customs duty | RD |
|--------------------|---|---------------------|--------------------------|-----------|
| (1) | (2) | (3) | (4) | (5) |
| Chapter 54 | Man-made filaments; strip and the like of man-made textile materials | | | |
| 54.04 | Synthetic monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1mm; strip and the like (for example, artificial straw) of synthetic textile materials of an apparent width not exceeding 5mm. | | | |
| | - Monofilament: | | | |
| 5404.1900 | - - Other | 0 | 0 | 0 |
| 5404.9000 | - Other | 0 | 0 | 0 |
| 5406.0000 | Man-made filament yarn (other than sewing thread), put up for retail sale. | 0 | 0 | 0 |

Source: Pakistan Customs Tariff

13.4 Domestic Like Product

The domestically produced product is Paint Brush Filaments (the “domestic like product”) classified under PCT Codes 5404.1900, 5404.9000 and 5406.0000. The domestic like product is also used in manufacturing paint brushes.

13.5 Like Products

13.5.1 For the purposes of determination of dumping of the investigated product, the like product is Paint Brush Filament produced and sold by the exporters/producers of China 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 Paint Brush Filaments imported into Pakistan from countries other than China and produced by the domestic industry.

13.5.2 For determination of like products the Commission has analyzed number of factors such as raw materials, production process used for production of Paint Brush Filaments, their Customs classification, their interchangeable usage, marketing and sales channels in Pakistan etc., and has reached on the conclusion that there is no difference between the investigated product, the domestic like product and the Paint Brush Filaments imported from sources other than China as all the three products are:

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

- a. produced with same/similar inputs and manufacturing process;
- b. have same/similar appearance;
- c. are substitutable in use and application;
- d. are sold in domestic market through same channels.

13.5.3 Therefore, the Commission is satisfied that the investigated product, domestic like product and Paint Brush Filaments imported from sources other than China are like products.

14. Period of Investigation

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

- a. *"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."*
- b. *"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 As the domestic industry of Paint Brush Filaments has started its operations from January 2022, therefore, for determination of dumping and injury, the information/data and evidences from January 01, 2022 till September 30, 2023 was available at the time of filing of the application. Keeping in view this fact, following period of investigation (the "POI") was selected by the Commission for determination of dumping of the investigated product and material retardation of the establishment of domestic industry:

| | |
|-------------------------------|---|
| For determination of dumping: | From October 01, 2022 to September 30, 2023 |
| For determination of injury: | From January 01, 2022 to September 30, 2023 |

15. Information/Data Gathering

15.1 The Commission sent questionnaires on January 22, 2024, to the known exporters/ producers of Paint Brush Filaments from China with request to respond within 37 days of dispatch of the questionnaires. The Commission also sent a copy of the questionnaire to the Diplomatic Mission of China in Pakistan on January 22, 2024, with a request to forward it to all known exporters/ producers of Paint Brush Filaments in China.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

15.2 In response, only M/s Hunan Famous Trading Co., Ltd. (a trading company, who procures products from different producers and export them) from China responded and provided a very limited information. M/s Hunan Famous Trading Co. Ltd. was requested to provide requisite information as per requirements of the Exporters' questionnaire, including the information of purchase price, price and cost of production of the relevant producer (s), otherwise the Commission would not be able to determine individual dumping margin and rate of duty for them. However, despite reminders, the requisite information was not provided.

15.3 No response from any other exporter/ foreign producer was received within the prescribed time. Therefore, reminders were issued to them on March 08, 2024, explaining them in case of no response of the questionnaire, the Commission will be constrained to make determination of dumping of the investigated product based on "Best Information Available" including those contained in the application submitted by the domestic industry. Therefore, no individual dumping margin can be determined.

15.4 Questionnaires were also sent to known importers of the investigated product on January 22, 2024, followed by reminders on March 08, 2024. However, only one importer, M/s Trade Experts Sialkot responded to the Commission's questionnaire, but information provided was quite limited and insufficient in many aspects. Deficiency letter to the importer was sent on March 22, 2024, where deficient information was requested, however, no response to the deficiencies was received.

15.5 The Commission has access to the import statistics of Pakistan Customs. For this investigation, the Commission has also used import data obtained Pakistan Customs in addition to the information provided by the Applicant in the application and limited information provided by M/s Hunan Famous Trading Co., Ltd, China.

15.6 Interested parties were invited to offer their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. However, the Commission did not receive any written submissions/ comments from any interested party.

15.7 Thus, the Commission has sought from all reasonably available sources i.e. the exporters, importers, users, and other publicly 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.

16. Verification of the Information

16.1 In terms of Sections 32(4) and 35 of the Act and Rule 11 of the Rules, during 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 available with it to the extent possible for the

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

purposes of this final determination.

16.2 In order to verify the information/data provided by the Applicant and to obtain further information (if any), officers of the Commission conducted on-the-spot investigation at the office and plant of the Applicant from February 26 – 28, 2024. The report of on-the-spot investigation/verification conducted at premises of the Applicant was provided in full to the Applicant and a non-confidential version of the same was made available to other interested parties by placing it 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, responses to the questionnaires, submissions, notices, correspondence, reports 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 Applicant has 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 Applicant has 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 Applicant by way of reverse calculations. However, the Applicant has 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 request made by the Applicant to treat certain information as confidential, the Commission has determined 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.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

18.4 In terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provides reasonable understanding of the substance, have been placed in public file for review and copying of the interested parties.

19. Preliminary Determination

19.1 The Commission made preliminary determination in this investigation on June 11, 2024 and issued a notice of preliminary determination and imposition of provisional antidumping duty in terms of Section 37 of the Act. Provisional antidumping duty at the rate of 34.48 percent ad valorem was imposed on dumped imports of the investigated product imported from China for a period of four months effective from June 13, 2024.

19.2 The notice of preliminary determination and imposition of provisional anti-dumping duty was published on June 13, 2024 in Official Gazette of Pakistan and in two widely circulated national newspapers (the "Express Tribune" and "Daily Nawa-e-Waqt") notifying the preliminary determination and imposition of provisional antidumping duty.

19.3 On June 13, 2024 the Commission sent copy of the notice of preliminary determination and imposition of provisional anti-dumping duty to the Diplomatic Mission of China in Islamabad, exporters, importers, and the Applicant 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 www.ntc.gov.pk. However, no interested party offered any comment on preliminary determination of the Commission.

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. None of the interested parties requested for hearing in this investigation. Therefore, no hearing was held in this investigation.

21. Disclosure of Essential Facts

21.1 In terms of Rules 15 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 August 1, 2024, to all interested parties including the known exporters/ foreign producers, the Applicant, known Pakistani importers, and to the Diplomatic Mission of China in Islamabad.

21.2 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, the Commission did not receive any comment from any interested party.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

B. DETERMINATION OF DUMPING

22. Dumping

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.”.

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 –

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

- “(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:

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:

As stated earlier (paragraphs 15.2 and 15.3 supra) the Commission did not receive necessary information in response to the questionnaires from any of the exporter/ foreign producer of the investigated product in this investigation, therefore, dumping of the investigated product 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 Investigated Product:

26.1 As none of the exporter/ foreign producer has provided requisite information on their domestic prices and cost to make & sell etc., therefore, normal value for the investigated product is determined on the basis of best information available in accordance with section 32 of the Act and Article 6.8 of the Anti-dumping Agreement.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

The Commission has calculated the normal value of the investigated product based on the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and profits in accordance with Section 6 of the Act. The methodology used for construction of normal value is provided below:

- a) Raw materials cost is based on Applicant's import price of materials (bill of material). Prices are multiplied with the per unit consumption ratio of the raw materials to arrive at raw material cost per unit. Consumption ratio of raw materials per unit is based on the standard consumption rates of the Applicant.
- b) Applicant's conversion costs per unit of production are converted as per prices/ rates prevalent in China equivalent to US\$ as follows:
 - i. Labor cost is inflated to Chinese minimum wage rate, obtained from www.china-briefing.com;
 - ii. Energy (gas and electricity) and financial costs is adjusted as per prices prevalent rate in China obtained from www.ceicdata.com, www.glonalpetrolprices.com and www.tradingeconomics.com
 - iii. Other conversion costs are assumed as per Applicant's costs and are converted into US\$;
 - d) Admin, Selling and distribution expenses are assumed at 5 percent of cost of production;
 - e) Finance cost at 3.65 percent as was the Applicant's cost; and
 - vi. Profit at 5 percent of the cost to make & sell is assumed to reach at normal value.

26.3 Based on the above construction method, the normal value at ex-factory level worked out to be US\$ *** per KG.

27. Determination of Export Price of the Investigated Product

27.1 As stated earlier only one exporter of the investigated product i.e. M/s Hunan Famous Trading Co., Ltd. provided limited information and none of the exporters/ foreign producers from China provided information in response to the questionnaire (paragraph 15 supra), therefore, export price has been worked out based on the information/ data obtained from Pakistan Customs on imports of the investigated product during the POI. However, certain adjustments such as inland freight, handling cost, bank charges etc. are calculated based on the limited information provided by M/s Hunan Famous Trading Co., Ltd.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

27.2 The export price for imports of the investigated product from the China has been worked out based on imports realized during the POI for dumping, obtained from Pakistan Customs. The prices in the import data are provided at C&F level. To reach ex-works level, the C&F export price is adjusted on account of ocean freight, inland freight, insurance, handling cost, bank charges as explained at paragraph 27.1 supra.

27.3 As the Applicant has imported raw materials from China during the POI, therefore ocean freight for the investigated product is calculated based on the Applicant's imports from China, whereas inland freight, handling cost and bank charges are calculated based on the limited information provided by an exporter of the investigated product i.e. M/s Hunan Famous Trading Co., Ltd (paragraph 27.1 supra). Based on the above information, the export price at ex-factory level is worked out as follows:

**Table-II
Calculation of Export Price**

| Description | Per Kg |
|----------------------------|--------|
| (1) | (2) |
| Weighted average C&F Price | 100.00 |
| Ocean freight | 2.44 |
| Inland freight | 0.67 |
| handling cost | 13.43 |
| bank charges | 0.73 |
| Adjusted Export price | 82.72 |

Note: For confidentiality reasons the actual figures have been indexed with respect to weighted average C&F price 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 comparison of normal value and export price to establish dumping margin. The Commission has calculated dumping margin by comparing weighted average normal value with weighted average export price at ex-factory/ ex-works 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 Considering relevant provisions of the Act, dumping margin for the investigated product works out as follows:

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

**Table – III
Dumping Margin**

| Description | Value |
|-------------------------------------|--------------|
| (1) | (2) |
| Normal Value (US\$/Kg) | *** |
| Export Price (US\$/Kg) | *** |
| C&F Export Price (US\$/Kg) | *** |
| Absolute Dumping Margin (US\$/Kg) | *** |
| Dumping Margin in % of export price | 41.18 |
| Dumping Margin in % of C& F | 34.15 |

Note: Actual figures omitted due to confidentiality reasons

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 margin, set out in paragraph 28.4 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 volume of such imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product.

29.3 Volume of dumped imports of the investigated product and Paint Brush Filaments imported from other sources during the POI for dumping i.e. October 2022 to September 2023 is given in the table below:

**Table – IV
Volume of Dumped Imports**

| Source of import | Volume* | % of total |
|-------------------------|----------------|-------------------|
| (1) | (2) | (3) |
| China | 100.00 | 100.00 |
| Other Sources | -- | - |
| Total | 100.00 | 100.00 |

Source: Pakistan Customs

Note: POI (Jan 2022- Sept 2023)

* Indexed figures

29.4 It appears from the above table that entire (100%) imports of Paint Brush Filaments during the POI were from dumped source i.e. China. Therefore, during the POI the volume of dumped imports were above the negligible threshold in terms of Section 41(3) of the Act.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

C. MATERIAL RETARDATION TO THE ESTABLISHMENT OF THE DOMESTIC INDUSTRY

30. Whether Material Retardation of the Establishment of Domestic Industry or Material Injury to the Domestic Industry

30.1 Factors mentioned in Sections 15 and 17 of the Act are designed to measure injury to the domestic industry that has already attained a significant level of operational stability and has been operating for a substantial longer period. Whereas, assessment of injury factors outlined in Sections 15 and 17 of the Act in a traditional manner might not be an appropriate method for determination of injury to the domestic industry in a material retardation case. In a scenario where the domestic industry has been in production for a shorter duration and yet to attain stability, assessment for material retardation of the establishment of domestic industry is more relevant than the assessment of material injury to the domestic industry.

30.2 Neither the Act or Rules nor the Anti-dumping Agreement guide determination of material retardation of the establishment of domestic industry. Therefore, following criteria is usually adopted by various anti-dumping authorities including the Commission's past practice for determination of material retardation of the establishment of domestic industry.

30.3 As the Applicant has claimed that it is facing material retardation to establishment, therefore, first question before the Commission is whether the domestic industry producing Paint Brush Filaments is an established industry or it is a nascent industry, and second, if the domestic industry is not established, whether establishment of the unestablished industry appears to have been materially retarded by the dumped imports.

30.4 In case it is determined that the domestic industry is established, the material retardation standard will not be applicable, rather standards of material injury and/or threat of material injury to an established industry will be applicable.

30.5 Whether Domestic Paint Brush Filaments Manufacturing Industry is an Established or Yet a Nascent Industry:

30.5.1 As stated earlier (paragraph 9.2 supra) the domestic Paint Brush Filaments manufacturing industry comprises of only one unit i.e. the Applicant and it started commercial production in January 2022. Material injury or threat of material injury analysis which is based on trend analysis during the POI for injury is not possible here due to the short period since commencement of commercial operation of the domestic industry. For applying the material retardation standard, the Commission must determine whether the domestic industry has stabilized its operations and is an established industry or whether it is a nascent industry. To make this assessment, the

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

Commission has taken guidance from the Commission's earlier practice and practices of other WTO member countries that are traditional users of antidumping law. The Commission has analyzed the following factors to determine whether the domestic industry was an established industry during the POI:

- a) the date of commencement of commercial production;
- b) whether production of the domestic industry is steady or start-and-stop;
- c) the size of domestic production compared to size of the domestic market as a whole;
- d) whether the domestic industry has reached a "break-even point"; and
- e) whether the activities involve the establishment of a new industry or are merely a new product line of an established firm.

30.5.2 The investigation has established that the domestic Paint Brush Filaments manufacturing industry started commercial production in January 2022 i.e. at the start of POI. Therefore, it has not been operating long enough to allow for a standard material injury analysis. In such a situation where domestic industry has not been in operation for considerably long period of time based on which an inference can be drawn from trends, it would be that inference may be drawn by comparing the projected results in the feasibility study and actual figures during the POI.

30.5.3 In order to determine whether the production of the domestic industry was steady or start-and-stop during the POI, actual and projected production of the Applicant is examined. Analysis of the Applicant's information has shown that the domestic industry witnessed a steady production during the POI for injury, however, its production remained lower than the projections of the feasibility. Following chart and table shows installed capacity, actual and projected productions, internal consumption and un-related sales of the domestic industry:

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People’s Republic of China

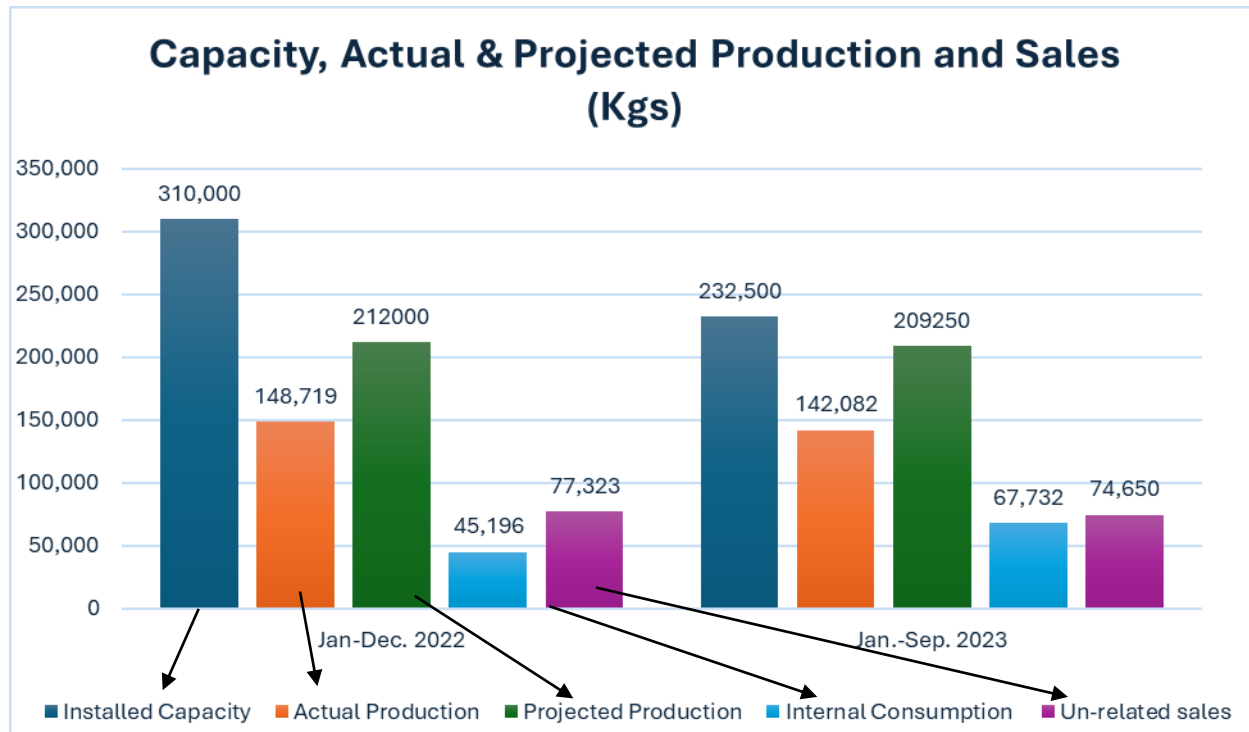


Table-V

Domestic Industry’s Installed Capacity, Production and Sales (Volume)

| Period | Installed Capacity | Actual Production | Projected Production | Internal Consumption | Un-related sales |
|---------------------|--------------------|-------------------|----------------------|----------------------|------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| Jan-Mar 2022 | 100.00 | 24.79 | 273.55 | 2.33 | 5.80 |
| Apr-Jun 2022 | 100.00 | 34.22 | | 4.23 | 38.81 |
| Jul-Sep 2022 | 100.00 | 59.59 | | 22.35 | 19.94 |
| Oct-Dec 2022 | 100.00 | 73.29 | | 29.40 | 35.23 |
| Jan-Dec 2022 | 400.00 | 191.90 | | 58.32 | 99.77 |
| Jan-Mar 2023 | 100.00 | 66.16 | 270.00 | 23.39 | 34.19 |
| Apr-Jun 2023 | 100.00 | 55.78 | | 26.24 | 30.97 |
| Jul-Sep 2023 | 100.00 | 61.40 | | 37.77 | 31.16 |
| Jan-Sep 2023 | 300.00 | 183.33 | | 87.40 | 96.32 |

Source: The Applicant Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of installed capacity of the period Jan-Mar 2022 by taking it equal to 100.

30.5.4 The above chart and Table-V shows that, according to the feasibility, during first year of its operations the domestic industry could have attained about 70 percent of its capacity utilization, however, it had attained about 48 percent. This low-capacity utilization was basically due to lower sales than the projected sales volumes. Although actual production of the domestic industry shows a steady increase, however, about half of its production was meant for internal consumption for paint brush manufacturing

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

segment.

30.5.5 Based on the above information and analysis it is determined that despite steady increase in production of the domestic like product during the POI the domestic industry was not able to produce and utilize the installed production capacity as per projections.

30.6 Size of Domestic Production Compared to Size of Domestic Market

30.6.1 Following table compares size of the total domestic market with the production and sales volumes of the domestic industry:

Table – VI
Market Size and Shares (Volume)

| Period | Dumped imports | Domestic Industry's | | | Total market | DI's % share |
|---------------------|----------------|---------------------|------------|--------|--------------|--------------|
| | | Installed Capacity | Production | Sales* | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Jan–Mar 2022 | 91.79 | 100.98 | 25.03 | 8.21 | 100.00 | 91.79 |
| Apr–Jun 2022 | 55.09 | 100.98 | 34.56 | 43.46 | 98.55 | 55.09 |
| Jul–Sep 2022 | 144.76 | 100.98 | 60.17 | 42.70 | 187.46 | 144.76 |
| Oct–Dec 2022 | 116.49 | 100.98 | 74.01 | 65.26 | 181.75 | 116.49 |
| Jan-Dec 2022 | 408.13 | 403.91 | 193.77 | 159.64 | 567.77 | 408.13 |
| Jan–Mar 2023 | 48.26 | 100.98 | 66.80 | 58.14 | 106.40 | 48.26 |
| Apr–Jun 2023 | 85.86 | 100.98 | 56.32 | 57.76 | 143.63 | 85.86 |
| Jul–Sep 2023 | 99.39 | 100.98 | 62.00 | 69.61 | 169.00 | 99.39 |
| Jan-Sep 2023 | 233.51 | 302.94 | 185.13 | 185.52 | 419.02 | 233.51 |

Source: the Applicant and Customs * External sales + Internal consumption

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of total market of the period Jan-Mar 2022 by taking it equal to 100.

30.6.2 The above table shows that during the POI domestic industry's installed capacity was enough to cater about 70 percent of the domestic demand whereas it was able to produce and sell about 28 percent of domestic demand in its first year of operation and about 44 percent of domestic demand during January to September 2023. Further, as stated earlier (paragraph 9.2 supra) the Applicant has planned to complete its plant in three phases. Phase – I was completed with an installed production capacity of 310,000 Kgs per annum and is in operation since January 2022. Phase – II is completed in March 2023 which enabled the Applicant to expand its product range to produce solid brush filaments and Phase-III will be completed in second half of 2024. After completion of Phase-III the installed production capacity of the Applicant will be increased to 665,000 Kgs per annum, which is considerably more than the total domestic demand.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

30.7 Whether Domestic Industry has Reached a Break-Even Point

With regards to the breakeven point, the domestic industry persistently incurring losses on sales of domestic like product during the POI, whereas in feasibility profit was projected at 54 percent capacity utilization. Following table shows cost to make and sell and prices of the Paint Brush Filament produced and sold to un-related customers by the Applicant:

**Table – VII
Cost to Make & Sell and Price (per Kg)**

| Period | Domestic Industry's | |
|--------------|----------------------|--------------|
| | Cost to make & sell* | Sales Price* |
| Jan–Mar 2022 | 100.00 | 67.93 |
| Apr–Jun 2022 | 92.29 | 67.07 |
| Jul–Sep 2022 | 70.13 | 72.34 |
| Oct–Dec 2022 | 66.71 | 70.75 |
| Jan–Mar 2023 | 66.71 | 65.73 |
| Apr–Jun 2023 | 84.33 | 82.86 |
| Jul–Sep 2023 | 85.92 | 81.64 |

Source: The Applicant

* cost to make & sell and price of filaments sold to unrelated customers

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of cost to make & sell of the period Jan-Mar 2022 by taking it equal to 100

30.8 Whether Activities involve Establishment of a New Industry or Merely a New Product Line of the Established Firm

30.8.1 Introducing a new product line by an established industry could expedite the establishment of the new product in the market by leveraging its existing distribution and marketing networks to promote sales. In such a case, production operations tend to stabilize in a shorter period. However, if the production of the newly introduced product doesn't receive substantial support from the existing and established product categories, the operation of the domestic industry concerning the new product will take longer period to achieve stability. Therefore, it can be termed as a new industry.

30.8.2 The product produced by the domestic industry has never been produced earlier in Pakistan. Paint Brush Filaments Industry is totally a new industry for which the whole domestic demand was being met by imports. The Applicant is also a producer of paint tools, produces and sells paint brushes and related items in the market. However, these products (paint brushes) are for retail customers. In contrast, the Paint Brush Filaments are not intended for end consumers; instead, it serves as an intermediate industrial input used in the manufacturing of paint brushes. As a result, it is not retailed but is intended for sale to other user industries, which are competitors of the Applicant in that segment. Consequently, the marketing channels for retail products and those for industrial inputs cannot be the same. The Applicant had to develop its own sales and

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

marketing channels to sell its product to the customers. Therefore, the question of any aid from existing sales and marketing networks does not arise. Hence the domestic industry cannot be regarded as an established industry based on this criterion.

30.9. The above information and analysis show that the domestic industry manufacturing Paint Brush Filaments is a newly established industry which is struggling to compete with less than fair value/dumped imports of Paint Brush Filaments from China and incurring losses at its nascent stage. Therefore, in this case assessment for material retardation of the establishment of domestic industry is more relevant to determine injury to the domestic industry.

31. Determination of Material Retardation of the Establishment of Domestic Industry

31.1 Since this is a case of a nascent/new industry, therefore, assessment for material retardation of the establishment of domestic industry is more relevant than the assessment of material injury to the domestic industry.

31.2 Volume of Dumped Imports

31.2.1 In order to assess volume of dumped imports of the investigated product in accordance with Section 15(2) of the Act, the volume of dumped imports of the investigated product and actual versus projected production of the domestic like product during the POI for injury has been analyzed below.

**Table – VIII
Volume of Dumped Imports and Domestic Production (Volume)**

| Period | Dumped imports | Others imports | Dumped imports % of total Imports | Domestic Production | |
|---------------------|----------------|----------------|-----------------------------------|---------------------|-----------|
| | | | | Actual | Projected |
| (1) | (2) | (4) | (5) | (6) | (7) |
| Jan–Mar 2022 | 100.00 | - | 100% | 27.27 | 300.94 |
| Apr–Jun 2022 | 60.02 | - | | 37.65 | |
| Jul–Sep 2022 | 157.72 | - | | 65.56 | |
| Oct–Dec 2022 | 126.92 | - | | 80.63 | |
| Jan-Dec 2022 | 444.65 | - | | 211.11 | |
| Jan–Mar 2023 | 52.57 | - | 100% | 72.78 | 297.04 |
| Apr–Jun 2023 | 93.55 | - | | 61.36 | |
| Jul–Sep 2023 | 108.28 | - | | 67.55 | |
| Jan-Sep 2023 | 254.40 | - | | 201.69 | |

Source: the Applicant and Pakistan Customs

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of dumped imports of the period Jan-Mar 2022 by taking it equal to 100

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

31.2.2 The above table shows that the production of domestic like product increased during the POI, however, it remained significantly lower than the projected level of production. Further, about 50 percent of the domestic production was internally consumed by the Applicant (Table-V supra). Imports of the investigated product held a major share in the domestic market during the POI and the domestic industry was not able to achieve projected level of production. Thus, the domestic industry materially retarded on account of volume of imports and domestic production during the POI.

31.3 Price Effects

31.3.1 The Act requires the Commission to assess whether there has been significant price under-cutting, price suppression and price depression during the POI. The effects of dumped imports on price of the domestic like product are analyzed in following paragraphs.

31.3.2 Price Undercutting

31.3.2.1 Following table shows the weighted average ex-factory price of the domestic like product and weighted average landed cost of the investigated product during the POI:

Table – IX
Price Undercutting (value per Kg)

| Period | Domestic like product's price* | Landed cost of Dumped imports# | Price undercutting | |
|--------------|--------------------------------|--------------------------------|--------------------|------------|
| | | | Absolute | Percentage |
| (1) | (2) | (3) | (4) | (5) |
| Jan–Mar 2022 | 100.00 | 49.37 | 50.63 | 50.63 |
| Apr–Jun 2022 | 98.74 | 40.36 | 58.38 | 59.12 |
| Jul–Sep 2022 | 106.49 | 99.82 | 6.67 | 6.26 |
| Oct–Dec 2022 | 104.14 | 70.81 | 33.33 | 32.01 |
| Jan–Mar 2023 | 96.76 | 83.24 | 13.51 | 13.97 |
| Apr–Jun 2023 | 121.98 | 79.82 | 42.16 | 34.56 |
| Jul–Sep 2023 | 120.18 | 62.16 | 58.02 | 48.28 |

Sources: The Applicant and Customs

* price of filaments sold to unrelated customers

Landed cost = C&F price+CD+5% incidentals

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of domestic like product's price of the period Jan-Mar 2022 by taking it equal to 100

31.3.2.2 The above table shows that the dumped imports of the investigated product heavily undercut prices of the domestic like product during the POI as the landed cost of the dumped imports was significantly lower than the price of the domestic like product during the POI.

31.3.2.3 As per projections in the feasibility report, the Applicant envisaged the price for first nine months of POI for injury around Rs. ***/KG, whereas the weighted average

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

actual price remained 10.5 percent higher than projected. As per the Applicant, this variance was due to drastic depreciation of Pak Rupee that allowed them to increase the price. Nonetheless, despite this cushion and the effects of currency depreciation, landed cost of dumped imports continued to undercut heavily prices of domestic like product. According to the Applicant they had projected higher landed cost of imports, however, due to dumping of the investigated product its landed cost is abnormally low, that resulted in price undercutting.

31.3.3 Price Depression

31.3.3.1 Following table shows prices of the domestic like product during the POI:

Table – X
Price Depression (value per Kg)

| Period | Domestic like Product's Price* | Price Depression in: | |
|--------------|--------------------------------|----------------------|------------|
| | | Absolute | Percentage |
| (1) | (2) | (3) | (4) |
| Jan–Mar 2022 | 100.00 | - | - |
| Apr–Jun 2022 | 98.74 | 1.26 | 1.26 |
| Jul–Sep 2022 | 106.49 | -- | -- |
| Oct–Dec 2022 | 104.14 | 2.34 | 2.2 |
| Jan–Mar 2023 | 96.76 | 7.39 | 7.09 |
| Apr–Jun 2023 | 121.98 | -- | -- |
| Jul–Sep 2023 | 120.18 | 1.80 | 1.48 |

Source: The Applicant * price of filaments sold to unrelated customers

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of domestic like product's price of the period Jan-Mar 2022 by taking it equal to 100

31.3.3.2 The above table shows that the domestic industry faced price depression throughout the POI except two quarters i.e. July-September 2022 April-June 2023. Investigation has shown that the landed cost of investigated product was at the highest-level during July-September 2022 quarter (Table-IX supra), due to which the Applicant was able to increase price of the domestic like product, resultantly there was no price depression in this quarter.

31.3.4 Price Suppression

31.3.4.1 Information/data on cost to make and sell and prices of domestic like product during the POI are provided in the following table.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

Table – XI
Price Suppression (value per Kg)

| Period | Domestic like Product's | | Increase/ Decrease in: | |
|--------------|-------------------------|--------|------------------------|--------------------------------|
| | Cost to Make & Sell | Price* | Cost to make & sell | Domestic like Product's Price* |
| (1) | (2) | (3) | (4) | (5) |
| Jan–Mar 2022 | 100.00 | 67.93 | -- | -- |
| Apr–Jun 2022 | 92.29 | 67.07 | (7.71) | (0.86) |
| Jul–Sep 2022 | 70.13 | 72.34 | (22.15) | 5.26 |
| Oct–Dec 2022 | 66.71 | 70.75 | (3.43) | (1.59) |
| Jan–Mar 2023 | 66.71 | 65.73 | | (5.02) |
| Apr–Jun 2023 | 84.33 | 82.86 | 17.63 | 17.14 |
| Jul–Sep 2023 | 85.92 | 81.64 | 1.59 | (1.22) |

Source: The Applicant * price of filaments sold to unrelated

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of cost to make & sell of the period Jan-Mar 2022 by taking it equal to 100

31.3.4.2 The above table shows that the cost to make & sell of production of Brush Paint Filaments was quite high during the initial period due to low volume of production, resultantly the fixed costs were high. However, as production volumes increased, fixed unit costs declined significantly during April 2022 to March 2023 as domestic industry's capacity utilization rate during this period was 58 percent. During the period April to September 2023 the domestic industry's cost to make and sell increased due to an increase of about 24 percent in raw material prices/cost. However, the domestic industry failed to offset the increase in cost of production through corresponding increase in price, due to significant decline (about 23 percent) in landed cost of the investigated product (Table-IX supra). Resultantly the domestic industry faced price suppression during this period.

31.3.5 Based on the fore-going information and analysis it is determined that the domestic industry faced injury on account of prices during the POI.

31.4. Effects on Production and Capacity Utilization of the Domestic Like Product

31.4.1 Domestic industry's installed capacity, production volumes and capacity utilization during the POI were as follows:

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

**Table – XII
Installed Capacity and Production of Paint Brush Filaments**

| Period | Installed Capacity (volume) | Production (volume) | % Capacity utilization | Projected Production (volume) |
|---------------|-----------------------------|---------------------|------------------------|-------------------------------|
| (1) | (2) | (6) | (7) | (8) |
| Jan–Mar 2022 | 100.00 | 24.79 | 24.79 | 273.55 |
| Apr–Jun 2022 | 100.00 | 34.22 | 34.22 | |
| Jul–Sep 2022 | 100.00 | 59.59 | 59.59 | |
| Oct–Dec 2022 | 100.00 | 73.29 | 73.29 | |
| Jan–Dec 2022 | 400.00 | 191.90 | 47.97 | 270.00 |
| Jan–Mar 2023 | 100.00 | 66.16 | 66.16 | |
| Apr–Jun 2023 | 100.00 | 55.78 | 55.78 | |
| Jul–Sep 2023 | 100.00 | 61.40 | 61.4 | |
| Jan– Sep 2023 | 300.00 | 183.33 | 61.11 | |

Source: the Applicant

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of installed capacity of the period Jan-Mar 2022 by taking it equal to 100

31.4.2 The above table shows that the installed production capacity of the domestic industry remained same during the POI i.e. ***** KG per quarter. Production of the domestic like product increased till December 2022, resultantly capacity utilization also increased to 73 percent during October – December 2022 quarter. However, domestic industry's production and capacity utilization declined during subsequent quarters compared to October to December 2022 quarter.

31.4.3 The domestic industry has projected ***** Kgs during its first year of operation, however it can achieve ***** Kgs in the first year of operation that is 30 percent lower than the projected level. Similarly for January to September 2023 projections for production of the domestic like product were ***** Kgs whereas the domestic industry was able to produce ***** Kgs, which is 32 percent lower than the projected level.

31.5. Effects on Inventories of the Domestic Like Product

31.5.1 Information on inventories, production, and sales of the domestic like product is provided in the following table:

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People’s Republic of China

**Table – XIII
Inventories of the Domestic Like Product (Volume)**

| Period | Opening Inventory | Production | Total Sales* | Closing Inventory |
|--------------|-------------------|------------|--------------|-------------------|
| (1) | (2) | (3) | (4) | (5) |
| Jan–Mar 2022 | -- | 148.83 | 48.83 | 100.00 |
| Apr–Jun 2022 | 100.00 | 205.47 | 258.39 | 47.08 |
| Jul–Sep 2022 | 47.08 | 357.75 | 253.87 | 150.96 |
| Oct–Dec 2022 | 150.96 | 440.00 | 388.01 | 202.96 |
| Jan–Mar 2023 | 202.96 | 397.17 | 345.69 | 254.44 |
| Apr–Jun 2023 | 254.44 | 334.87 | 343.43 | 245.88 |
| Jul–Sep 2023 | 245.88 | 368.60 | 413.85 | 200.64 |

Source: the Applicant

* Including internal consumption

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of closing inventory of the period Jan-Mar 2022 by taking it equal to 100

31.5.2 The above table shows that closing inventories of the domestic like product increased significantly during the POI, which indicates that the domestic industry could not sell the domestic like product as per projections due to dumped imports of the investigated product.

31.6. Effects on Profits and Profitability

31.6.1 The data/Information relating to Applicant’s profit/(loss) on domestic sales of the domestic like product during the POI is provided in the following table:

**Table – XIV
Domestic Industry’s Profits and Profitability**

| Period | Actual Profit/ (Loss) on Sales | | | Projected Profits/(Loss) | |
|--------------|--------------------------------|---------------------------|------------------------------|----------------------------|--------------------------|
| | Gross profit/ (Loss) values | Net profit/ (Loss) values | Net profit/ (Loss) in per Kg | Gross profit/ (Loss) value | Net profit/ (Loss) value |
| (1) | (2) | (3) | (4) | (5) | (6) |
| Jan–Mar 2022 | (100.00) | (164.05) | (0.036) | 1,263.48 | 955.55 |
| Apr–Jun 2022 | (511.55) | (570.06) | (0.019) | | |
| Jul–Sep 2022 | 26.88 | (28.11) | (0.002) | | |
| Oct–Dec 2022 | 84.25 | 28.64 | 0.001 | | |
| Jan–Dec 2022 | (500.42) | (733.58) | (0.009) | 2,563.97 | 2,336.99) |
| Jan–Mar 2023 | (1.42) | (75.05) | (0.003) | | |
| Apr–Jun 2023 | (17.70) | (75.83) | (0.003) | | |
| Jul–Sep 2023 | (23.36) | (115.36) | (0.005) | | |
| Jan–Sep 2023 | (42.47) | (266.24) | (0.004) | | |

Source: the Applicant

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of actual gross loss of the period Jan-Mar 2022 by taking it equal to 100

31.6.2 Above information shows that the domestic industry incurred net as well as gross

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

losses during the POI. Gross loss significantly declined and turned into profits during July to December 2022 period. However, profits turned into losses on operations during January to September 2023. A similar position was observed in net profits. These losses were due to price suppression, relatively low sales and inventory buildup during the entire POI.

31.6.3 Profitability of the domestic industry improved significantly during the first year of operations and losses turned into profits per unit of sales during October – December 2022 quarter. However, profitability of the domestic industry deteriorated significantly and turned into loss on per unit of sales of the domestic like product during January to September 2023.

31.6.4 The domestic industry had projected 16 percent and 9 percent gross and net profits respectively for the first year of its operation. Similarly, the domestic industry had projected 38 percent and 25 percent gross and net profits respectively for the second year of its operation. However, the domestic industry was not able to achieve projected profits, rather it incurred heavy losses during the stated periods, mainly due to dumped imports of the investigated product.

31.7. Effects on Return on Investment

31.7.1 The figures of equity, long-term loans, interest paid and profits of the Paint Brush Filaments business of the Applicant are shown in the following table:

**Table – XV
Investment and Return on Investment (Values)**

| Period | Total Investment | Return | Return on Investment (%) |
|--------------|------------------|--------|--------------------------|
| (1) | (4) | (7) | (8) |
| Jan–Mar 2022 | 100.00 | (1.11) | (1.11) |
| Apr–Jun 2022 | 109.51 | (5.04) | (4.60) |
| Jul–Sep 2022 | 110.63 | 0.36 | 0.32 |
| Oct–Dec 2022 | 122.42 | 0.91 | 0.74 |
| Jan–Mar 2023 | 120.94 | (0.06) | (0.05) |
| Apr–Jun 2023 | 122.01 | (0.07) | (0.05) |
| Jul–Sep 2023 | 115.94 | (0.70) | (0.60) |

Source: the Applicant

*Investment=Equity+ Long term liability

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of total investment of the period Jan-Mar 2022 by taking it equal to 100

31.7.2 The above table shows that the Applicant's return on investment improved significantly and turned from negative to positive during July to December 2022 period. However, return on investment again turned into negative on operations during January to September 2023, which is primarily because of heavy losses incurred on production

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

and sales of the domestic like product. Therefore, domestic industry suffered injury on account of return on investment during the POI.

31.8. Effects on Cash Flows

31.8.1 Information on net cash flows from operations of Paint Brush Filaments business of the Applicant is provided in the following table:

**Table – XVI
Net Cash Flows of the Applicant**

| Period | Cash Flows (values) |
|--------------|---------------------|
| (1) | (2) |
| Jan–Mar 2022 | (100.00) |
| Apr–Jun 2022 | (61.34) |
| Jul–Sep 2022 | (42.99) |
| Oct–Dec 2022 | (80.47) |
| Jan–Mar 2023 | 69.21 |
| Apr–Jun 2023 | 42.61 |
| Jul–Sep 2023 | 111.74 |

Source: The Applicant

Note: To maintain confidentiality actual figures has been indexed w.r.t. the figure of cash flows of the period Jan-Mar 2022 by taking it equal to 100

31.8.2 The above table shows that the domestic industry's cash flows from its operating activities has increased over time during POI.

31.9. Effects on Employment, Productivity and Salaries & Wages

31.9.1 The data/information relating to employment, salaries & wages, production, and productivity for the domestic like product during the POI is given in following table:

**Table – XVII
Employment, salaries & Wages and Productivity**

| Period | Employees (Nos) | Salaries & wages (value) | Production (volume) | Productivity per worker (volume) | Salaries and wages (per Kg) |
|--------------|-----------------|--------------------------|---------------------|----------------------------------|-----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| Jan–Mar 2022 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Apr–Jun 2022 | 158.33 | 177.34 | 138.05 | 87.20 | 128.46 |
| Jul–Sep 2022 | 158.33 | 133.67 | 240.37 | 151.84 | 55.61 |
| Oct–Dec 2022 | 166.67 | 147.91 | 295.63 | 177.39 | 50.03 |
| Jan–Mar 2023 | 158.33 | 155.93 | 266.86 | 168.52 | 58.43 |
| Apr–Jun 2023 | 158.33 | 158.63 | 224.99 | 142.10 | 70.50 |
| Jul–Sep 2023 | 200.00 | 200.68 | 247.66 | 123.86 | 81.03 |

Note: To maintain confidentiality actual figures has been indexed w.r.t. the respective figures the period Jan-Mar 2022 by taking it equal to 100

Source: The Applicant

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

31.9.2 The above table shows that during the POI employment in the industry remained almost the same as such number of employees are required to operate the plant. However, salaries and wages increased during the POI. Productivity per worker increased initially, however, it dropped due to a decline in production during July 2022 to September 2023 compared to the productivity per worker during April – June 2022 quarter.

31.10. Effect on Growth and Investment

As stated earlier (paragraphs 30.6 supra), during the POI, domestic industry's installed capacity is less than the total domestic demand, however the Applicant has planned expansion in installed capacity, which will be completed in second half of 2024 and the installed production capacity of the domestic industry will be increased to 665,000 Kgs per annum (paragraph 9.2 supra), which is considerably more than the total domestic demand. As is determined in the fore-going paragraphs that the domestic industry could not achieve projected levels of production, sales, prices, profits etc. due to dumped imports of the investigated product, therefore it would be a serious impediment in further growth and investment of the domestic industry if fair competition or level playing field is not provided to it.

31.11. Ability to Raise Capital

To install Paint Brush Filaments production unit the Applicant has availed a syndicated term financing of Rs. *** million under State Bank of Pakistan's scheme of Temporary Economic Relief Facility ("TERF") at a quite soft terms and conditions. Out of Rs. *** million loans, Rs. ** millions are allocated to Paint Brush Filaments unit. Due to continuous losses on operations of Paint Brush Filaments segment the Applicant's equity is depleted. Raising further capital for investment and the operation of the industry would be challenging for the Applicant.

32. Magnitude of Dumping Margin

Dumping margin of 41.18 percent determined for the investigated product at paragraph 28.4 supra is considered enough to cause injury in the form of material retardation of the establishment of domestic industry.

33. Summing up of Injury i.e. Material Retardation to the Establishment of Domestic Industry

The information/ data and analysis in the foregoing paragraphs show that the establishment of domestic industry was materially retarded on account of:

- a) Volume of dumped imports of the investigated product.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

- b) Price undercutting;
- c) Price suppression;
- d) Price depression
- e) Decline in sales and market share;
- f) Decline in profits and profitability;
- g) Decline in production and capacity utilization;
- h) Negative effects on inventories;
- i) Decline in return on investment; and
- j) Negative effects on growth;

D. Other Factors

34. In accordance with Section 18(2) of the Act, the factors other than the dumped imports which are causing injury to the domestic industry shall also be analyzed so that the injury caused by such other factors shall not to be attributed to dumped imports. In addition to the other factors mentioned in Section 18(3) of the Act, none of the interested party has highlighted any other factors, which may have caused injury to the domestic industry.

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

- a) volume and price of imports not sold at the dumped prices;
- b) contraction in demand or changes in the patterns of consumption;
- c) trade restrictive practices of and competition between foreign and domestic producers;
- d) development in technology; and
- e) export performance and productivity of domestic industry.

36. **Imports from Other Sources**

As stated earlier (Table-VIII supra) there were no imports from other sources, all imports of Paint Brush Filaments during the POI were from dumped source i.e. China, therefore, injury to the domestic industry could not be from other imports.

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

37. Contraction in Demand or Change in Pattern of Consumption

Table-VI supra clearly states that there was neither contraction in domestic demand nor any visible change in consumption pattern of Paint Brush Filaments during the POI. Therefore, no injury or material retardation to domestic industry could be attributed on this account.

38. Trade Restrictive Practices and Competition Between Foreign and Domestic Producers

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

39. Developments in Technology

The domestic industry is just established, and the Applicant has acquired a plant of filament extrusion based on latest technology. Thus, there was no development or change in technology during the POI that could have contributed to the injury to the domestic industry.

40. Export Performance of Domestic Industry

As the domestic industry started production in January 2022, therefore, there were no exports of the domestic like product prior to the POI. Thus, no injury to the domestic industry could be associated with its export performance. However, the Applicant has claimed that after expansion in installed capacity in 2024, there will be surplus capacity, which would be utilized for exports to other countries.

E. CAUSATION

41. Effects of Dumped Imports and Causal Link

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

- a. Volume of dumped imports of the investigated product retained major share in the domestic market whereas production, capacity utilization and sales of the domestic like product remained significantly lower than the projected production and sales the during POI.
- b. Landed cost of dumped imports of the investigated product remained significantly lower than the cost to make and sell as well as prices of the

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

domestic like product during the POI. Therefore, the domestic industry suffered significant price undercutting, price depression and price suppression due to dumped imports of the investigated product during the POI for injury. Resultantly, the domestic industry incurred losses and its profits and profitability deteriorated during the POI and the domestic industry was unable to earn projected profits. Furthermore, the domestic industry suffered injury on account of increase in inventories of the domestic like product, decline in return on investment and productivity.

41.2 Based on the fore-going information, analysis and conclusions, the Commission has determined that no factor other than dumped imports of the investigated product was reason of injury to the domestic industry during the POI. Furthermore, the information and analysis in the fore-going paragraphs have established that there was/is a direct causal relationship between dumped imports of the investigated product and injury to the domestic industry, as both happened simultaneously during the POI.

F. CONCLUSIONS

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

- a. the application was filed by the domestic industry representing 100 percent production of the domestic like product during the POI;
- b. the investigated product and the domestic like product are like products;
- c. during POI, the investigated product was exported to Pakistan by the exporters/ producers from China at prices below its normal value;
- d. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from China are above the negligible and *de minimis* levels;
- e. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level works out 41.18 percent and 34.15 percent at C&F level;
- f) the domestic industry is a nascent industry and has started commercial production of the domestic like product in January 2022. Dumped imports of the investigated product has caused material retardation to the establishment of the domestic industry as:
 - i.) volume of dumped imports of the investigated product retained major share in the domestic market whereas production, capacity

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

utilization and sales of the domestic like product remained significantly lower than the projected levels during the POI.

- ii.) landed cost of dumped imports of the investigated product remained significantly lower than the cost to make and sell as well as prices of the domestic like product during the POI. Therefore, the domestic industry suffered significant price undercutting, price depression and price suppression during the POI.
- iii.) consequently, the domestic industry incurred losses and its profits and profitability deteriorated during the POI and the domestic industry was unable to earn projected profits.
- iv.) domestic industry also suffered injury on account of increase in inventories of the domestic like product, decline in return on investment and productivity.

- g there was a causal relationship between dumped imports of the investigated product and the material retardation of the establishment of domestic industry during the POI.

G. IMPOSITION OF DEFINITIVE ANTIDUMPING DUTY

43. In view of the analysis and conclusions regarding dumping of the investigated product, material injury to the domestic industry and causal link between dumping and injury, the Commission has decided to impose antidumping duty on dumped imports of the investigated product under Section 50(1) of the Act.

44. As no exporter/ foreign producer of the investigated product has provided requisite information in this investigation, therefore, individual dumping margins/duty rates have not been determined for the exporters/producers of the investigated product. A single dumping margin has been determined for China. Dumping margin and definitive anti-dumping duty rate for China is determined on the basis of best available information in terms of Section 32 of the Act.

45. For the purposes of imposition of lesser duty in terms of Section 50 (2) of the Act, the Commission has calculated injury margin in accordance with Rule 21 of the Rules to ascertain whether a lower duty would be adequate to remove injury being suffered by the domestic industry due to dumped imports of investigated product from China. Calculation of injury margin is given below:

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

**Table-XVIII
Calculation of Injury Margins**

| Description | Value |
|---|--------|
| (1) | (2) |
| Cost to make & Sell of the domestic like product (per kg) | 100.00 |
| Profit: 5% of cost to make & sell | 5.00 |
| Estimated non-injurious price of the domestic like product (per kg) | 105.00 |
| C & F price of investigated product (per kg) | 68.66 |
| Landed cost of investigated product (per kg) | 72.09 |
| Absolute Injury margin (per kg) | 32.91 |
| Injury Margin as % of C&F Price | 47.93 |

Note: Non-injurious price and landed costs are without sales tax

Note: To maintain confidentiality actual figures has been indexed w.r.t. the cost to make & sell of the period Jan-Mar 2022 by taking it equal to 100

46. The above table shows that the injury margin works out 48 percent, which is above the dumping margin determined for the investigated product i.e. 34.15 percent of the C&F price (Table-III supra). Thus, in terms of Section 50 (2) of the Act, lesser duty would not be adequate to remove injury to the domestic industry. Therefore, definitive antidumping duty at full margin of dumping i.e. **34.15 percent *ad valorem*** on dumped imports of the investigated product importable from China is hereby imposed for a period of five years effective from June 13, 2024. However, in accordance with Section 51.1(ea) of the Act, the antidumping duty will not be levied on imports of the investigated product 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). The investigated product is classified under PCT codes 5404.1900, 5404.9000 and 5406.0000.

47. Paint Brush Filaments originated and imported from sources other than China shall not be subject to the above-mentioned antidumping duty.

58. In accordance with Section 51 of the Act, the definitive antidumping duty 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 duty.

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

Final Determination and Imposition of Definitive Anti-dumping duty on Dumped imports of Paint Brush Filaments into Pakistan Originating in and /or Exported from the People's Republic of China

60. 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 the head of account "G1270X", titled "National Tariff Commission fund" maintained with State Bank of Pakistan.

(Ahmed Sheraz)
Member-IV
September 02, 2024

(Imran Zia)
Member-III
September 02, 2024

(Muhammad Iqbal Tabish)
Member-II
September 02, 2024

(Naeem Anwar)
Chairman
September 02, 2024