



**Government of Pakistan
National Tariff Commission**

Report on

**Preliminary Determination of Anti-Dumping
Investigation and Levy of Provisional Anti-
dumping Duty on Dumped Imports of BOPP Self
Adhesive Tapes in Jumbo Rolls into Pakistan
Originating in and/or Exported from the People's
Republic of China**

AD.C. No. 66/2024/NTC/BOPP
January 29, 2025

Preliminary Determination and Levy of Provisional Anti-dumping duties against Dumped imports of BOPP Self Adhesive Tapes into Pakistan Originating in and /or Exporter from 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 dumped imports and imposition of anti-dumping duties to offset injurious impact of such imports on domestic industry and to ensure fair competition thereof.

3. The Commission is investigating against alleged dumped imports of Biaxially Oriented Polypropylene Self Adhesive Tape in jumbo rolls ("BOPP Self Adhesive Tape") 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 a preliminary determination in this investigation under Section 37 of the Act. This report of preliminary determination has been issued in accordance with Rule 12 of the Rules.

4. In terms of Section 37 of the Act, the Commission shall make a preliminary determination of dumping and injury, if any, not earlier than sixty days and not later than one hundred and eighty days, after initiation of an investigation. Such preliminary determination shall be based on the information available to the Commission at that time. This investigation was initiated on August 05, 2024. The preliminary determination is based on the information available to the Commission at this point of time.

A. PROCEDURE

5. The procedure set out below has been followed about this investigation.

6. Receipt of Application

6.1 The Commission received a written application under Section 20 and 24 of the Act On June 12, 2024 from M/s. Universal Coating Films (Pvt.) Limited, Karachi (the "Applicant"). The Applicant is engaged in manufacturing and sales of BOPP Self Adhesive Tape. The Applicant has alleged that BOPP Self Adhesive Tape classified under Pakistan Customs Tariff ("PCT") Codes 3919.9010 and 3919.9090 originating in and/or imported from People's Republic of China ("China") is being dumped into Pakistan. According to the Applicant, the alleged dumped import of BOPP Self Adhesive Tape from China has caused and is causing material retardation to the establishment of the Pakistan's domestic industry producing BOPP Self Adhesive Tape.

6.2 The Commission informed the Diplomatic Mission of China in Islamabad through a note verbal dated June 24, 2024, of the receipt of application in accordance with the requirements of Section 21 of the Act.

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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 information along with evidence of alleged dumping of BOPP Self Adhesive Tape into Pakistan from China and material retardation of the establishment of Pakistan's domestic industry producing BOPP Self Adhesive Tape. 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 alleged dumping of BOPP Self Adhesive Tape classified under PCT Code 3919.1900 and 3919.9090 into Pakistan from China and such imports have caused material retardation to the establishment of domestic industry. Therefore, the Commission decided to initiate an investigation in this case on August 02, 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 August 05, 2024. Investigation concerning alleged dumped imports of BOPP Self Adhesive Tape into Pakistan originating in and/or exported from China was thus initiated on August 05, 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 August 05, 2024, with a request to forward it to all exporters/ producers involved in production, sales and export of BOPP Self Adhesive Tape 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 August 05, 2024.

8.4 In accordance with Section 28 of the Act, on August 05, 2024, the Commission sent copy of full text of the written application (non-confidential version) along with Exporter's Questionnaire to exporters/ producers of Investigated Product in China, whose complete addresses were available with the Commission in China. The Commission on August 05, 2024, also sent copy 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 to forward it to their respective exporters/ producers involved in production, sale and/or export of BOPP Self Adhesive Tape from

¹ The official Gazette of Pakistan (Extraordinary) dated August 05, 2024.

² The daily 'The Express Tribune' and 'Dunya News' of August 05, 2024.

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China.

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 only unit in Pakistan manufacturing BOPP Self Adhesive Tape. Therefore, the Applicant constitutes 100 percent of the domestic production of the domestic like product. The Applicant started trial production in January 2023 . The installed production capacity of the Applicant is *** metric ton (“MT”) per annum on triple shift basis.

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.”

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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 Coating Films (Pvt.) Limited, Karachi (the Applicant), who represents 100 percent of domestic production of the domestic like product, as it is the only unit producing BOPP Self Adhesive Tape in Pakistan. Thus, the application fulfills requirements set out in Section 24 of the Act.

11. **Applicants' Views**

11.1 The Applicant, *interalia*, raised the following issues in the application regarding dumping of BOPP Self Adhesive Tape and causing material retardation to the establishment of the Pakistan's domestic industry producing like product:

- a. BOPP Self Adhesive Tape in jumbo rolls imported from China into Pakistan and BOPP Self Adhesive Tapes in jumbo rolls produced in by the domestic industry are like products;
- b. Exporters/producers from China are exporting BOPP Self Adhesive Tape in jumbo rolls to Pakistan at dumped prices; and
- c. Exports of BOPP Self Adhesive Tape in jumbo rolls by the exporters/producers from China to Pakistan at dumped prices has caused and is causing material retardation to the establishment of the Pakistan's domestic industry producing BOPP Self Adhesive Tape in jumbo rolls mainly through:
 - a) volume of dumped imports
 - b) price under cutting
 - c) price depression
 - d) price suppression
 - e) Restricted to gain market share
 - f) decline in productivity
 - g) decline in capacity utilization
 - h) decline in sales
 - i) decline in profits
 - j) magnitude of dumping margins

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11.2 The Applicant has made following requests to the Commission:

- a) Initiate an investigation on alleged dumping of BOPP Self Adhesive Tape in jumbo rolls from China under Section 23 of the Act;
- b) Impose appropriate antidumping duty on alleged dumped imports of BOPP Self Adhesive Tape in jumbo rolls 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 BOPP Self Adhesive Tapes from the China:**

The Applicant identified 08 exporters/producers from China involved in dumping of the investigated product into Pakistani market. However, the Applicant has further stated that there may be other exporters/producers, who are not known to him. Therefore, the Applicant has requested for imposition of anti-dumping duty on all imports of the investigated product originating in and/or exported from China into Pakistan.

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.

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13.3 Investigated Product:

13.3.1 The investigated product is BOPP Self Adhesive Tape in jumbo rolls also called as OPP Self Adhesive Tape originated in and/or exported from China into Pakistan. It is a water based Acrylic Type Self Adhesive Tape in rolls of width exceeding 200 mm . (the “investigated product”). BOPP Self Adhesive Tape is transparent in color. It is classified under Pakistan Customs Tariff (“PCT”) codes 3919.9010 and 3919.9090. The investigated product is used for packaging sealing, strapping/bundling, and carton sealing etc. by different industrial as well as household sectors.

13.3.2 Following table shows current (FY25) customs tariff structure applicable on imports of BOPP Self Adhesive Tape in jumbo rolls:

Table – I
Tariff Structure of BOPP Self Adhesive Tapes (%)

PCT Heading	Description	Customs Duty	Add. Customs duty	RD	FTAs/PTAs
(1)	(2)	(3)	(4)	(5)	(6)
Chapter 39	Plastics and articles thereof				
39.19	Self- adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls.				
	-Other:				
3919.9010	-- -Oriented Polypropylene (OPP) Packing Tapes	20	6	10	MY=20
3919.9090	-- -Other	20	6	10	MY=20

Source: Pakistan Customs Tariff

13.4 Domestic Like Product

The domestically produced product is BOPP Self Adhesive Tape in jumbo rolls of width exceeding 200 mm (the “domestic like product”) classified under PCT Codes 3919.9010 and 3919.9090. The domestic like product is also used by different industrial and household sectors for packaging/ sealing, strapping/bundling, and carton sealing etc.

13.5 Like Products

13.5.1 For the purposes of determination of dumping of the investigated product, the like product is BOPP Self Adhesive Tape in jumbo rolls of width exceeding 200 mm produced and sold by the exporters/producers of China in their domestic market as well as exported to Pakistan and other countries. For the purposes of determination of injury to the domestic industry, the like products are the investigated product, the BOPP Self

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Adhesive Tape in jumbo rolls of width exceeding 200 mm 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 analysed number of factors such as raw materials, production process used for production of BOPP Self Adhesive Tape, their Customs classification, their interchangeable usage, marketing and sales channels in Pakistan etc., and has reached to the conclusion that there is no difference between the investigated product, the domestic like product and the BOPP Self Adhesive Tape in jumbo rolls imported from sources other than China, as all the three products are:

- 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 In view of the fore-going, the Commission is satisfied that the investigated product, domestic like product and BOPP Self Adhesive Tape in jumbo rolls 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 BOPP Self Adhesive Tapes- Jumbo Rolls has come into operation from January 2023 , therefore, information on injury factors is available with effect from January 2023. Thus, the Applicant has submitted information /data and evidence from January 01, 2023 till March 31, 2024 for determination of dumping and injury. Keeping in view this fact and Section 36(2) of the Act, following period of investigation (the "POI") is proposed for the purposes of this investigation:

For determination of dumping:	From July 01, 2023, to June 30, 2024
For determination of injury:	From January 01, 2023, to June 30, 2024

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15. Information/Data Gathering

15.1 The Commission sent Exporter's Questionnaire on August 05, 2024, to the known exporters/ producers of BOPP Self Adhesive Tape from China with request to respond within 37 days of the dispatch of the said questionnaire. The Commission also sent a copy of the Exporter's Questionnaire to the Diplomatic Mission of China in Pakistan on August 05, 2024, with a request to forward it to all known exporters/ producers of BOPP Self Adhesive Tape in China.

15.2 In response, only one exporter namely M/s Fujian Youyi Adhesive Tape Group Co., Ltd., Fuqing City, Fuzhou, China responded and provided the requisite data/information. Therefore, the individual dumping margin for M/s Fujian Youyi Adhesive Tape Group Co., Ltd. is determined on the basis of the information provided by it and verified by the Commission. No response from any other exporter/ foreign producer was received within the prescribed time. Therefore, reminders were issued to them on September 12, 2024, explaining them in case of no response to the questionnaire is received, the Commission will be constrained to make determination of dumping for them on "Best Information Available" including that contained in the application submitted by the domestic industry.

15.3 Questionnaires were also sent to known importers of the investigated product on August 05, 2024, followed by reminders on September 12, 2024. However, only one importer, M/s Zakori Group responded to the Commission's questionnaire, but the information provided was quite limited and insufficient in many respects. Deficiency letter to the importer was sent on November 11, 2024, however, it did not respond to the deficiency letter.

15.4 For this investigation, the Commission has used import data obtained from PRAL/Pakistan Customs in addition to the information provided by the Applicant in the application and data/information provided by M/s Fujian Youyi Adhesive Tape Group Co., Ltd, China.

15.5 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. The Commission received written submissions/ comments from All Pakistan Self Adhesive Tape Manufacturers Association, Karachi ("APSTMA"), Dynamic Incorporated, Lahore, Chatriwala Pvt. Ltd and Khawaja Adhesive Tapes Ltd., Lahore interested party. The Commission has considered these submissions in this investigation. Views/comments of the interested parties Germaine to this investigation and Commission's response are attached as an Annexure.

15.6 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation. This preliminary determination is based on the data/information received/ obtained from one

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exporter i.e. M/s Fujian Youyi Adhesive Tape Group Co., Ltd., the Applicant and Pakistan Customs/PRAL.

16. Verification of the Information

16.1 In terms of Sections 32(4) and 35 of the Act and Rule 11 of the Rules, the Commission shall satisfy itself to the accuracy and adequacy of the information during course of an investigation. Accordingly, the Commission has satisfied itself to the accuracy and adequacy of information and evidence provided by the interested parties to the extent possible for the purposes of this preliminary determination.

16.2 In order to verify the information/data provided by the Applicant or to obtain further details, officers of the Commission conducted On-the-Spot investigation at office and plant of the Applicant from 26 to 28 September 2024. The report of on-the-spot investigation/verification 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 in the public.

16.3 In order to verify the information/data provided by M/s Fujian Youyi Adhesive Tape Group Co., Ltd., China or to obtain further details, officers of the Commission conducted on-the-spot investigation at office and plant of the M/s Fujian Youyi Adhesive Tape Group Co., Ltd. in China from 24 to 26 December 2024. The report of on-the-spot investigation/ verification was provided in full to M/s Youi and a non-confidential version of the same was made available to other interested parties by placing it on the public.

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 remains 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 interested parties to an investigation upon good cause shown to be kept confidential.

18.2 The interested parties have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss),

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return on investment, investment, salaries & wages, number of employees etc. In addition to this, certain other information is also provided 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 interested parties by way of reverse calculations. However, the interested parties have submitted non-confidential summaries of the confidential information in accordance with Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in confidence.

18.3 Pursuant to requests made by interested parties 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.

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 the public file for review and copying of the interested parties.

B. DETERMINATION OF DUMPING

19. **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”.

20. **Normal Value**

20.1 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”.

20.2 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

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“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.”.

20.3 Ordinary course of trade is defined in Section 7 of the Act as follows:

“(1) The Commission may treat sales of a like product in domestic market of an exporting country or sales to a third country at prices below per unit, fixed and variable, cost of production plus administrative, selling and other costs as not being in the ordinary course of trade by reason of price and may disregard such sales in determining normal value only if the Commission determines that such sales were made –

- “(a) within an extended period of time which shall normally be a period of one year and in no case less than a period of six months;*
- “(b) in substantial quantities; and*
- “(c) at prices which do not provide for the recovery of all costs within a reasonable period of time.*

“(2) For the purposes of sub-clause (b) of sub-section (1), sales below per unit cost shall be deemed to be in substantial quantities if the Commission establishes that –

- “(a) a weighted average selling price of transactions under consideration for the determination of normal value is below a weighted average cost; or*
- “(b) the volume of sales below per unit cost represents twenty per cent or more of the volume sold in transactions under consideration for the determination of normal value.*

“(3) If prices which are below per unit cost at the time of sale are above the weighted average cost for the period of investigation, the Commission shall consider such prices as providing for recovery of costs within a reasonable period of time.”

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21. 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.”*

22. Dumping Determination:

As stated earlier (paragraphs 15. and 15.2 supra) the Commission has received necessary data/information in response to the Exporter’s Questionnaires from only one exporter/ foreign producer of the investigated product in this investigation, i.e. M/s Fujian Youyi Adhesive Tape Group Co., Ltd., Fuqing City, Fuzhou, China. Therefore, individual dumping margin is determined for M/s Fujian Youyi Adhesive Tape Group Co., Ltd., Fuqing City, Fuzhou, China on the basis of information provided by him, whereas dumping of the investigated product for all other exporters from China is determined on Best Available Information 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.

23. Determination of Normal Value for M/s Fujian Youyi Adhesive Tape Group Co., Ltd.

23.1 Normal value for M/s Fujian Youyi Adhesive Tape Group Co., Ltd. is determined on the basis of the data/information provided by it on its domestic sales made during the POI (provided in Attachment D-3 of the questionnaire response).

23.2 According to the information provided by M/s Fujian Youyi Adhesive Tape Group Co., Ltd., it sold water based, solvent based and hotmelt types of BOPP Self Adhesive Tapes in its domestic market during the POI. Since domestic industry is producing only water bases BOPP Self Adhesive Tape and the investigated product of this investigation is only water-based BOPP Self Adhesive Tape (paragraphs 13.3.1 and 13.4 supra), therefore, the normal value is determined for water-based BOPP Self Adhesive Tape only.

23.3 Certain sales of M/s Fujian Youyi Adhesive Tape Group Co., Ltd. in its domestic market were not in ordinary course of trade in terms of Section 7 of the Act (paragraph 20.3 supra). Investigation has revealed that the sales that were not in the ordinary course of trade were made –

- “(a) within an extended period of time i.e. throughout the POI for dumping;
- “(b) in substantial quantities i.e. 35.74 percent of the total sales of water-based BOPP Self Adhesive Tape; and
- “(c) at prices which do not provide for the recovery of all costs within the POI for dumping.

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Therefore, the Commission has disregarded the sales which were not in ordinary course of trade in determination of normal value.

23.4 In terms of Section 6(2) of the Act, sales of a like product destined for consumption in domestic market of the exporting country may be considered to be a sufficient quantity for the determination of normal value if such sales constitute five percent or more of the sales of the investigated product to Pakistan. M/s Fujian Youyi Adhesive Tape Group Co., Ltd.'s domestic sales of water-based BOPP Self Adhesive Tape in ordinary course of trade were 715 percent of its exports of the investigated product during the POI. Therefore, normal value for M/s Fujian Youyi Adhesive Tape Group Co., Ltd. is determined on the basis of prices of its comparable sales of the like product in the ordinary course of trade, destined for consumption in its domestic market during the POI.

23.5 As per the information submitted by M/S Fujian Youyi Adhesive Tape Group Co., Ltd. sold like product in its domestic market at delivered during the POI. The company receives payment either in advance or at the time of shipment. Therefore, it claimed adjustment only on inland freight in domestic sales.

23.6 As stated earlier that, officers of the Commission conducted on-the-spot investigation at premises of M/s Fujian Youyi Adhesive Tape Group Co., Ltd. to verify the information provided by him (paragraph 16.3 supra). During on-the-spot investigation, the investigating team observed that M/s Youyi records sales volume of BOPP Self Adhesive Tapes (sales made either in its domestic market or exported to other countries) in square meters (m²) and value in Chinese RNB in its accounting records. Further, in its response to the questionnaire, M/s Youyi categorically stated that:

“There are no differences in material, specifications and production processes between the product under investigation sold in the domestic market and those exported to Pakistan.....”

There are no physical differences between the product under investigation sold in domestic market or in Pakistan.”

23.7 Keeping in view the above-mentioned position, the investigating team verified the M/s Youyi's sales volumes in square meters (m²) and values in value in Chinese RNB from the general ledger of the company, which is also reported in on-the-spot investigation report. M/s Youyi also confirmed the Commission's findings of on-the-spot investigation. However, M/s Youyi on January 24, 2025 submitted the following:

“We fully agree that the accounting system of Youyi contains volume in square meters (m²). However, after the site verification, we found a new problem when comparing the export price to Pakistan with the domestic price. In fact, the adhesive weight per square meter (m²) for different types of products are different. Some types have more adhesive than others per square meter. The types with more adhesive are heavier than those with less adhesive for one square

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meter. The former is usually expensive than the latter. The products exported to Pakistan are mainly the types with less adhesive while the products sold in domestic market are usually the types with more adhesive. If we compare the export price to Pakistan with the domestic price in square meter, there will be a unfair result. This is the first time for Youyi to participate in an antidumping investigation. So, the company did not realize that this factor will affect the price comparison significantly.....We respectfully request the NTC to consider this new issue and make a fair price comparison on the basis of KG.”

23.8 M/s Youyi has brought a new fact before the Commission at a later stage of the investigation, which is contradictory to its earlier stance. Therefore, the Commission has not acceded to its request to determine normal value and export price on per Kg basis for purposes of the preliminary determination. on Following table shows calculation of normal value:

Table – II
Normal Value Calculations of M/s Fujian Youyi Adhesive Tape Group Co., Ltd.

Description	Sales at Loss	Profitable Sales	Total Sales
(1)	(2)	(3)	(4)
Sales volume	35.74	64.26	100.00
Weighted average cost to make & sell	82.40	82.40	82.40
Weighted average gross price	71.52	115.83	100.00
Inland freight	0.90	0.90	0.90
Adjusted NV	70.62	114.92	99.10

Source: M/s Fujian Youyi Adhesive Tape Group Co., Ltd.

Note: In order to maintain confidentiality actual figures have been indexed w.r.t figure of total sales and total gross price.

24. **Determination of Export Price for M/s Fujian Youyi Adhesive Tape Group Co., Ltd.**

As stated earlier the M/s Fujian Youyi Trading Co., Ltd. has provided information in response to the questionnaire, therefore, its export price is worked out based on the information/data provided by him as follows:

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**Table – III
Calculation of M/s Youyi's Export Price**

Description	Amount
(1)	(2)
CIF price	82.25
Credit cost	0.17
Inland freight	0.19
Ocean freight	2.26
Handling cost	0.70
Bank charges	0.38
Adjusted export price	78.55

Source: M/s Fujian Youyi Adhesive Tape Group Co., Ltd.

Note: In order to maintain confidentiality actual figures have been indexed w.r.t figure of gross normal value.

25. Determination of Dumping for All Other Exporters from China

The Commission is of the view that the dumping margin worked out for M/s Fujian Youyi Adhesive Tape Group Co., Ltd. is a representative for all imports of the investigated product.

26. Dumping Margin

26.1 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*”.

26.2 Section 12 of the Act provides three methods for comparison of normal value and export price to establish the 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.

26.3 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.

26.4 Considering relevant provisions of the Act, dumping margin for the investigated product works out as follows:

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**Table – IV
Calculation of Dumping Margin**

Description	Amount
(1)	(2)
Dumping margin as % of adjusted export price	46.30
Dumping margin as % of CIF export price	44.22

27. De minimis Dumping Margins and Negligible Volume of Dumped Imports

27.1 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 26.4 supra, is well above the *de minimis* level.

27.2 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 it is found to account for less than three percent of total imports of a like product.

27.3 Volume of dumped imports of BOPP Self Adhesive Tape in Jumbo Rolls imported from China and other sources during the POI for dumping is given in the table below:

**Table – V
Volume of Dumped Imports**

Source of import	% of total
(1)	(2)
China	92.61
Other Sources	7.39
Total	100.00

Sources: M/s Youyi and Pakistan Customs

27.4 It appears from the above table that 93 percent of total imports of the BOPP Self Adhesive Tape in Jumbo Rolls during the POI for dumping were from dumped source i.e. China. Therefore, during the POI for dumping, the volume of dumped imports of the investigated product were above the negligible threshold in terms of Section 41(3) of the Act.

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C. MATERIAL RETARDATION TO THE ESTABLISHMENT OF THE DOMESTIC INDUSTRY

28.1 Whether Material Retardation to the Establishment of Domestic Industry or Material Injury to the Domestic Industry

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 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. However, neither the Act or Rules nor the Anti-dumping Agreement guide determination of material retardation of the establishment of domestic industry. Therefore, to make this assessment, the 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 production;
- b) whether production of the domestic industry is steady ;
- 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.

28.2 The date of Commencement of Production

The domestic industry started production of domestic like product in January 2023, encompassing 18 months of total production until the end of the POI i.e. 30 June 2024. Therefore, domestic industry's operational period is not long enough to carry out a traditional injury analysis.

28.3. Whether Production of the Domestic Industry is Steady

28.3.1 Following table shows actual production figures and projected volumes of the domestic like product for the POI:

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**Table – VI
Actual Production and Projections**

Period	Actual Production	Projected production	Actual production as % of projected
(1)	(2)	(3)	(4)
Jan. - Mar. 23	15.14	100.00	15.14
Apr. - Jun. 23	14.21	100.00	14.21
Jul. - Sep. 23	24.07	100.00	24.07
Oct. - Dec. 23	24.49	122.22	20.04
Jan. - Mar.24	21.32	122.22	17.44
Apr. - Jun. 24	10.14	122.22	8.30

Note: Installed production capacity of the industry is 9600 MT/ annum

Source: the Applicant

Note: In order to maintain confidentiality actual figures have been indexed w.r.t figure of projected production of Jan-Mar 2023.

28.3.2 The above table shows that the domestic industry witnessed a steady production during first years of its operation, however, its production remained significantly lower than the projected in the feasibility. Further, during last quarter of the POI, production of the domestic like product declined significantly as compared to the previous quarter.

28.3.3 As per feasibility, during first year of its operations the domestic industry may have produced 5,700 MT (about 59% of installed capacity), whereas it produced only 1052 MT (11% of the capacity). During next two quarters of the POI i.e. from January to June 2024, projections for production of the domestic like product were 3,300 MT (69% of the capacity), whereas actual production remained only 425 MT, which is only 9 percent of the capacity.

28.3.4 It is evident from the above information and analysis that the domestic industry's production was not steady as per the projected production because actual production remained far lower than the projected production.

28.4 The Size of Domestic Capacity and Production compared to the Total Domestic Market

28.4.1 Following table compares the size of the total domestic market with the installed capacity and production of the domestic like product:

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**Table – VII
Market Size, Capacity and Production**

Period	Domestic Industry's			Total Imports	Total market	Domestic Industry's %:	
	Capacity	Production	Sales			market share	Capacity to market
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Jan. - Mar. 23	19.40	1.65	0.84	22.47	23.31	3.58	83.25
Apr. - Jun. 23	19.40	1.55	0.52	25.27	25.79	2	75.24
Oct. - Dec. 23	19.40	2.67	2.71	22.51	25.22	10.75	76.94
Jan. - Mar. 24	19.40	2.33	2.36	23.74	26.10	9.04	74.34
Apr. - Jun. 24	19.40	1.11	1.27	13.61	14.88	8.52	130.43
POI for dumping (Jul.23-Jun 24)	77.61	8.73	8.77	91.23	100.00	8.77	77.61

Sources: the Applicant, Pakistan Customs and Youyi

Note: In order to maintain confidentiality actual figures have been indexed w.r.t figure of total market of Jul 23-Jun 24.

28.4.2 The above table clearly shows that the domestic industry was capable to serve the domestic market in the range of 60 to 100 percent (on quarterly basis) but it's sales remained in the range of 2 to 11 percent of the domestic market. During POI for dumping (2023-24) the capacity of the domestic industry was meet 78 percent of the domestic demand, whereas it caters only 9 percent of the domestic market.

28.5 Whether the Domestic Industry has Reached a "Break-even Point"

28.5.1 With regards to the breakeven point, the domestic industry persistently incurred losses on sales of domestic like product, whereas in its feasibility report profit was projected at 42 percent capacity utilization. However, the domestic industry was able to utilize 11 percent of its capacity during first year of its operation. Further, the domestic industry was unable to fetch projected prices due to the lower landed cost of dumped imports of the investigated product. Table below shows the domestic industry's capacity utilization, cost of production, prices of the domestic like product and landed cost of the investigated product:

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**Table – VIII
Capacity Utilization, Cost of Production and Landed Cost**

Period	Domestic Industry's						dumped imports' Landed cost
	Capacity utilization (%)		Cost of production		Price		
	Actual	Projected	Actual	Projected	Actual	Projected	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Jan. - Mar. 23	15.13	100.00	114.56	93.39	110.25	110.67	100.00
Apr. - Jun. 23	14.20	100.00	108.18	93.39	93.81	110.67	107.42
Jul. - Sep. 23	24.07	100.00	99.64	93.39	79.25	110.67	90.32
Oct. - Dec. 23	24.50	122.22	92.73	93.39	93.93	110.67	88.37
Jan. - Mar. 24	21.32	122.22	97.81	93.39	93.27	110.67	85.41
Apr. - Jun. 24	10.15	122.22	101.07	93.39	91.99	110.67	82.22

Notes: Prices and Landed cost are without sales tax.

Landed cost = CIF price+customs duty+additional CD+ Regulatory duty+ 3% incidentals

Sources: the Applicant, Pakistan Customs and Youyi

Note: In order to maintain confidentiality, actual figures of capacity utilization have been indexed w.r.t figure of projected capacity of Jan-Mar 23. Further other figures have been indexed w.r.t dumped imports landed cost of Jan-Mar 23.

28.5.2 The above table shows that the domestic industry was unable to achieve projected level of capacity utilization and prices of the domestic like product, therefore, it could not achieve the break-even point during the POI.

28.6 Whether the Activities Involve the Establishment of a New Industry or are Merely a New Product Line of an Established Firm:

28.6.1 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 case, production operation tends to stabilize in a short period. However, if the production of the newly introduced product and established product categories, the operation of the domestic industry concerning the new product will take longer. Therefore, it can be termed as a new industry.

28.6.2 The domestic like product produced by the domestic industry has never been produced earlier locally in Pakistan. Prior to the domestic industry, whole domestic demand of BOPP Self Adhesive Tape in Jumbo rolls was met by imports. The domestic industry is developing its own sales and marketing channels to sell the domestic like product to the customers. Therefore, the question of any aid from existing sales and marketing networks does not arise in the case of the domestic like product.

28.7. The information and analysis provided in fore-going paragraphs from 28.1 to 28.6 show that the domestic industry manufacturing BOPP Self Adhesive Tape in Jumbo rolls is a newly established industry which is still at its infancy stage.

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

Since this is a case of a nascent/new industry, which is competing with dumped imports of the investigated product and has incurred losses during the POI at its nascent stage, therefore, assessment for material retardation of the establishment of domestic industry is more relevant than the assessment of material injury to the domestic industry.

30. Volume of Dumped Imports

30.1 In the context of material retardation, some of the factors relevant in a material injury investigation can be misleading in a material retardation case. Increase in volume of dumped imports is one of them, as in case of domestic market which was previously completely filled imports, and a new domestic producer acquires a portion of the market share through import substitution, a decline of the imports volume and imports market share would be natural. In addition, information on market penetration is of limited relevance to material retardation investigations because allegation of dumping is not being investigated to establish share of trade but to forestall the development of the domestic competition in an import dominated market. Information on volume of dumped imports is given in the following table.

**Table – IX
Volume of Dumped Imports**

Period	Imports from:			Domestic industry's Production:		Dumped imports as % of:	
	Dumped imports	Other sources	Total imports	Actual	Projected	Total imports	Domestic production
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)
Jan. - Mar. 23	22.13	2.51	24.63	1.81	11.96	89.81	1,221.88
Apr. - Jun. 23	25.77	1.93	27.70	1.70	11.96	93.03	1,515.81
Jan. - Jun. 23	47.90	4.44	52.34	3.51	23.93	91.52	1,364.22
Jul. - Sep. 23	31.94	2.45	34.39	2.88	11.96	92.87	1,109.06
Oct. - Dec. 23	23.23	1.45	24.67	2.93	14.62	94.14	792.74
Jan. - Mar. 24	22.77	3.26	26.02	2.55	14.62	87.48	892.62
Apr. - Jun. 24	14.68	0.24	14.92	1.21	14.62	98.40	1,209.53
POI for dumping	92.61	7.39	100.00	9.57	55.83	92.61	967.33

Sources: the Applicant, Pakistan Customs and Youyi

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of total imports for period Jul 22-Jun 23.

30.2 Analysis of above table shows that volume of dumped imports as a percentage of total import as well as domestic production remained significant during POI. The share of dumped imports in total imports remained from 92 percent during the period

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January June 2023 increased to 93 percent during the POI for dumping. On the other hand, production of the domestic like product showed a mixed trend during the POI. However, it remained far less than the projected level. The projected production of the domestic like product was 6,300 MT for the POI of dumping, whereas it remained 1,080 MT, which is 83 percent lower than the projected level.

30.3 Since the domestic industry only operated for eighteen months during the POI, actual volume of imports for 18 months i.e. January 23 – June 2024 is compared with projected volume of imports, which is given in the following table:

Table – X
Volume of Dumped Imports (Actual vs Projected)

February 2023 to March 2024	Dumped imports	Other imports	Total Imports	Domestic industry's sales	Total Domestic Market
(1)	(2)	(3)	(4)	(5)	(6)
Actual as % of total domestic market	85.35	7.19	92.54	7.46	100.00
Projected as % of domestic market	47.55	4.00	51.55	48.45	100.00

Source: the Applicant, Pakistan Customs and M/s Youyi

30.4 As per projections of the Applicant, sales of the domestic like product and imports of the investigated product would have been at the level of *** Kgs and *** Kgs respectively during POI. It was projected that, during the POI, sales by the domestic industry will gain a significant share of the level of dumped imports of the investigated product, i.e. 48 percent in the domestic market. However, the actual share of the domestic industry and imports of the investigated product during the POI remained at 7 percent and 85 percent respectively. This shows that dumped imports retained major share in the domestic market contrary to projections made in the business plan of the Applicant. Thus, the domestic industry suffered injury on account of the volume of dumped imports investigated product.

31. Price Effects

The effect of dumped imports on the prices of domestic like product (undercutting, depression and suppression) has been examined in the following paragraphs.

32. Price Undercutting

32.1 Pakistan Customs has fixed minimum import prices for the investigated product for purposes of imposition of customs duties. Analysis of the information submitted by M/s M/s Fujian Youyi Trading Co., Ltd. China on its export prices and its import prices

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obtained from Pakistan Customs has shown that the assessed price was 18.35 percent higher than the prices reported by M/s Fujian Youyi Trading Co., Ltd. China. Therefore, for determination of landed cost, the import prices of the investigated product imported from other exporters (other than M/s Fujian Youyi Trading Co., Ltd.) obtained from Pakistan Customs, have been deflated by 18.35 percent.

32.2 Information/data on weighted average ex-factory prices of the domestic like product and weighted average landed cost of the investigated product during the POI are given in the following table:

**Table – XI
Price Undercutting**

Period	Domestic like Product's Price	Landed Cost of dumped imports*	Price Under cutting (%)
(1)	(2)	(3)	(4)
Jan. - Mar. 23	100.00	90.70	9.30
Apr. - Jun 23	85.09	97.43	---
Jul. – Sep. 23	71.88	81.92	--
Oct. - Dec. 23	85.20	80.15	5.92
Jan. - Mar. 24	84.60	77.46	8.44
Apr. - Jun. 24	83.43	74.57	10.62

Sources: The Applicant and M/s Youyi

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of domestic like product's price of Jan-Mar23.

32.3 The above table shows that weighted average landed cost of the investigated product imported from China remained lower than ex-factory price of the domestic like product during the POI, except during the period from April to September 2023. However, investigation of the Commission has revealed that during this period the domestic industry was not able to recover its cost to make and sell (Table-XIII infra). As the domestic industry has started its operations immediate before this period, therefore, it kept its prices lower than the landed cost of investigated product to penetrate in the market.

32.4 Based on the above information and analysis, it is determined that the domestic industry suffered injury during of the POI on account of price undercutting.

33. Price Depression

33.1 Price depression is calculated in the following table on the basis of the information provided in application on ex-factory price of the domestic like product:

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**Table-XII
Price Depression**

Period	Domestic like product's price	Price Depression	Domestic like product's projected price
(1)	(2)	(3)	(4)
Jan. - Mar. 23	120.70	---	121.16
Apr. - Jun. 23	102.70	(18.00)	
Jul. - Sep. 23	86.76	(15.94)	
Oct. - Dec. 23	102.83	16.07	
Jan. - Mar. 24	102.11	(0.72)	
Apr. - Jun. 24	100.70	(1.41)	
Weighted Average for the POI	100.00	---	

Source: the Applicant

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of domestic like product's price for period Jul 22-Jun 23

33.2 Above table shows that the domestic industry suffered significant price depression of 15 percent and 16 percent in second and third quarters of the POI. However, price depression declined to one percent during last two quarters of the POI.

33.3 The domestic industry had projected a price of Rs. 675/Kg for the domestic like product during the POI. However, due to lower landed cost (Table-XI supra), the domestic industry was able to fetch a weighted average price of Rs. 557/Kg for the POI. Therefore, the domestic industry suffered material injury on account of price depression during the POI.

34. Price Suppression

34.1 Information/data submitted by the Applicant on cost to make and sell of domestic like product and average price of the domestic like product during the POI is given in the following table.

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**Table – XIII
Price Suppression**

Period	Actual Cost to Make & Sell	Cost of Production		Price		Increase/ (Decrease) in:	
		Actual	Projected	Actual	Projected	Cost to make and sell	Price
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Jan. - Mar. 23	192.19	103.91	84.70	100.00	100.38	-	-
Apr. - Jun. 23	131.56	98.12		85.09		(60.63)	(14.91)
Jul. - Sep. 23	102.44	90.37		71.88		(29.12)	(13.21)
Oct. - Dec. 23	100.74	84.11		85.20		(1.69)	13.31
Jan. - Mar. 24	103.32	88.71		84.60		2.57	0.59
Apr. - Jun. 24	120.21	91.67		83.43		16.89	1.17

Source: the Applicant

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of domestic like product's actual price of Jan-Mar23.

34.2 The above table shows that the domestic industry's cost of production as well as cost to make and sell declined significantly during first year of its operations i.e. from January to December 2023, however it remained above the projected cost of production. Cost to make and sell of the domestic like product increased by 2 percent and 14 percent during January to March and April to June 2024 respectively.

34.3 Prices of the domestic like product remained lower than its cost to make and sell throughout the POI. As the landed cost of the dumped imports was lower than the domestic like product's cost to make and sell, therefore, the domestic industry was forced to keep its prices in line or slightly lower than the landed cost to penetrate in the domestic market. Therefore, the domestic industry was not able to recover its costs, resultantly it suffered injury on account of price suppression during the POI.

35. Effects on Production and Capacity Utilization by the Domestic Industry

35.1. The installed capacity, quantity produced, projected production and the capacity utilization (actual and projected) of the domestic industry during the POI are provided in following table:

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**Table – XIV
Install Capacity, Production and Capacity Utilization**

Period	Installed Capacity	Capacity Utilization	
		Actual	Projected
(1)	(2)	(3)	(4)
Jan. - Mar. 23	100.00	8.51	56.25
Apr. - Jun. 23	100.00	7.99	56.25
Jul. - Sep. 23	100.00	13.54	56.25
Oct. - Dec. 23	100.00	13.78	68.75
Jan. - Mar. 24	100.00	11.99	68.75
Apr. - Jun. 24	100.00	5.71	68.75

Source: the Applicant

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of installed capacity of of Jan-Mar23.

35.2 The above table shows that the production and capacity utilization of the domestic industry remained far less than the projected level of production and capacity utilization during entire POI. Therefore, the domestic industry suffered injury on account of production of the domestic like product and capacity utilization

36. Market Share

36.1 Following table shows domestic industry’s sales and market share of each source of supply during the POI:

**Table – XV
Sales and Market Share**

Period	Domestic Industry’s			Dumped imports		Other imports		Total Market
	Projected sales	Actual sales	% market share	Volume	% market share	Volume	% market share	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jan. -Mar. 23	10.91	0.84	3.58	20.18	86.60	2.29	9.82	23.31
Apr. - Jun. 23	10.91	0.52	2.00	23.51	91.17	1.76	6.83	25.79
Jul. - Sep. 23	10.91	2.43	7.20	29.13	86.18	2.24	6.61	33.80
Oct. - Dec. 23	13.34	2.71	10.75	21.19	84.02	1.32	5.23	25.22
Jan. - Mar. 24	13.34	2.36	9.04	20.77	79.57	2.97	11.39	26.10
Apr. - Jun. 24	13.34	1.27	8.52	13.39	90.02	0.22	1.46	14.88
POI for dumping	50.93	8.77	8.77	84.48	84.48	6.75	6.75	100.00

Source: the Applicant, Pakistan Customs and M/s Youyi

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of total market for period Jul 22-Jun 23.

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36.2 The above table shows that the dumped imports of the investigated product retained major market share of 84 percent to 91 percent during the POI. The domestic industry had projected a much higher volume of sales of 6,300 MT for the POI for dumping (2023-24), which works out to be 51 percent of the total market for the 2023-24, however, the domestic industry was able to sell only 1,085 MT of the domestic like product during the POI for dumping, which is 9 percent of the total market. Market share of imports from other sources also declined in the successive quarters of the POI except during January to March 2024. Share of other imports remained 7 percent during the POI for dumping.

36.3 Based on the above information and analysis it is concluded that the domestic industry suffered injury on account of sales and market share during the POI as it was unable to sell and grab market share according to the projected level.

37. Effect on Inventories of the Domestic Like Product

37.1 Information on inventory, production and sales of the domestic like product provided by the Applicant is analyzed is table below:

Table-XVI
Inventories of the Domestic Like Product

Period	Opening Inventory	Production	Sales	Closing Inventory
(1)	(2)	(3)	(4)	(5)
Jan. - Mar. 23	-	346.10	246.10	100.00
Apr. - Jun. 23	100.00	324.98	108.06	316.92
Jul. - Sep. 23	316.92	550.38	510.09	357.21
Oct. - Dec. 23	357.21	560.00	568.21	348.99
Jan. - Mar. 24	348.99	487.47	494.32	342.14
Apr. - Jun. 24	342.14	231.97	265.66	308.45

Source: the Applicant

* Including 42,003 Kgs of internal consumption

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of closing inventory of Jan-Mar23.

37.2 The above table shows that the domestic industry was not able to sell the domestic like product in the domestic market due to significant volume of dumped imports. Therefore, considerable quantities of unsold inventory remained in the Applicant's warehouse, which also created cash flow issues for the Applicant. Hence, the domestic industry suffered injury on account of increased inventory primarily due to continued dumped imports.

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38. Effect on Profit and Loss

38.1 Information on profits/(loss) on production and sales of the domestic like product during the POI is provided in the following table:

**Table – XVII
Profit/Loss of the Applicant**

Period	Gross Profit/(Loss)	Net Profit/(Loss)
(1)	(2)	(3)
Jan. - Mar. 23	100.00	174.96
Apr. - Jun. 23	17.59	54.48
Jul. - Sep. 23	97.73	169.07
Oct. - Dec. 23	22.61	95.83
Jan. - Mar. 24	26.72	100.36
Apr. - Jun. 24	19.27	105.98

Source: the Applicant

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of gross (profit/loss) of Jan-Mar23.

38.2 The above table shows that the domestic incurred gross as well as net loss throughout the POI due to the least capacity utilization, price undercutting and suppressed prices, the domestic industry was not able to even cost of production. Therefore, it suffered huge losses at gross as well as net profit level. Such an extent of loss is due to the high volume of dumped imports of the investigated product.

38.3 As per the feasibility report of the Applicant, anticipated net profits during its first and second years of operation were Rs. 113.46 million and Rs. 195.99 million respectively.

39. Effect on Productivity and Wages

39.1 The data on domestic industry's employment, salaries & wages, production and productivity during the POI is given in following table:

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**Table – XVIII
Employment, Salaries & Wages and Productivity**

Period	Number of employees	Salaries & wages	Production	Productivity	Salaries and wages
(1)	(2)	(3)	(4)	(5)	(6)
Jan. - Mar. 23	100	100.00	100.00	100.00	100.00
Apr. - Jun. 23	121	150.82	93.90	77.33	160.67
Jul. - Sep. 23	129	180.94	159.02	123.68	113.83
Oct. - Dec. 23	143	200.46	161.80	113.26	123.84
Jan. - Mar. 24	229	575.78	140.85	61.62	408.82
Apr. - Jun. 24	236	592.69	67.02	28.43	884.39

Source: the Applicant. Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of Jan-Mar23 of each respective column.

39.2 The above table shows that employment as well as salary expenses of the domestic industry increased during the POI. Investigation has revealed that the increase in number of employees was production related as the certain number of workforce is essential to run the plant. As production of the domestic like product could not increase up to the projected level, therefore, productivity declined significantly and the cost of salaries and wages in production cost increased significantly during the POI. Had the domestic industry achieved the projected level of production (Table-XIV supra), the productivity would have increased along with decline in labour cost in cost of production. Therefore, it is established from the above information and analysis that the domestic industry suffered injury on account of productivity and salaries & wages.

40. Effect on Return on Investment

40.1 The Applicant has established its unit with 100 percent equity. The following table shows the information regarding investment of the Applicant during the POI.

**Table – XIX
Investment on BOPP Self Adhesive Tapes**

Period	Return on investment (%)
(1)	(2)
Jan. - Mar. 23	(21.91)
Apr. - Jun. 23	
Jul. - Sep. 23	(15.28)
Oct. - Dec. 23	(8.93)
Jan. - Mar. 24	(9.31)
Apr. - Jun. 24	(8.46)

Source: the Applicant

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40.2 The above table shows that the domestic industry has incurred huge losses throughout the POI, resultantly return on investment remained negative. As the domestic industry was unable to get projected level of price of the domestic like product and faced price undercutting and price suppression due to dumped imports of the investigated product, (paragraphs 32 and 34 supra), it suffered losses (paragraphs 38 supra). Resultantly, the return on investment remained negative during the POI.

41. Cash Flow

41.1 Information of the domestic industry on its net cash flows from operations is provided in the following table:

**Table – XX
Operating Cash Flow**

Period	Cash Flows
(1)	(2)
Jan. – Jun. 2023	(100.00)
Jul. 23 – Jun. 24	(120.83)

Source: the Applicant

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of Jan-Jun23.

41.2 The above table shows that the domestic industry experienced negative cash flow throughout the POI. The main reason for negative cash flows of the domestic industry during the POI was heavy losses incurred by the domestic industry during the POI.

42. Effect on Ability to Raise Capital

As The domestic industry has faced deterioration in its operations from the very beginning of its production, therefore, confidence of investors and financial institutions is adversely affected. Resultantly, the ability of domestic industry to raise further investment has been adversely affected.

43. Effect on Growth

The growth indicator does not seem relevant for injury analysis in a material retardation cases. The domestic industry has started operations in January 2023. As is determined in the fore-going paragraphs that the domestic industry was unable to 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

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and investment of the domestic industry if fair competition or level playing field is not provided to it.

44. Magnitude of dumping margin

Dumping margins of 46.30 percent at ex-works level and 44.22 percent at CIF level determined for the investigated product at paragraph 26.4 supra is considered enough to cause injury in the form of material retardation of the establishment of domestic industry.

45. 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;
- b) Price undercutting;
- c) Price suppression;
- d) Price depression;
- e) Decline in sales and market share;
- f) Decline in profits;
- g) Decline in production and capacity utilization;
- h) Negative effects on inventories;
- i) Negative effects on productivity;
- j) Negative effects on cash flows;
- k) Decline in return on investment; and
- l) Negative effects on growth.

46. Other known factors

46.1 In accordance with Section 18(2) of the Act, the factors other than dumped imports of the investigated product which may cause 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. Section 18(3) of the Act states that the other factors which may be relevant for the purpose of examination 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.

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46.2. The above mentioned other factors are analyzed in the following paragraphs.

46.3 Volume of Imports from Other Sources:

46.3.1 The following table shows volume of imports of the BOPP Self Adhesive Tape (water based) in jumbo rolls and domestic like product's sales during the POI:

Table – XXI
Volume of dumped and other Imports and Domestic Industry's Sales

Period	Domestic Industry's			Dumped imports		Other imports		Total Market
	Projected sales	Actual sales	% market share	Volume	% market share	Volume	% market share	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jan. -Mar. 23	10.91	0.84	3.58	20.18	86.60	2.29	9.82	23.31
Apr. - Jun. 23	10.91	0.52	2.00	23.51	91.17	1.76	6.83	25.79
Jul. - Sep. 23	10.91	2.43	7.20	29.13	86.18	2.24	6.61	33.80
Oct. - Dec. 23	13.34	2.71	10.75	21.19	84.02	1.32	5.23	25.22
Jan. - Mar. 24	13.34	2.36	9.04	20.77	79.57	2.97	11.39	26.10
Apr. - Jun. 24	13.34	1.27	8.52	13.39	90.02	0.22	1.46	14.88
POI for dumping	50.93	8.77	8.77	84.48	84.48	6.75	6.75	100.00

Source: the Applicant, Pakistan Customs and M/s Youyi

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of total market for period Jul 22-Jun 23.

46.3.2 The above table shows that, during the POI, volume of imports from other sources was 6.75 percent of the total imports, which was not significant enough to cause material retardation of the establishment of domestic industry.

46.4 Prices of Imports from Other Sources:

46.4.1 The following table shows landed cost of imports of the BOPP Self Adhesive Tape (water based) in jumbo rolls and domestic like product's sales price during the POI:

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Table – XXII

Landed cost of Imports and Domestic Industry's prices

Period	Domestic like Product's Price		Landed Cost of	
	Actual	Projected	Dumped imports	Other imports
(1)	(2)	(3)	(4)	(5)
Jan. - Mar. 23	100.00	100.38	90.70	86.05
Apr. - Jun. 23	85.09		97.43	103.96
Jul. - Sep. 23	71.88		81.92	90.70
Oct. - Dec. 23	85.20		80.15	91.23
Jan. - Mar. 24	84.60		77.46	77.69
Apr. - Jun. 24	83.43		74.57	119.05

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of domestic like product's price of Jan-Mar23.

46.4.2 The above table shows that the landed cost of imports from other sources remained significantly higher than the prices of imports from dumped sources as well as prices of the domestic like product through the POI. Therefore, domestic industry did not suffer injury on account of non-dumped imports from other sources

46.5 Contraction in Demand or Change in Pattern of Consumption:

Since the entire POI comprised on 18 months only, therefore, trends in demand and consumption pattern could not be ascertained fairly. Quarterly analysis of the total domestic demand for the POI shows a mix trend of increase and decrease (Table-XXI supra)

46.6 Trade restrictive practices of and competition between foreign and domestic producers:

There was no such policy by the Government of Pakistan during the POI that have negatively affected the domestic industry and created distortion in the competitive environment between foreign and domestic producers. However, the Applicant has direct competition with the foreign producers/ exporters in the domestic market.

46.7 Developments in Technology:

The domestic industry is just established in January 2023, and the Applicant has acquired a plant of 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.

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46.8. Export Performance of Domestic Industry

As the domestic industry started production in January 2023, 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.

D. CAUSATION

47. Effects of Dumped Imports and Causal Link

47.1 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 during the POI. Further volume of the BOPP Self Adhesive Tape (water based) in jumbo rolls from other sources was insignificant compared to the volume of dumped imports of the investigated product.
- 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 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. Resultantly, the domestic industry incurred losses instead of projected profits during the POI. Furthermore, the domestic industry suffered injury on account of increase in inventories of the domestic like product, decline in return on investment and productivity.
- c. Prices of the imports of the BOPP Self Adhesive Tape (water based) in jumbo rolls from other sources remained higher than the prices of imports from dumped sources as well as prices of the domestic like product through the POI. Therefore, domestic industry did not suffer any injury on account of non-dumped imports from other sources.

47.2 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 the 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.

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E. CONCLUSIONS

48. After taking into account all considerations for this preliminary 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 46.30 percent and 44.22 percent at CIF level;
- f. the domestic industry is a nascent industry and has started production of the domestic like product in January 2023. 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 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, cash flows 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.

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F. IMPOSITION OF PROVISIONAL ANTIDUMPING DUTY

49. Keeping in view determination of dumping of the investigated product, material retardation to the establishment of domestic industry and a causal link between dumped imports and injury to the domestic industry, the Commission is of the view that imposition of provisional anti-dumping duty on the investigated product is necessary to prevent injury being caused to the domestic industry during the course of this investigation in accordance with Section 43 of the Act.

50. As stated earlier that only one exporter/ foreign producer of the investigated product i.e. M/s Fujian Youyi Adhesive Tape Group Co., Ltd. has provided requisite information necessary to determine individual dumping margin, therefore, a single dumping margin has been determined. However, the Commission is of the view that the dumping margin worked out for M/s Fujian Youyi Adhesive Tape Group Co., Ltd. is a representative for all imports of the investigated product. Therefore, a single provisional anti-dumping duty will be liable to all imports of the investigated product from People's Republic of China.

51. For the purposes of imposition of lesser duty in terms of Section 43 (1) 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. For determination of injury margin, weighted average cost to make and sell of the domestic industry is determined for the POI for dumping i.e. from July 2023 to June 2024. Further, as the domestic industry was able to utilize only 11 percent of its installed production capacity, during the POI for dumping, therefore, its fixed costs were relatively high. Keeping in view this, for purposes of the calculation of injury margin, cost to make and sell of the domestic industry is determined at 50 percent capacity utilization. Calculations of injury margin are given below:

**Table – XXIII
Calculations of Injury Margins**

Description	Amount
(1)	(2)
Cost to make & Sell of the domestic like product	100.00
Profit: 5% of cost to make & sell	5.00
Estimated Non-injurious price of the domestic like product	105.00
CIF price of investigated product	64.94
Landed cost of investigated product	90.27
Absolute Injury margin	9.73
Injury Margin as % of CIF Price	14.99

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

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t figure of cost to make & sell of Jul23 – Jun24..

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51. The above table shows that the injury margin works out 14.99 percent, which is lower than the dumping margin determined for the investigated i.e. 44.22 percent of the CIF price (Table-IV supra). Thus, in terms of Section 43 (1) of the Act, lesser duty would be adequate to remove injury to the domestic industry. Therefore, provisional antidumping duty at a lesser rate of 14.99 **percent ad valorem** on dumped imports of the investigated product importable from China is hereby imposed for a period of four months effective from publication of the notice of preliminary determination in the press. However, in accordance with Section 51(ea) of the Act, provisional 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 3919.9010 and 3919.9090.

52. BOPP Self Adhesive Tapes originated and imported from sources other than China shall not be subject to the above-mentioned provisional antidumping duty.

53. In accordance with Section 51 of the Act, the provisional 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.

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

55. The provisional 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
January 29, 2025

(Imran Zia)
Member-III
January 29, 2025

(Muhammad Iqbal Tabish)
Member-II
January 29, 2025

(Naeem Anwar)
Chairman
January 29, 2025

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Annexure

VIEWS/COMMENTS OF THE INTERESTED PARTIES

VIEWS/COMMENTS OF INTERESTED PARTIES	Comments by NTC
<p>Views/Comments Submitted by RIAA on behalf of Fujian Youyi Adhesive Tape Group Co., Ltd. “....., much of the information claimed as confidential by the Applicants is not accompanied with summaries which may enable the reader to discern the points being agitated. The Application is replete with wrongful claims of confidentiality, but to illustrate, we highlight the following examples of information that has been unjustifiably withheld under the guise of confidentiality.....”</p>	<p>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. However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provide reasonable understanding of the substance, are been placed in public file for review and copying of the interested parties</p>
<p>COMMENTS BY KHAWAJA ADHESIVE TAPES PVT LTD ON SEPTEMBER 13,2024. Since we were unable to compete with dumped imports, we were left with no other choice but to closed down the said unit, thus depriving the government of Pakistan from various taxes, unemployment, and incurring huge loss. Due to closure of the unit because of dumped imports, we are unable to provide you with the data at this point in time.</p>	<p>The Commission has complied provisions of Anti-Dumping Duties Act 2015</p>
<p>COMMENTS BY DYNAMIC INCORPORATED LTD. I believe that the introduction of such duties in this case will have unintended negative consequences that outweigh the intended benefits. the imposition of antidumping duties on BOPP packing tape jumbo rolls will lead to increase costs for the entire industrial sector of Pakistan and ultimately resulting in higher prices across the board for all the consumers, be it an industry, a small business or a <i>common household in need of packing tape. the imposition of anti-dumping duties will result in grinding halt to import of BOPP packing tape jumbo rolls which will cause a staggering loss of revenue of above Rs. 2,800,000,000/- to the national exchequer in form of duties and taxes</i> No Price Effects <i>The imports of the Investigated Product have had no effect on the price of the domestic like product within</i></p>	<p>The Commission has complied provisions of Anti-Dumping Duties Act 2015</p> <p>The Commission has determined price effects as per Section 15 of the Act</p>

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the meaning of Section 15 of the Act.....Price undercutting occurs where the price of the Investigated Product is lower than the price of the domestic like product. In the subject case, however, the price of the Investigated Product has consistently been higher than that of the domestic equivalent throughout the POI.....”

“The Imposition of Anti-Dumping Duties is Not in the Public Interest.

It must be highlighted that the Domestic Industry is currently incapable of fulfilling the local demand for the Investigated Product. The domestic market requires approximately 1200 metric tonnes of BOPP Tape per month, while the Domestic Industry currently operates at a production capacity of only 600 metric tonnes per month.....

III. The Domestic Industry is Unable to Compete with the Investigated Product in Terms of Quality.

Under Section 18 of the Act, it is clearly outlined that injury caused by factors other than dumped imports must not be attributed to those imports. The obligation is on the Commission to carry out a comprehensive and holistic examination of all relevant factors that could be affecting the industry, such as changes in consumer preferences, technological advancements, costs of production, and economic conditions. This ensures that anti-dumping measures are imposed only where there is a genuine causal link between the dumped imports and the material injury being claimed by the Domestic Industry.....

Therefore, the Commission must establish a genuine causal link between the dumped imports and the material injury being claimed by the Domestic Industry, who may only be a victim of their inability to compete due to quality, and are attempting to use the subject Investigation as a way to edge the Investigated Product out of the market.

IV. The Domestic Industry is not a Nascent Industry.

The claim by the Domestic Industry that they are a nascent or unestablished entity within the BOPP Tape market does not stand up to scrutiny, as their prior involvement in the production of other types of tapes is well-established. This demonstrates that the Domestic Industry already possessed the requisite technical capabilities, machinery, and market knowledge for BOPP Tape production. They were involved in every key aspect of producing tapes and like products, from

The Commission has complied provisions of Anti-Dumping Duties Act 2015

The Commission has determined injury to the domestic industry in accordance with Part VI of the Act

Determination of the Commission regarding ‘nascent industry’ is provided at paragraph 28 of the report.

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<p><i>sourcing raw materials and operating machinery to managing quality standards and engaging in sales and distribution activities. What has changed is not the entry into an entirely new field of production, but rather a shift in marketing and sales strategy. This adjustment does not constitute the development of a new product line, and is inconsistent with the claim that they are an unestablished player in the market. On the contrary, this shift should be seen as leveraging existing production capacity and technical experience to diversify the types of products offered. Their claim to be a new or struggling industry, therefore, does not hold, as they are already embedded in the supply chain and production ecosystem for tape, albeit in a slightly different segment.....</i></p>	
<p>Views/Comments of All Pakistan Self Adhesive Tape Manufacturers Association.</p> <p>The contents of the submission are entirely based on the (i) limited information available in the Non-Confidential Version of the Application, and (ii) information otherwise publicly available. 2.6.3. The Respondents have not been provided with copies of the audited financial statements relied upon by the Applicant. Even assuming these are confidential, no non-confidential versions have been shared, as required under Section 31 of the Act. Additionally, efforts to obtain the Applicant's annual reports from the Company Registration Offices were unsuccessful, as the Applicant has not filed them, violating the statutory requirements of the Companies Act, 2017.....</p> <p>The Domestic Industry secured a 10% market share by the end of the POI, demonstrating significant entry into a market previously dominated by imports. Despite production fluctuations, the Domestic Industry has shown steady operations. These variations are attributed to broader economic instability rather than internal shortcomings.</p> <p>Severe economic conditions in Pakistan during the POI, including high inflation and currency devaluation, impacted all businesses. The industry's ability to operate and grow under these challenging conditions indicates its established status.</p> <p>The Domestic Industry has developed necessary infrastructure and competed effectively against well-established importers, showcasing its operational</p>	<p>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. However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provide reasonable understanding of the substance, are been placed in public file for review and copying of the interested parties</p> <p>Injury to the domestic industry is determined in accordance with provisions of the Act. Please refer Part C of the report.</p>

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maturity.
Incremental market share growth highlights the industry's potential and ongoing progress. The Domestic Industry's establishment is evident from its resilience, market presence, and capacity for future growth.
Material retardation investigations require assessing if dumped imports have specifically delayed industry development. The limited POI (just over a year) is insufficient to evaluate long-term industry performance. The industry's projections and feasibility studies, while useful, must be balanced against realistic market conditions and not solely relied upon for assessing retardation.
The domestic market relied heavily on imports before the Domestic Industry emerged. Importers had solidified their market position long before the domestic production began, which explains their continued dominance rather than any material retardation caused by imports.
Initial projections for market share were overly ambitious. The domestic industry's modest growth of 7% market share is a significant achievement given the competitive environment.
The Domestic Industry's financial struggles and lower profitability are likely due to internal strategic decisions and competitive pressures, not solely from import competition. The Domestic Industry's difficulties reflect normal challenges faced by new market entrants.
The Commission must thoroughly examine all factors affecting the domestic industry, including economic conditions, technological developments, and internal industry practices, before making any determinations.
Given the lack of substantial evidence linking alleged dumping to the Domestic Industry's difficulties, and considering the broader economic context, imposing anti-dumping duties would be unjustified. Such measures would not address the root causes of the domestic industry's issues but would instead hinder free trade and economic growth.
The Applicant is already significantly protected through an exorbitant duty structure.
The imposition of anti-dumping duties in such circumstances would not serve the public interest and, thus, fall foul of the purpose of the Act.

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<p>OTHER INJURY FACTORS</p> <p>Effects of Other Known Factors on the Applicants</p> <p>If the Commission decides to move forward with the Investigation, the demonstration of a causal relationship between the dumped imports and the injury to the Applicants is to be based on an examination of all relevant factors before it. The Commission is duty bound to examine any known factors other than dumped imports which at the same time are injuring the Applicants, and the injuries caused by these factors must not be attributed to dumped imports.....</p> <p>As discussed above, the factors to consider are non-exhaustive. The Applicants' conduct within the Application is far too restrictive, arbitrarily analysing factors such as technological development and export performance of the domestic industry, which are not relevant to the Application, but failed to take into account all possible factors which may have caused harm to the Domestic Industry and had an effect on the current case.</p> <p>These include market entry challenges, competitive market dynamics, inherent production inefficiencies when establishing a new industry, among several others that the Applicants failed to consider.</p> <p>Thus, there are several factors for the Applicants struggling as they attempt to establish domestic production of BOPP, which cannot be attributed to the presence of imported product in the market, as per Section 18 of the Act.</p> <p>Given the domestic market's longstanding reliance on imported products due to the previous absence of a domestic BOPP Tape industry, it is reasonable to conclude that importers had established a strong and entrenched market position long before the domestic industry began production. This established dominance likely allowed foreign producers to maintain a solid foothold, contributing to the continued dominance of imported goods, irrespective of the recent emergence of domestic alternatives.</p> <p>Assessing the material injury over a POI spanning just over a year also presents inherent limitations. A single year is often an insufficient timeframe to accurately evaluate the health or performance of a new business, particularly one that is the sole domestic producer in a market previously dominated by imports. Market</p>	<p>The Commission has complied with provision of the Act and has also examined other factors. Please refer paragraph 46 of the report</p>
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dynamics evolve over time, and a more extended period is typically required to reflect any significant changes in the volume of imports or shifts in market share. The Applicants' reliance on a short POI to draw conclusions about market conditions is problematic at best and misleading at worst, as it fails to account for the gradual and unpredictable nature of market changes.

While projections and early performance indicators may appear promising, they should not be considered reliable metrics for evaluating long-term business success. Given the nascent stage of the Domestic Industry, any conclusions drawn from this limited POI should be approached with caution.

The established expertise and infrastructure of foreign importers further complicate the Applicants' claims. Producers of the Investigated Product have been operating for much longer than the Applicants and possess the necessary technical expertise and production capacity to meet domestic demand efficiently. This competitive advantage, combined with the solid market position that these producers have cultivated over time, results in a continued high volume of imports. Thus, the high level of imports observed during the POI is not necessarily indicative of dumping practices but rather reflects the foreign producers' ability to cater to domestic demand where the newly established Domestic Industry is still catching up in terms of production capacity and market presence.

Nevertheless, the Domestic Industry had managed to capture market share over the POI. This growth demonstrates the Domestic Industry's potential, but it also underscores the challenges of competing in a market previously reliant on imported goods. While the Applicants argue that alleged dumping has hindered their ability to capture a larger share of the market, the reality is that importers have solidified their presence over time, creating barriers for new entrants. The Domestic Industry's ability to expand its market share, despite these obstacles, suggests that it is not entirely impeded by foreign competition. Rather, the incremental growth in market share during the POI is likely reflective of the natural challenges faced by any new industry seeking to establish itself in an entrenched market.

Similarly, the Applicants provide a comparison

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between their projected and actual performance, indicating a discrepancy between expectations and outcomes. While the projected figures were ambitious, capturing a 43% market share near the beginning of production was unrealistic. The Domestic Industry did manage to increase its market share by 7%, a significant achievement for a new entrant, but the Applicants' reliance on projections as a benchmark for success is misguided. It is well understood that new businesses, particularly those competing against established players, often face challenges in realizing their initial performance targets. As such, the Applicants' claims of underperformance during the POI should be viewed in the context of normal competitive pressures, rather than as evidence of material injury caused by imported products.

The Applicants also assert that the presence of imported BOPP Tape forced them to adopt a lower pricing structure, negatively impacting their profitability due to reduced capacity utilisation. Firstly, this assertion is incorrect. The Landed Cost of the Investigated Product is much higher than the price of the Domestic Like Product. Even otherwise, this argument overlooks the fact that the Applicants would have been aware of the market's pricing dynamics before entering production. If the domestic industry was not equipped to compete effectively at the prevailing price levels, it raises questions about their financial and strategic decisions. The domestic industry's profitability issues cannot be solely attributed to the competitive pricing of imported products. Instead, it appears that their financial struggles are, at least in part, a consequence of their own internal decisions and the natural challenges of market entry. It is disingenuous for the Applicants to place the blame entirely on importers for their lack of profitability.

In evaluating claims of material retardation, it is essential to consider the broader economic context. During the POI, Pakistan experienced severe economic challenges, including extreme inflation, currency devaluation, and overall financial instability. In January 2023, the removal of the artificial currency cap led to a 20% devaluation against the dollar. Inflation rates soared to unprecedented levels, with the CPI reaching 31.5%—the highest in 50 years. By March 2023, food inflation rates had escalated to 47.1% in urban areas and 50.2% in rural areas, with

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the CPI climbing to 35.4%. Pakistan's sovereign credit rating was downgraded, further straining business operations.

Given these severe economic conditions, the material retardation experienced by the Applicant, if any, can be more accurately attributed to these external macroeconomic pressures rather than imports. Holding imports solely responsible for the Applicant's difficulties during this period overlooks the broader economic context. The macroeconomic challenges had a profound impact on all businesses, and any lack of development or failure to achieve desired success should be viewed as a response to these pressures rather than material retardation caused by imports.

EXISTING TARIFF STRUCTURE

There is ample protection provided to the Domestic Industry in the form of existing duty structure. The duty structure provided by the Applicant is completely convoluted by simply putting certain import duties to a maximum of 36% i.e., (customs duty = 20%, additional customs duty 6%, regulatory duty 10%. However, the impact of import duties is much higher than this as per the Respondents. Customs duty of 20% is first imposed on the C&F/CIF price of the Investigated Product. The increased value of the Investigated Product is then taxed at 6% additional customs duty and thereafter adding the sales tax and withholding income tax, the final price of the Investigated Product is subject to 10% regulatory duty. Accordingly, the impact of duties is much higher (i.e., 48%) than what has been claimed by the Domestic Industry. This clearly reflects that in terms of pricing, the exporters/importers of the Investigated Product are already handicapped and further imposition of definitive anti-dumping duties, will create an unequal playing field for the exporters.

PUBLIC INTEREST

The preamble to the Act stipulates that anti-dumping duties are only to be imposed if such imposition offsets injurious dumping and is in the public interest. The preamble of the Act provides as follows:

"Whereas it is expedient to give effect in Pakistan to the provisions of Article VI of the General Agreement on Tariffs and Trade, 1994, and to the Agreement on Implementation thereof and to amend and consolidate the law relating to imposition of anti-dumping duties to

The Commission has complied with Section 43 of the Act and the provisional anti-dumping duty is imposed lower than the dumping margin to guard interests of all stakeholders

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<p><i>offset such dumping, to provide a framework for investigation and determination of dumping and injury in respect of goods imported into Pakistan and for matters ancillary thereto or connected therewith; <u>And whereas the imposition of anti-dumping duties to offset injurious dumping is in the public interest;</u> And whereas it is expedient to provide for certain reforms in the Anti-Dumping Duties Ordinance, 2000 (LXV of 2000), by repealing the said Ordinance and re-enacting the law for the purposes hereinafter appearing,”</i> <i>(Emphasis added)</i></p> <p>Accordingly, in view of what has been stated herein, the Commission must remain cognisant that any imposition of anti-dumping duties on the Investigated Product would not serve the public interest as no injury to the Applicants is being caused.</p> <p>The Pakistani national interest would not be served by the Commission choosing to pursue this Application. It should be noted that the industrial users of the Investigated Product and downstream industries will suffer through the price increase that would occur as a result of measures being imposed against imports.</p> <p>It is in the interest of the domestic users, the general public, Pakistan’s trade relations with other countries, and the nation at large that the current Investigation should be terminated immediately as there is no substantial basis for continuation of the same.</p>	
<ul style="list-style-type: none">• The C&F price of the Investigated Product has consistently ranged between 1.2 to 1.35 USD/kg during the POI.• In contrast, the assessed values under successive valuation rulings have been significantly higher, ranging between 1.5 to 1.71 USD/kg, as detailed below:<ul style="list-style-type: none">o Valuation Ruling No. 1588/2022 dated 14 ..01-2022: Assessed value of 1.68 USD/kg remaining in place for 290 days of the POI;o Valuation Ruling No. 1818/2023 dated 18-10-2023: Assessed value of 1.71 USD/kg remaining in place for 142 days of the POI;o Valuation Ruling No. 1865/2024 dated 08-03-2024: Assessed value of 1.5 USD/kg remaining in place for 114 days of the POI. <p>This disparity highlights that, throughout the POI, the Investigated Product has been subject to duties</p>	<p>The Commission has taken care of the difference between import price and the assessed price by the Pakistan Customs. For this purpose, the Commission has relied upon the information provided by the exporter i.e. M/s Fujian Youyi Adhesive Tape Group Co., Ltd., China, which is verified by the Commission</p>

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<p>calculated on an inflated assessed value that is significantly higher than its actual C&F value. Consequently, these imports already bear a higher cost burden.</p> <p>The imposition of additional anti-dumping duties under these circumstances would not only further exacerbate the existing disparity but also create an uneven playing field, unduly favouring the Domestic Industry. Such a course of action would run counter to the legislation's fundamental purpose of ensuring fair competition and protecting the public interest.</p> <p>Importantly, it must be emphasized that the Investigated Product is an intermediate input, not a final consumer good. Industries relying on the Investigated Product for further processing require equitable support from the Commission to remain competitive and sustain their contributions to the broader economic ecosystem. It is in this context that our client, the All-Pakistan Self Adhesive Tape Manufacturers Association, advocates on behalf of its members, who collectively employ over 3,000 individuals across Pakistan. The Engineering Development Board has also recognised the pivotal role played by these industries, with several members included in its Revised List of Locally Manufactured Goods, issued on 04-03-2024</p> <p>Imposing additional costs on these industries through further duties would disrupt their operations and weaken the downstream supply chain, with, 'as the Commission would appreciate, broader implications for economic stability and industrial growth.</p>	
<p>COMMENTS BY CHHATRIWALA PVT LTD ON 19 SEPTEMBER ,2024.</p> <p><i>“Universal Coating Films Pvt Ltd imports substandard materials such as Plastic compound and glue for the tape therefore its product does not match the standard of imported tapes available in the all over the country and while the imported tapes are cheapest than the product of Universal Coating Films (Pvt) Ltd., and the mentioned company has only the coating facility and they declares manufacturer of tapes while the company is incapable of meeting all packaging demands of the local market on its own due to his high rate than the price of China origin tape.</i></p> <p><i>Hence in light of the above, I'd recommend to look into all the facts and figures which will lead to the conclusion that the anti-dumping duty proposed on Bopp Jumbo Roll is unjustified.”</i></p>	<p>The Commission has determined like products in accordance with provisions of the Act.</p>