A.D.C. No.64/NTC/2024/CPW Government of Pakistan National Tariff Commission

Notice of Final Determination and Imposition of Definitive Anti-Dumping Duties Against Dumped Imports of Chlorinated Paraffin Wax into Pakistan Originating in and/or Exported from the People's Republic of China, the Islamic Republic of Iran and the State of Qatar

National Tariff Commission (the "Commission"), Government of Pakistan initiated an anti-dumping investigation on March 31, 2024 under Section 23 of the Anti-Dumping Duties Act, 2015 (the "Act") concerning dumping of Chlorinated Paraffin Wax into Pakistan originating in and/or exported from the People's Republic of China ("China"), the Islamic Republic of Iran ("Iran") and the State of Qatar ("Qatar"), (collectively referred as the "Exporting Countries") and injury (material retardation) to the establishment of Pakistan's domestic industry producing Chlorinated Paraffin Wax. In accordance with provisions of the Act, and Anti-Dumping Duties Rules, 2022 (the "Rules"), the Commission, after investigation, has made affirmative final determination in this investigation as follows:

<u>The Investigated Product</u> The investigated product is Chlorinated Paraffin Wax imported from the Exporting Countries. It is classified under Pakistan Customs Tariff ("PCT") Code 3824.9980. The investigated product is widely used as a secondary plasticizer in PVC, paints, sealants, adhesive industries, etc.

<u>Period of Investigation ("POI")</u> For determination of dumping and injury, the POI was from February 01, 2023 to March 31, 2024

<u>Determination of Dumping</u> The Commission sent exporters' questionnaires to thirteen (13) exporters/ foreign producers to gather necessary information. However, only one exporter, M/s KLJ Organic, Qatar submitted information on the exporter's questionnaire. Therefore, the Commission has determined individual dumping margin for M/s KLJ Organic, Qatar on the basis of information submitted by them. However, the Commission did not receive requisite data/information from any of the exporters/ foreign producers of Chlorinated Paraffin Wax from China and Iran. Thus, the Commission has determined dumping margins for China and Iran on the basis of best available information in terms of Section 32 of the Act.

<u>Injury to the Domestic Industry</u> The Commission has determined that the domestic industry has not been fully established yet and has not achieved production level and market share that commensurate with their targets given in the feasibility report. However, the establishment of the domestic industry was materially retarded during the POI. Therefore, the domestic industry has suffered injury due to dumped imports of the investigated product on account of price undercutting, price suppression, price depression, market share, profit and profitability, output, capacity utilization, return on investment, cash flows, inventories and growth during the POI in terms of part VI of the Act.

<u>Imposition of Definitive Anti-dumping Duty</u> The Commission is satisfied that the investigated product has been imported into Pakistan at dumped prices from the Exporting Countries, which is causing injury to the domestic industry. The Commission in terms of Section 50 of the Act has, therefore, decided to impose the definitive antidumping duties on

dumped imports of investigated product classified under PCT Code 3824.9980 for a period of five years effective from August 04, 2024 (the date of imposition of provisional anti-dumping duties), at the following revised rates:

| Exporter/Foreign Producer | Anti-Dumping |
|---------------------------|-----------------|
| 1 0 | Duties Rate (%) |
| <u>Qatar</u> | |
| KLJ Organic, Qatar | 22.57 |
| All other exporters | 22.57 |
| <u>China</u> | |
| All exporters from China | 30.17 |
| <u>Iran</u> | |
| All exporters from Iran | 43.10 |

Though the definitive anti-dumping duties in this final determination are higher than the provisional rate of anti-dumping duties imposed with effect from August 04, 2024, but the difference between the provisional duty and the definitive duty shall not be collected as provided under Section 55(2) of the Act.

However, in accordance with Section 51(1)(ea) of the Act, definitive anti-dumping duties 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).

Definitive antidumping duties imposed on dumped imports of the investigated product would be in addition to other taxes and duties leviable on its imports under any other law. The definitive antidumping duties shall be collected in the same manner as customs duty is collected under the Customs Act, 1969 (IV of 1969) and shall be deposited in National Tariff Commission's Nonlapsable PLD head of account "G11217 Personal Deposits", maintained with the State Bank of Pakistan.

<u>Further Information</u> A non-confidential version of the detailed report of final determination is issued in accordance with Rule 16 of the Rules and is placed in the Public File established and maintained by the Commission. The same is also posted on the Commission official website www.ntc.gov.pk.

<u>Authority under Law</u> This notice is published pursuant to Section 39 of the Act by order of the Commission.

(Khizar Hayat) Secretary, NTC December 10, 2024