



**Government of Pakistan
National Tariff Commission**

**REPORT
ON**

**PRELIMINARY DETERMINATION IN ANTIDUMPING
INVESTIGATION AGAINST DUMPED IMPORTS OF
POLYESTER STAPLE FIBRE (NOT EXCEEDING 2.0
DENIER) INTO PAKISTAN ORIGINATING IN AND/OR
EXPORTED FROM CHINESE TAIPEI, THE REPUBLIC OF
INDONESIA AND THE KINGDOM OF THAILAND**

A.D.C No. 59/2021/NTC/PSF

July 30, 2021

The National Tariff Commission (the “Commission”) having regard to the Anti-Dumping Duties Act, 2015 (the “Act”) and the Anti-Dumping Duties Rules, 2001 (the “Rules”) relating to investigation and determination of dumping of goods into the Islamic Republic of Pakistan (“Pakistan”), material injury to the domestic industry caused by such imports, and imposition of antidumping duties to offset the impact of such injurious dumping, and to ensure fair competition thereof and to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the “Agreement on Antidumping”).

2. The Commission is conducting this investigation, on imports of Polyester Staple Fibre, PCT No. 5503.2010 (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber) (“PSF”) into Pakistan Originating in and/or exported from Chinese Taipei, the Republic of Indonesia and the Kingdom of Thailand under the Act and the Rules. The Commission has made preliminary determination in this investigation under Section 37 of the Act. This report on preliminary determination has been issued in accordance with the Rule 10 of the Rules.

3. 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 February 06, 2021. The preliminary determination is based on the information available to the Commission at this time.

A. PROCEDURE

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

5. **Receipt of Application:**

5.1 On December 14, 2020, the Commission received a written application under Section 20 of the Act from M/s Ibrahim Fibres Limited, and M/s ICI Pakistan Limited, (the “Applicants”). The Applicants have alleged that PSF originating in and/or exported from Chinese Taipei, the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand is being dumped into Pakistan, which has caused and is causing material injury to the domestic industry producing PSF.

5.2 The Commission informed the Diplomatic Missions of Chinese Taipei, the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand through note verbal(s) dated December 18, 2020 of the receipt of application in accordance with the requirements of Section 21 of the Act.

6. Evaluation and Examination of the Application:

6.1 The examination of the application showed that it met the requirements of Section 20 of the Act as it contained sufficient evidence of dumping of PSF into Pakistan from Chinese Taipei, the Republic of Indonesia and the Kingdom of Thailand and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

6.2 The Commission found that volume of alleged dumped imports of investigated product from the Republic of Korea account for less than three percent of total imports of a like product i.e. 2.03 percent, therefore anti-dumping investigation will not be initiated against the Republic of Korea.

7. The Domestic Industry:

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

“domestic industry” means the domestic producers as a whole of a domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product, except that when any such domestic producers are related to the exporters or importers, or are themselves importers of the allegedly dumped investigated product in such a case “domestic industry” shall 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”.

7.2 The domestic PSF manufacturing industry comprises of three Units i.e. M/s. ICI Pakistan Limited, M/s Ibrahim Fibers Limited and M/s Rupali Polyester Limited having installed production capacity of 537,347 MT per annum on three shifts basis. The Applicants constitute 95 percent of the domestic production and their installed production capacity is 512,600 MT per annum on three shifts basis.

7.3 The importers have objected the initiation of the investigation on the grounds that one of the Applicant namely M/s ICI Pakistan Limited did not qualify as domestic industry in view of the exceptions contained in the definition of the term ‘domestic industry’ in Section 2(d) of the Act. They have referred to provision of Section 2(d) of the Act and Article 4 of the Agreement on Anti-dumping in order to explain the requirements of control for exclusion from the definition of domestic industry. Section 2(d) reads as follows;

“Producers shall be deemed to be related to exporter or importer only if:

- (a) One of them is directly or indirectly controls the other;*
- (b) Both of them are directly or indirectly controlled by a third person; or*
- (c) 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. For the purpose of this paragraph, one shall be deemed to control another when the former is legally or operationally in a position to exercise restraint or direction over the later.”

7.4 In this regard it is held that the exclusion of any producer from domestic industry is dependent upon the expected behavior of the firm concerned. In case it is suspected that the firm would jeopardize the interest of other domestic producers by way of its interests in imports, only then such firm would be excluded from the domestic industry. It is also important to note that the expected behavior of the firm concerned is in relation to anti-dumping application and not the marketing behavior of the firm. In this regard the practice and standards being followed by other traditional users of anti-dumping law and the history of the WTO negotiations has been considered by the Commission. In this regard a famous lawyer in the field of antidumping with the name of Van Beal & Bellis in his book titled “Antidumping and other Trade Protection Laws of the EC” has clarified this issue of imports by related companies with reference to the EC (European Commission) practice. As per page 202 of the book, “A community producer is held to be an importer regardless of whether it imports directly or through related trading companies. However, when assessing its conduct, indirect imports are relevant only as long as the related importer supplies the community producer or acts in coordination with it”. A reference is also made to EU antidumping investigation of “Quarto Plates” in which the Commission found that none of the producers had themselves imported the products. All imports were carried out by a trading company belonging to the same corporate group as one complaining producer. However, this company was found to act independently. Based on the structure of the group, each company would maintain its own financial accounts, submit separate annual reports and have no profit or loss transfer agreement with the holding company. Furthermore, the two companies filed separate income tax returns, has its own board of directors and conduct business relations with other companies at arm’s length. The EC therefore, concluded that the imports could not affect the status of the producers concerned.

7.5 In this regard a reference to “A Handbook of Anti-Dumping Investigations” by Judith Czako, John Human and Jorge Miranda would not be out of place. The handbook lists following factors for deciding upon the exclusion of producer/related producer from the domestic industry:

“The basis of whether related parties should be excluded typically arises in the context of (a) multinational enterprises with both foreign and domestic production of goods at issue in the investigation, or (b) the entities that import the allegedly dumped goods.”

“Among the criteria that have been considered by members in deciding whether to exclude related parties are:

- i. Whether imports of the product in question by the related producers allow them to benefit, or serve to shield them, from the effects of dumping;
- ii. Whether exclusion of related parties would unduly skew the data for the remaining members of the industry;
- iii. The level of long-term nature of the commitment shown by the producer to domestic production, as opposed to importing activities; and
- iv. The ratio of import shipments to domestic production for the related producers.

7.6 It is also to be noted that the expected behavior is dependent upon the interest of the producer concerned. In this regard it is held that this provision may hold good when the related parties of M/s ICI Pakistan Limited have imported the product concerned at lower prices from the dumped sources and has sold either to ICI Pakistan Limited or in the domestic market under the instructions of ICI Pakistan Limited. M/s Gadoon Textiles Mills and M/s Yunus Textiles Mills imported *** MT from the Exporting Countries for their own use. The import was not under the instruction from ICI Pakistan Limited nor sold the imported product to ICI Pakistan Limited or in the domestic market. ICI Pakistan Limited is an independent entity maintaining its own financial accounts, submits separate income tax returns, has no profit and loss transfer agreement with M/s Gadoon Textiles Mills and M/s Yunus Textiles Mills. M/s ICI Pakistan Ltd, M/s Gadoon Textiles Mills and M/s Yunus Textiles Mills are the part of Yunus Brothers Group and have few common Directors. Therefore, there are no grounds to exclude ICI Pakistan Limited from the definition of the domestic industry. Above all, ICI Pakistan Limited is the major producer and its share in domestic production during the POI was 31%. Surely it cannot work differently than the other producers of PSF.

7.7 Based on the above referred proviso, any related producer will only be excluded from the definition of the domestic industry when there are grounds to believe that the relationship has caused the related producer to behave differently from non-related producer. When it is established that related producer has not behaved differently from non-related producer, it cannot be excluded from the definition of the domestic industry. The proviso given in the Section is of great importance as the relevant Section only becomes operative when the given proviso holds good.

7.8 Hence by ignoring the provisions given in a particular Section, the respective Section itself remains inoperative in a particular situation. Therefore, while defining the domestic industry, one cannot ignore the proviso to Section 2(d) of the Act. Had there been no importance of such proviso, different Antidumping Authorities would not have developed comprehensive criteria for the evaluation of whether the related producer behaves differently from non-related producer or not.

7.9 It is therefore, held that in spite of the fact that M/s ICI Pakistan Limited is assumed as associated producer, even then, the Commission has, determined that it cannot be excluded from the definition of the domestic industry in the light of the above and foregoing explanations.

8. Standing of the Application:

8.1 In terms of Section 24(1) of the Act,

“.... an application shall be considered to have been made by or on behalf of the domestic industry only if it is supported by those domestic producers whose collective output constitutes more than fifty percent of the total production of a domestic like product produced by that portion of the domestic industry expressing either support for or opposition to the application.”

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

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

8.2 The Applicants are major domestic producers of PSF in Pakistan. The Applicants produced 95 percent of total domestic production of PSF during the period from October 01, 2019 to September 30, 2020. Details of the production of PSF by the domestic industry are as follows:

**Table – I
Standing of Application**

S. No	Unit Name	Share in total production (% of total)	Status
i.	M/s ICI Pakistan Limited	31%	Applicant
ii.	M/s Ibrahim Fibers Limited	64%	Applicant
iii.	M/s Rupali Polyester Limited	5%	Supporting
	Total	100%	

Source: the domestic industry.

8.3 The Applicants represent 95% of the total domestic production by the domestic industry and supported by Rupali Polyester Ltd. which accounts for 5% of total domestic production. The Application is supported by 100% of the producers who are expressing

their opinion on application thus the standing requirements as given in the Section 24 of the Act are met and it is determined that the application is made by or on behalf of the domestic industry.

8.4 It may be noted that Khalis Fibres Ltd, T & N Group and EVM were excluded from the domestic manufacturers list as all three of these domestic manufacturers produce regenerated Polyester Staple Fiber which does not come under the scope of the investigated product. On the other hand, Pakistan Synthetic Ltd. from October 2016 onwards does not produce Polyester Staple Fiber and has moved its production to other products which include PET resin, preforms, plastic and crown caps.

9. **Applicants' Views:**

9.1 The Applicants, *inter alia*, raised the following issues in application regarding alleged dumping of PSF and material injury to the domestic industry caused therefrom:

- i. PSF imported from Chinese Taipei, the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand into Pakistan and PSF produced in Pakistan by the domestic industry are like products;
- ii. Exporters/producers from Chinese Taipei, the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand are exporting PSF to Pakistan at dumped prices; and
- iii. Exports of PSF by the exporters/producers from Chinese Taipei, the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand to Pakistan at dumped prices has caused and is causing material injury to the domestic industry producing PSF.

9.2 The Applicants requested the Commission to address the injury, caused to the domestic industry, by initiation of an anti-dumping investigation against dumped imports of PSF from Chinese Taipei, the Republic of Indonesia, the Republic of Korea and the Kingdom of Thailand and impose anti-dumping duties on these alleged dumped imports. It has also been requested that provisional anti-dumping measures may be imposed to prevent injury being caused during the course of investigation.

10. **Exporters/Producers of PSF:**

The Applicants have identified 41 exporters/ producers involved in alleged dumping of the investigated product from Chinese Taipei, Republic of Indonesia, Republic of Korea and Kingdom of Thailand. The Applicants have stated that there may be other exporters/ producers of the investigated product, which are not known to them, therefore, the Applicants have requested for imposition of antidumping duty on all imports of the investigated product originating in and/or exported from Chinese Taipei, the Republic of Indonesia, the Republic of Korea and Kingdom of Thailand.

11. Anti-dumping Duties In-place on Dumped Imports of PSF:

11.1 The Commission imposed following definitive anti-dumping duties on dumped imports of PSF, importable from the People’s Republic of China (“China”), for a period of five years effective from October 03, 2015 on the basis that the domestic industry suffered material injury during the POI:

**Table – II
Definitive Anti-Dumping Duty Rates**

Exporter/ Producer from China	Antidumping Duty Rates (%)
Shanghai Hengyi Polyester Fiber Co., Limited	7.88
Jiangyin Huahong Chemical Fiber Co., Limited	2.82
Jiangyin Hailun Chemical Fiber Co., Limited	8.22
Xiamen Xianglu Chemical Fiber Co. Limited	7.81
Fujian Zhengqi High-Tech Fiber Technology Co. Limited	7.72
All other exporters	11.51

11.2 The Commission under Sections 58 and 59 of the Act, 2015 initiated sunset and change circumstance review on October 02, 2020 to determine whether expiry of the above anti-dumping duty imposed on dumped imports of PSF from China would likely to lead to continuation or recurrence of dumping and injury, and whether change of circumstances warrants continuation, removal or amendment of the anti-dumping duty.

11.3 The sunset and change circumstances reviews are still under process.

12. Initiation of Investigation:

12.1 The Commission, in accordance with Section 23 of the Act examined the accuracy and adequacy of the evidence provided in application, and established that the volume of alleged dumped imports of investigated product from the Republic of Korea found to account for less than three percent of total imports of a like product i.e. 2.03 percent, therefore anti-dumping investigation was not initiated against the Republic of Korea. Further, there is sufficient evidence of alleged dumping of PSF into Pakistan from Chinese Taipei, the Republic of Indonesia, and the Kingdom of Thailand (the “Exporting Countries”) and consequent material injury to the domestic industry. Accordingly, 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) February 06, 2021. Investigation concerning alleged dumped imports of PSF into Pakistan {classified under

¹ The official Gazette of Pakistan (Extraordinary) dated February 06, 2021.

² The ‘Business Recorded’ and the ‘Daily Assas’ of February 06, 2021.

³ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

PCT No³. 5503.2010} originating in and/or exported from the Exporting Countries was thus initiated on February 06, 2021.

12.2 In pursuance of Section 27 of the Act, the Commission notified the Diplomatic Missions of the Exporting Countries of the initiation of investigation (by sending a copy of the notice of initiation) on February 08, 2021 with a request to forward it to all exporters/producers involved in production, sales and export of PSF from their respective countries. Copy of the notice of initiation was also sent on February 11, 2021 to known exporters/producers of PSF from the Exporting Countries whose addresses were available with the Commission with a request to be registered as an interested party in the investigation with-in 15 days of publication of the notice. Copy of the notice of initiation was also sent to known Pakistani importers and the Applicants on February 11, 2021.

12.3 In accordance with Section 28 of the Act, on February 11, 2021 the Commission sent copy of full text of the written application (non-confidential version) and Exporter's Questionnaire to the exporters/producers of the Exporting Countries. On February 11, 2021, copy of the full text of the written application along with Exporter's Questionnaire was also sent to Diplomatic Missions of the Exporting Countries in Pakistan with a request to forward it to all exporters/producers involved in production and/or sale/export of PSF from their respective country. The Importer's Questionnaire was also sent to the importers of PSF on February 11, 2021.

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

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

- i. **Investigated Product:**
“a product, which is subject to an antidumping investigation as described in the notice of initiation of the investigation”.
- ii. **Domestic Like Product:**
“means a like product that is produced by the domestic industry”.
- iii. **Like Product:**
“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 identified as follows:

13.3 Investigated Product:

13.3.1 The investigated product is Polyester Staple Fibre (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber) originating in and/or exported from the Exporting Countries to Pakistan. It is classified under PCT No. 5503.2010. It is generally used in production of blended yarn and pure polyester sewing thread. The blended yarn is used to produce woven and knitted fabrics.

13.3.2 Tariff structure for the financial year 2021-22 applicable on import of PSF is given in the following table:

**Table – III
Tariff Structure of Polyester Staple Fiber**

Tariff Structure 2021 – 22					
PCT Code	Description	CD	ACD	RD	Concessions/ FTA Rates
5503.2010	Synthetic staple fibers, not carded, combed or otherwise processed for spinning -of polyesters --- of polyesters not exceeding 2.22 decitex	11%	2%*	0%	Fifth sch Pt_III CD 7%, SAFTA 5%

* exempted in 5th schedule

13.4 Domestic Like Product:

13.4.1 Under the Section 2(f) of the Act, “Domestic Like Product” means a like product that is produced by the domestic industry.

13.4.2 The domestic like product is Polyester Staple Fibre (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber), produced by the domestic industry. The domestic like product is also classified under PCT No. 5503.2010. The domestic like product is generally used in production of blended yarn and Pure Polyester sewing thread. The blended yarn is used to produce woven and knitted fabrics Major uses of the domestic like product are, therefore, identical to those of the investigated product.

13.5 Like Product:

Polyester Staple Fibre (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber) produced by the domestic industry and imported from the Exporting Countries is comparable in terms of physical and chemical characteristics, product specifications, chemical formulation, end uses and tariff classification of the goods etc. Investigated product and domestic like product are technically and commercially identical. Domestically produced PSF and imported PSF are classified under the same PCT/HS Heading No. 5503.2010.

13.6 In light of the above, the Commission has determined that the investigated product and the domestic like product are like products.

14. **Period of Investigation:**

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

i. *“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.”*

ii. *“for the purposes of an investigation of injury, the investigation period shall normally cover thirty-six months:*

“Provided that the Commission may at its sole discretion, select a shorter or longer period if it deems it appropriate in view of the available information regarding domestic industry and an investigated product”.

14.2 The Commission received the application on December 14, 2020 and initiated the investigation on February 06, 2021. The Applicants have provided the information/data and evidences up till September 30, 2020 in the application. Therefore, to fulfill the requirement of Section 36 of the Act, the POI selected by the Commission for dumping and injury are, as follows:

For determination of dumping: From October 01, 2019 to September 30, 2020

For determination of injury: From October 01, 2017 to September 30, 2020

15. **Information/Data Gathering:**

15.1 The Commission sent questionnaires on February 11, 2021 to the Diplomatic Missions of the Exporting Countries in Islamabad with a request to forward it to all exporters/ producers of the investigated product in their respective country. Exporter’s questionnaire was also sent directly to exporters/ producers based in the Exporting Countries whose addresses were available to the Commission on February 11, 2021 for collection of data and information necessary for this investigation. The exporters/ producers were asked to supply information within 37 days of the dispatch of questionnaire.

15.2 The following six exporters/ producers responded to the Commission’s request for supplying information on the prescribed Exporter’s Questionnaire and requested for extension in time period (beyond 37 days) for submission of information:

Preliminary Determination in Anti-dumping Investigation against Dumped Imports of PSF into Pakistan Originating in and/or exported from Chinese Taipei, the Republic of Indonesia and the Kingdom of Thailand

- i. Chung Shing Textile Marketing Limited, Chinese Taipei;
- ii. PT. Indorama Polychem, Indonesia;
- iii. PT. Indorama Synthetics TBK, Indonesia;
- iv. Indorama Polyester Industries Public Company Limited, Thailand;
- v. Kangwal Polyester Co. Limited, Thailand; and
- vi. Sunflag Thailand Limited, Thailand.

15.3 After taking into account the due cause shown by these exporters/ producers in their requests, the Commission acceded to the requests and granted extension in time period for submission of information on Exporter’s Questionnaire till April 30, 2021. Filled-in Exporter’s Questionnaires from these exporters were received at the Commission on April 30, 2021. Upon examination of the information received from these exporters/ producers, certain deficiencies were found in the information supplied. These deficiencies were communicated to the exporters/ producers and were requested to supply the deficient information. The same was provided to the Commission.

15.4 The Commission also sent Questionnaire on May 03, 2021 to Rupali Polyester Pvt Limited, which is other domestic producer of PSF. Rupali Polyester Pvt Ltd provided the data/information to the Commission on May 21, 2021

15.5 On February 11, 2021, questionnaires were sent to Pakistani importers of the investigated product known to the Commission and the importers were asked to respond to the Commission within 37 days of the dispatch of the questionnaires. Following importers provided the data to the Commission:

- i. M/s Feroze 1888 Mills Limited;
- ii. M/s Naveena Group Export Limited;
- iii. M/s Master Textile Mills Limited;
- iv. M/s Masood Textiles Mills Limited;
- v. M/s N.M Corporation Private Limited;
- vi. M/s Nishat Chunian Limited;
- vii. M/s Fazal Cloth Mills Limited; and
- viii. M/s Ahmed Fine Textile Mills Limited.
- ix. M/s Ali Nawaz Textile (Pvt.) Limited.

15.6 No other exporters/producers from the Exporting Countries and importers mentioned above have responded to the Commission and did not provide requisite information within stipulated time period. Therefore, letters were issued to the non - cooperating exporters/producers and importers on June 15, 2021 explaining that, as no response of the questionnaire is submitted by them, therefore, Commission is constrained to make preliminary and/or final determination in this investigation on the basis of “Best Information Available” in terms of Section 32 of the Act.

15.7 The Commission has access to database of import statistics of Pakistan Revenue Automation Limited (“PRAL”), the data processing arm of the Federal Board of

Revenue, Government of Pakistan. For the purpose of this preliminary determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicants, the exporters and the importers.

15.8 Interested parties were also invited to make their views/comments and submit information (if any) relevant to this investigation within 45 days of initiation of investigation. Ministry of Trade, Government of Indonesia and Khyber-Pakhtunkhwa Textiles Mills Association has made comments /submitted information which has also been considered while making this preliminary determination.

15.9 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of preliminary determination of dumping and injury therefrom in this investigation.

16. **Questionnaire(s) Response from Chinese Taipei:**

Questionnaire Response by Chung Shing Textile Marketing Limited, Chinese Taipei

16.1 The Commission sent the Exporter's Questionnaire to Chung Shing Textile Marketing Limited, Chinese Taipei ("Chung Shing") on February 11, 2021. Chung Shing in its e-mail dated April 09, 2021 applied to the Commission for extension of time period for submission of response to questionnaire for 37 days. The Commission after considering the reasons given in the request for extension, granted the extension for 25 days vide its letter/email dated April 09, 2021. Chung Shing vide its e-mail dated April 14, 2021 again requested the Commission for extension of time period for submission of response to questionnaire. The Commission after considering the reasons given in the request for extension, granted the extension for 15 days vide its letter/email dated April 19, 2021. Chung Shing response was received in the Commission on April 29, 2021.

16.2 The information submitted by Chung Shing in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those deficiencies were communicated to Chung Shing vide the Commission's letter dated May 31, 2021. Chung Shing was asked to provide the deficient information/data by June 07, 2021. Chung Shing responded to the deficiencies vide its e-mail dated June 15, 2021. The information provided by Chung Shing was analyzed and again found deficient. The Commission informed Chung Shing with the deficiencies on June 17, 2021. Chung Shing Responded to the deficiencies on June 25, 2021. However, the same was still deficient and the Commission vide its letter dated July 01, 2021 asked for the deficient information. Chung Shing response in this regard was received on July 08, 2021 which is still deficient.

17. **Questionnaire(s) Response from the Republic of Indonesia:**

17.1 **Questionnaire Response by PT. Indorama Polychem, Indonesia**

17.1.1 The Commission sent Exporter's Questionnaire to PT. Indorama Polychem, Indonesia ("Indorama Polychem") on February 11, 2021. Indorama Polychem applied to the Commission in its letter dated March 18, 2021 for extension of time period for submission of response to questionnaire for one month. The Commission granted extension for two weeks vide its letter dated March 29, 2021 after considering the reasons given in the request for extension. Indorama Polychem vide its letter dated April 02, 2021 again requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted extension for 10 days vide its letter dated April 09, 2021. Indorama Polychem vide its letter dated April 12, 2021 requested the Commission for extension of time period for submission of response to questionnaire for two weeks. The Commission after considering the reasons given in the request for extension granted final extension for two weeks vide its letter dated April 19, 2021. Indorama Polychem response was received in the Commission on April 30, 2021.

17.1.2 The information submitted by Indorama Polychem in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated June 16, 2021. Indorama Polychem was asked to provide the deficient information/data no later than 09 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Indorama Polychem responded to the deficiencies vide its letter dated June 25, 2021. However, the same was still deficient and the Commission vide its letter dated July 08, 2021 asked for the deficient information. Indorama Polychem response in this regard was received on July 13, 2021.

17.2 **Questionnaire Response by PT. Indorama Synthetics TBK, Indonesia**

17.2.1 The Commission sent Exporter's Questionnaire to PT. Indorama Synthetics TBK, Indonesia ("Indorama Synthetics") on February 11, 2021. Indorama Synthetics applied to the Commission in its letter dated March 18, 2021 for extension of time period for submission of response to questionnaire for one month. The Commission granted extension for two weeks vide its letter dated March 29, 2021 after considering the reasons given in the request for extension. Indorama Synthetics vide its letter dated April 02, 2021 again requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted extension for 10 days vide its letter dated April 09, 2021. Indorama Synthetics vide its letter dated April 12, 2021 requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted final extension for 2 weeks vide its letter dated April 19, 2021. Indorama Synthetics response was received in the Commission on April 30, 2021.

17.2.2 The information submitted by Indorama Synthetics in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated June 16, 2021. Indorama Synthetics was asked to provide the deficient information/data no later than 09 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Indorama Synthetics responded to the deficiencies vide its letter dated June 25, 2021. However, the same was still deficient and the Commission vide its letter dated July 08, 2021 asked for the deficient information. Indorama Synthetics response in this regard was received on July 13, 2021.

18. Questionnaire(s) Response from the Kingdom of Thailand:

18.1 Questionnaire Response by Indorama Polyester Industries Public Company Limited, Thailand

18.1.1 The Commission sent Exporter's Questionnaire to Indorama Polyester Industries Public Company Limited, Thailand ("Indorama Polyester") on February 11, 2021. Indorama Polyester applied to the Commission in its letter dated March 18, 2021 for extension of time period for submission of response to questionnaire for one month. The Commission granted extension for two weeks vide its letter dated March 29, 2021 after considering the reasons given in the request for extension. Indorama Polyester vide its letter dated April 02, 2021 again requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted extension for 10 days vide its letter dated April 09, 2021. Indorama Polyester vide its letter dated April 12, 2021 requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted final extension for 2 weeks vide its letter dated April 19, 2021. Indorama Polyester response was received in the Commission on April 30, 2021.

18.1.2 The information submitted by Indorama Polyester in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated June 16, 2021. Indorama Polyester was asked to provide the deficient information/data no later than 09 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Indorama Polyester responded to the deficiencies vide its letter dated June 25, 2021. However, the same was still deficient and the Commission vide its letter dated July 08, 2021 asked for the deficient information. Indorama Polyester response in this regard was received on July 13, 2021.

18.2 Questionnaire Response by Kangwal Polyester Co. Limited, Thailand

18.2.1 The Commission sent Exporter's Questionnaire to Kangwal Polyester Co. Limited, Thailand ("Kangwal Polyester") on February 11, 2021. Kangwal Polyester applied to the Commission in its letter dated March 18, 2021 for extension of time period

for submission of response to questionnaire for one month. The Commission granted extension for two weeks vide its letter dated March 29, 2021 after considering the reasons given in the request for extension. Kangwal Polyester vide its letter dated April 02, 2021 again requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted extension for 10 days vide its letter dated April 09, 2021. Kangwal Polyester vide its letter dated April 12, 2021 requested the Commission for extension of time period for submission of response to questionnaire for 2 weeks. The Commission after considering the reasons given in the request for extension granted final extension for 2 weeks vide its letter dated April 19, 2021. Kangwal Polyester response was received in the Commission on April 30, 2021.

18.2.2 The information submitted by Kangwal Polyester in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated June 16, 2021. Kangwal Polyester was asked to provide the deficient information/data no later than 09 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Kangwal Polyester responded to the deficiencies vide its letter dated June 25, 2021.

18.3 Questionnaire Response by Sunflag Thailand Limited, Thailand

18.3.1 The Commission sent Exporter's Questionnaire to Sunflag Thailand Limited, Thailand ("Sunflag") on February 11, 2021. Sunflag applied to the Commission in its e-mail dated March 16, 2021 for extension of time period for submission of response to questionnaire for 30 days. The Commission granted extension for two weeks vide its letter dated March 29, 2021 after considering the reasons given in the request for extension. Sunflag vide its e-mail dated April 03, 2021 again requested the Commission for extension of time period for submission of response to questionnaire for 15 days. The Commission after considering the reasons given in the request for extension granted extension for 10 days vide its letter dated April 09, 2021. Sunflag response was received in the Commission on April 15, 2021.

18.3.2 The information submitted by Sunflag in response to the questionnaire was analyzed at the Commission and certain deficiencies were identified. Accordingly, those data deficiencies were communicated to it vide Commission's letter dated June 16, 2021. Indorama Polyester was asked to provide the deficient information/data no later than 09 days, so as to enable the Commission to consider and analyze the same for the purposes of this investigation. Sunflag responded to the deficiencies vide its letter dated July 01, 2021. However, the same was still deficient and the Commission vide its letter dated July 08, 2021 asked for the deficient information. Sunflag response in this regard was received on July 13, 2021.

19. Verification of the Information:

19.1 In terms of Sections 32(4) and 35 of the Act and Rule 12 of the Rules, during the course of an investigation, the Commission shall satisfy itself as to the accuracy of the information and for this purpose verify the information supplied by the interested parties. Accordingly, the Commission has satisfied itself as to the accuracy and adequacy of information supplied by the interested parties to the extent possible for the purposes of this preliminary determination.

19.2 The officers of the Commission conducted on-the-spot investigation at the plant(s) and office(s) of the Applicants and Rupali Polyester Ltd. in the Sunset and Change Circumstances Reviews against dumped imports of PSF from China and verified their respective data for the period July 2017 to June 2020. Since, in this investigation, the period of injury is from October 2017 to September 2020 and data of 33 months has already been verified, therefore, the Commission did not conduct on-the-spot investigation in this investigation. However, in order to verify the data for one quarter i.e. July - September 2021, certain clarifications were sought from Applicants and Rupali Polyester Ltd.

19.3 On-the-spot investigations at the premises of exporters/producers from the Exporting Countries, who provided information/data in response to the questionnaire would be conducted after this preliminary determination

20. 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 1100 hours to 1300 hours throughout the investigation (except public holidays). This file contains non-confidential versions of the application, responses to the questionnaires, submissions, notices, correspondence, and other documents for disclosure to the interested parties.

21. Confidentiality:

21.1 In terms of Section 31 of the Act, the Commission shall keep confidential any information submitted to it, which is by nature confidential, or determined by the Commission to be of confidential nature for any other reason, or provided as confidential by parties to an investigation, upon good cause shown to be kept confidential.

21.2 The Applicants have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, cash flow, growth, investment, salaries & wages, number of employees and capacity.

21.3 On the basis of request made by the Applicants, the Commission has determined the confidentiality in light of Section 31 of the Act and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. Therefore, the Commission kept all such information confidential for which the Applicants made a request to keep it confidential.

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

22. Views/Comments of Interested Parties:

22.1 The Commission received views/comments from Directorate General of Foreign Trade, Ministry of Trade, Government of Indonesia and Khyber-Pakhtunkhwa Textiles Mills Association, which have been considered while making this preliminary determination.

22.2 The views/comments of the interested parties and the Commission's response are given in annotated form at Annexure – I.

B. DETERMINATION OF DUMPING

23. 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”.

24. Normal Value:

24.1 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”.

24.2 Further, Section 6 of the Act states:

“(1) when there are no sales of like product in the ordinary course of trade in domestic market of an exporting country, or when such sales do not permit a proper comparison because of any particular market situation or low volume of the sales in the domestic market of the exporting country, the Commission shall establish normal value of an investigated product on the basis of either:

- “a) the comparable price of the like product when exported to an appropriate third country provided that this price is representative; or*
- “b) the cost of production in the exporting country plus a reasonable amount for administrative, selling and general costs and for profits.*
- “(2) Sales of a like product destined for consumption in domestic market of an exporting country or sales to an appropriate third country may be considered to be a sufficient quantity for the determination of normal value if such sales constitute five per cent or more of the sales of an investigated product to Pakistan.”.*

24.3 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.”

25. **Export Price:**

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

26. **Dumping Determination:**

26.1 As stated earlier the Applicants identified 41 exporters/producers from the Exporting Countries involved in alleged dumping of the investigated product. The Commission sent questionnaires to 41 exporters/producers whose complete addresses were available with the Commission. A copy of the questionnaire was also provided to the embassies of the Exporting Countries in Islamabad with a request to forward it to all exporters/producers of the investigated product based in the Exporting Countries to submit information to the Commission.

26.2 The Commission received response of the questionnaire from following exporters/producers:

- i. Chung Shing Textile Marketing Limited, Chinese Taipei;
- ii. PT. Indorama Polychem, Indonesia;
- iii. PT. Indorama Synthetics TBK, Indonesia;
- iv. Indorama Polyester Industries Public Company Limited, Thailand;
- v. Kangwal Polyester Co. Limited, Thailand; and
- vi. Sunflag Thailand Limited, Thailand.

26.3 Normal value, export price and individual dumping margins for the above-mentioned exporters/producers have been determined in accordance with Part III, IV and V of the Act on the basis of the information provided by them.

26.4 The Commission has determined dumping margin for non-cooperating exporters/producers from the Exporting Countries on the basis of Best Information Available’ in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.

27. **Determination of Export Price for Chung Shing Textile Marketing Limited (“Chung Shing”)**

27.1 Export price for Chung Shing has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

27.2 According to the information, Chung Shing exported *** MT of PSF to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI. Chung Shing exported different types of the investigated product to

Pakistan during the POI. Export sales to Pakistan, during POI, through an un-related sales agent i.e. Avon Commercial Corporation.

27.3 Chung Shing exported investigated product at CIF basis. To arrive at the ex-factory level, Chung Shing has reported adjustments on account of commission, ocean freight, insurance and custom fee. The Commission accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions. Summary of calculations of export price is placed at [Annexure - II](#).

28. Determination of Normal Value for Chung Shing

28.1 Normal value for Chung Shing has been determined on the basis of the information provided by it on its domestic sales made during the POI.

28.2 According to the information, Chung Shing sold different types of PSF in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Chung Shing sold *** MT in the domestic market during POI. Chung Shing also provided monthly ex-factory price list of different types of PSF. As the prices of raw materials of PSF fluctuated significantly during the POI and Chung Shing did not provide monthly cost to make & sell of the investigated product. Therefore, the Commission used monthly price lists for determination of normal value for the purposes of this preliminary determination. For the purposes of like to like comparison, normal value (price list) is determined only for those types which were comparable to the types of the investigated product. If Chung Shing does not provide the deficient information after this preliminary determination, the Commission will be constrained to make final determination on the basis of “best information available” in terms of Section 32 of the Act which may not be favorable to Chung Shing.

28.3 Monthly price list of Chung Shing is placed at [Annexure - III](#).

29. Determination of Export Price for PT. Indorama Polychem, Indonesia (“Indorama Polychem”)

29.1 Export price for Indorama Polychem has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

29.2 According to the information, Indorama Polychem exported *** MT of PSF to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI. Indorama Polychem exported different types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during POI, were directly to unrelated customers and through un-related sales agent.

29.3 Indorama Polychem exported investigated product at CIF basis. To arrive at the ex-factory level, Indorama Polychem has reported adjustments on account of credit cost,

commission, inland freight, ocean freight, insurance and bank charges. The Commission accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions. Summary of calculations of export price is placed at [Annexure - IV](#).

30. Determination of Normal Value for Indorama Polychem

30.1 Normal value for Indorama Polychem has been determined on the basis of the information provided by it on its domestic sales made during the POI.

30.2 According to the information, Indorama Polychem sold different types of PSF in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Indorama Polychem sold *** MT in the domestic market during POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

30.3 Analysis of the information provided by Indorama Polychem revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 28.82 percent to 89.91 percent of sales of a particular type of PSF. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

30.4 To arrive at the ex-factory level from delivered price, Indorama Polychem has reported adjustment on account of credit cost, inland freight, bank charges, exchange loss and insurance. The Commission accepted this adjustment and the normal value at ex-factory level is worked out by deducting values reported for this adjustment from the gross value of sales transactions. Summary of calculations of normal value is placed at [Annexure - V](#).

31. Determination of Export Price for PT. Indorama Synthetics TBK, Indonesia (“Indorama Synthetics”)

31.1 Export price for Indorama Synthetics has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

31.2 According to the information, Indorama Synthetics exported *** MT of PSF to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI. Indorama Synthetics exported different types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during POI, were directly to unrelated customers.

31.3 Indorama Synthetics exported investigated product at CIF basis. To arrive at the ex-factory level, Indorama Synthetics has reported adjustments on account of credit cost, inland freight, ocean freight, insurance and bank charges. The Commission accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions. Summary of calculations of export price is placed at [Annexure - VI](#).

32. **Determination of Normal Value for Indorama Synthetics**

32.1 Normal value for Indorama Synthetics has been determined on the basis of the information provided by it on its domestic sales made during the POI.

32.2 According to the information, Indorama Synthetics sold different types of PSF in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Indorama Synthetics sold *** MT in the domestic market during POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

32.3 Analysis of the information provided by Indorama Synthetics revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 22.70 percent to 100 percent of sales of a particular type of PSF. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit of 5 percent of the exporter/producer in accordance with Section 6 of the Act.

32.4 To arrive at the ex-factory level from delivered price, Indorama Synthetics has reported adjustment on account of credit cost, inland freight, insurance, exchange loss and bank charges. The Commission accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for this adjustment from the gross value of sales transactions. Summary of calculations of normal value is placed at [Annexure - VII](#).

33. **Determination of Export Price for Indorama Polyester Industries Public Company Limited, Thailand (“Indorama Polyester”)**

33.1 Export price for Indorama Polyester has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

33.2 According to the information, Indorama Polyester exported *** MT of PSF to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI. Indorama Polyester exported different types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during POI, were directly to unrelated customers and through un-related sales agents.

33.3 Indorama Polyester exported investigated product at CIF basis. To arrive at the ex-factory level, Indorama Polyester has reported adjustments on account of commission, credit cost, inland freight, ocean freight, handling cost, duty draw back, others and bank charges. The Commission accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions. Summary of calculations of export price is placed at [Annexure - VIII](#).

34. **Determination of Normal Value for Indorama Polyester**

34.1 Normal value for Indorama Polyester has been determined on the basis of the information provided by it on its domestic sales made during the POI.

34.2 According to the information, Indorama Polyester sold different types of PSF in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Indorama Polyester sold *** MT in the domestic market during POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product.

34.3 Analysis of the information provided by Indorama Polyester revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 20.37 percent to 100 percent of sales of a particular type of PSF.

34.4 For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus administrative, selling and general costs and for profit of 5 percent of the exporter/producer in accordance with Section 6 of the Act.

34.5 To arrive at the ex-factory level from delivered price, Indorama Polyester has reported adjustment on account of credit cost, commission, inland freight, insurance, bank charges and other (cost of credit insurance). The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values

reported for these adjustments from the gross value of sales transactions. Summary of calculations of normal value is placed at [Annexure - IX](#).

35. Determination of Export Price for Kangwal Polyester Co. Limited, Thailand (“Kangwal Polyester”)

35.1 Export price for Kangwal Polyester has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

35.2 According to the information, Kangwal Polyester exported *** MT of PSF to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI (in the months of Jan, Feb, Apr, May, Jun, Jul, Aug). Kangwal Polyester exported different types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during POI, were through un-related sale agent i.e. English Fibre and Yarn.

35.3 Kangwal Polyester exported investigated product at CIF basis. To arrive at the ex-factory level, Kangwal Polyester has reported adjustments on account of commission, credit cost, inland freight, ocean freight, handling cost, duty draw back, others (terminal handling and BL Charges) and bank charges. The Commission accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions. Summary of calculations of export price is placed at [Annexure - X](#).

36. Determination of Normal Value for Kangwal Polyester

36.1 Normal value for Kangwal Polyester has been determined on the basis of the information provided by it on its domestic sales made during the POI.

36.2 According to the information, Kangwal Polyester sold different types of PSF in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Kangwal Polyester sold *** MT in the domestic market during POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product and for the comparable months of export sales to Pakistan.

36.3 Analysis of the information provided by Kangwal Polyester revealed that some sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Sales of the comparable types, which were not in ordinary course of trade ranges from 26.82 percent to 66.74 percent of sales of a particular type of PSF. For the purposes of determination of normal value the Commission has disregarded sales, which were not in ordinary course of trade in accordance with Section 7 of the Act.

36.4 To arrive at the ex-factory level from delivered price, Kangwal Polyester has reported adjustment on account of credit cost and inland freight. The Commission has accepted these adjustments and the normal value at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of sales transactions. Summary of calculations of normal value is placed at [Annexure - XI](#).

37. Determination of Export Price for Sunflag Thailand Limited, Thailand (“Sunflag”)

37.1 Export price for Sunflag has been determined on the basis of the information provided it on its export sales to Pakistan made during the POI.

37.2 According to the information, Sunflag exported *** MT of PSF to all export markets including Pakistan. It exported *** MT of the investigated product to Pakistan during the POI (in the months of Jan, Feb, May, Jun, Jul). Sunflag exported different types of the investigated product to Pakistan during the POI. Export sales to Pakistan, during POI, were to un-related customers.

37.3 Sunflag exported investigated product at CIF basis. To arrive at the ex-factory level, Sunflag has reported adjustments on account of credit cost, inland freight, ocean freight, handling cost, duty draw back, custom fee and bank charges. The Commission accepted these adjustments and the export price at ex-factory level is worked out by deducting values reported for these adjustments from the gross value of the sales transactions. Summary of calculations of export price is placed at [Annexure - XII](#).

38. Determination of Normal Value for Sunflag

38.1 Normal value for Sunflag has been determined on the basis of the information provided by it on its domestic sales made during the POI.

38.2 According to the information, Sunflag sold different types of PSF in its domestic market including the types, which were alike to the types of the investigated product exported to Pakistan during the POI. Sunflag sold *** MT in the domestic market during POI. These sales were in sufficient quantities to determine normal value in terms of Section 6(2) of the Act, as these sales were more than 5 percent of the export sales of the investigated product exported to Pakistan during the POI. For the purposes of like to like comparison, normal value is determined only for those types which were comparable to the types of the investigated product and for the comparable months of export sales to Pakistan.

38.3 Analysis of the information provided by Sunflag revealed that all the sales of the comparable types were not in ordinary course of trade in terms of Section 7(2) of the Act. Therefore, normal value for those types whose 100 percent sales were not in ordinary course of trade has been constructed on the basis of cost of production plus

administrative, selling and general costs and for profit of 5 percent of the exporter/producer in accordance with Section 6 of the Act. Summary of calculations of normal value is placed at [Annexure - XIII](#).

39. Determination of Dumping for Non-cooperating Exporters

39.1 The Commission determined dumping for the exporters/foreign producers who did not cooperate with the Commission and did not supply necessary information has been determined on the basis of best information available in accordance with Section 32 of the Act. Details are given in following paragraphs.

39.2 Determination of Dumping for Non-cooperating Exporters from Chinese Taipei

A residual dumping margin and antidumping duty rate for all other exporters from Chinese Taipei is determined on the basis of best available information in terms of Section 32 of the Act, which is the highest rate of dumping for individual exporter who cooperated from Chinese Taipei among the investigated exporters/foreign producers.

39.3 Determination of Dumping for Non-cooperating Exporters from Indonesia

As level of cooperation from Indonesia was very high (exporters who cooperated in this investigation exported almost 100 percent of imports of the investigated product from Indonesia during the POI). A residual dumping margin and antidumping duty rate for all other exporters from Indonesia is determined on the basis of best available information in terms of Section 32 of the Act, which is the highest rate of dumping for individual exporters who cooperated from Indonesia among the investigated exporters/foreign producers.

39.4 Determination of Dumping for Non-cooperating Exporters from Thailand

39.4.1 Normal value for non-cooperating exporters from Thailand is determined on the basis of the information supplied by Kangwal in response to the questionnaire. The Commission considered that the information supplied by Kangwal was the best information available for the purposes of determination of normal value for noncooperating exporters on the basis that it was the largest exporter of the investigated product to Pakistan during the POI.

39.4.2 As information on types and deniers exported by the non-cooperating exporters are not available, normal value for them is determined on the basis of Kangwal's cost of production plus administrative, selling, general and financial expenses and 5 percent profit. Calculation of normal is placed at [Annexure XIV](#).

39.4.3 Information obtained from PRAL is used for the purposes of determination of export price for non-cooperating exporters from Thailand. This is the only information

available with the Commission on export sales of the investigated product by the non-cooperating exporters. Values in PRAL's information are reported at C&F level. The C&F export price has been adjusted to the ex-factory level. For this purpose same adjustments have been made which were reported by the Indorama Polyester for its own exports of the investigated product. Calculations of export price are placed at [Annexure XIV](#).

40. **Dumping Margin**

40.1 The Act defines “dumping margin” in relation to a product as “*the amount by which normal value exceeds its export price*”.

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

40.3 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.

40.4 The Commission has investigated exporters/producers from the Exporting Countries mentioned at paragraph 26.2 supra who cooperated and responded to the Commission's questionnaire. Individual dumping margins for the exporters/producers mentioned at paragraph 26.2 supra have been determined and the antidumping duty rate for those exporters/producers is determined on the basis of individual dumping margins calculated for each exporter/producer. A weighted average dumping margin has been determined for the related companies of Indorama Group from Indonesia. Residual dumping margin/duty rate for non-cooperating exporters/producers from Chinese Taipei and Indonesia has been determined as the highest dumping margin of the exporter/producer from Chinese Taipei and Indonesia.

40.5 The Commission has determined dumping margin for the non-cooperating exporters/producers from Thailand on the basis of Best Information Available' in terms of Section 32 of the Act and Article 6.8 and Annex II of the Agreement on Anti-dumping.

40.6 Taking into account all the requirements set out above, the dumping margins have been determined as follows. Calculations of dumping margin are placed at [Annexure XV](#):

Table – IV
Dumping Margins

Exporter/ Producer	Dumping Margin as	
	% of Export Price	% of C&F Price
Chinese Taipei		
• Chung Shing Textile Marketing Limited	19.52	18.06
• All others	19.52	18.06
Indonesia		
• PT. Indorama Polychem	2.51	2.39
• PT. Indorama Synthetics TBK	2.51	2.39
• All others	3.91	3.73
Thailand		
• Indorama Polyester Industries Public Co Ltd	2.70	2.54
• Kangwal Polyester Co. Limited	6.81	6.23
• Sunflag Thailand Limited	11.22	10.47
• All others	14.23	13.08

41. **De minimis Dumping Margin and Negligible Volume of Dumped Imports:**

41.1 In terms of Section 41(3) of the Act states that the 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 for the dumped imports of the investigated product, set out in paragraph 40.6 supra, appear to be above negligible (*de minimis*) level.

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

Table – V
Volume of Dumped Imports

Source of Import	% of total imports
Chinese Taipei	12.01
Indonesia	35.75
Thailand	24.44
China (other dumped source)	25.93
Other Sources	1.87
Total Imports	100.00

Source: PRAL and Cooperative Exporters

41.3 On the basis of above information, the Commission has determined that the volume of dumped imports of the investigated product from exporting countries was well above the negligible threshold (less than three percent of volume of total imports of the like product) during the POI.

C. INJURY TO DOMESTIC INDUSTRY

42. Determination of Injury:

42.1 Section 15 of the Act sets out the principles for determination of material injury to the domestic industry in the following words:

“A determination of injury shall be based on an objective examination of all relevant factors by the Commission which may include but shall not be limited to:

- a. volume of dumped imports;*
- b. effect of dumped imports on prices in domestic market for like products; and*
- c. consequent impact of dumped imports on domestic producers of such products...”*

42.2 Section 15 of the Act further provides that:

“ No one or several of the factors identified shall be deemed to necessarily give decisive guidance and the Commission may take into account such other factors as it considers relevant for the determination of injury”.

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

42.4 ICI Pakistan Limited, Ibrahim Fibres Limited and Rupali Polyester Limited produced 100 percent of the total production of PSF during the POI, therefore these units are considered as domestic industry for the purpose of this investigation.

43. Cumulation of Dumped Imports:

43.1 Section 16 of the Act states that:

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

“(a) dumping margin in relation to an investigated product from each country is more than the negligible amount as specified...., and volume of dumped imports from each investigated country is not less than the negligible quantity as specified.....; and

“(b) a cumulative assessment of the effects of the imports is appropriate in the light of

(i) the conditions of competition between the imports; and

(ii) the conditions of competition between the imports and a domestic like product”.

43.2 Dumping margin for each Exporting Country is more than the negligible amount Further, the volume of dumped imports during the POI from each Exporting Country individually was also well above the negligible quantity.

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

**Table – VI
Landed Cost of Dumped Imports**

Description	Chinese Taipei	Indonesia	Thailand
C& F price	109	101	100
Landed cost*	119	110	109

Source: PRAL and Cooperative Exporters

Landed cost = customs duty@7% + incidentals@2%

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of C&F price of Thailand

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

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

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

44. **Volume of Dumped Imports:**

44.1 In order to ascertain the increase in the volume of dumped imports of the investigated product, the Commission has obtained import data for the POI from PRAL.

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

Table – VII
Volume of Dumped Imports

Period	Imports from:				Domestic production	Dumped imports as % of:	
	Dumped Sources (Exporting Countries)	Dumped Source; China	Other Sources	Total		Total imports	Domestic production
Oct 2017 – Sep 2018	2.48	7.77	0.24	10.50	100.00	23.62	2.48
Oct 2018 – Sep 2019	6.15	6.02	0.37	12.54	85.64	49.00	7.18
Oct 2019 – Sep 2020	21.68	7.79	0.56	30.02	69.93	72.20	31.00

Sources: PRAL, Cooperative Exporters & the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of domestic production of the period Oct 17-Sep18.

44.3 It may be noted from the above table the volume of dumped imports of the investigated product increased significantly during the POI in absolute terms and relative to the domestic production of the domestic like product. Dumped imports of the investigated product, which were 24 percent of the total imports during the period Oct 2017- Sep 2018, increased to 49 percent and 72 percent of total imports during the period Oct 2018 - Sep 2019 and Oct 2019 - Sep 2020 respectively.

44.4 Volume of dumped imports of the investigated product also increased significantly during the POI relative to production of domestic like product. Dumped imports which were 2 percent of the domestic production during the period Oct 2017- Sep 2018 increased to 31 percent during the period Oct 2019- Sep 2020.

45. **Price Effects:**

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

45.2 **Price undercutting**

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

**Table – VIII
Price Undercutting**

Period	Domestic like product's price*	Landed cost of dumped imports*	Price undercutting (%)
Oct 2017 – Sep 2018	100.00	98.45	1.55
Oct 2018 – Sep 2019	119.63	115.10	3.78
Oct 2019 – Sep 2020	106.37	89.83	15.55

* Domestic price and landed cost are without sales tax. Sources: the domestic industry, PRAL and cooperative exporters.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of domestic like product price of the period Oct 17-Sep18.

45.2.2 The above table show that the weighted average landed cost of the investigated product remained lower than the weighted average ex-factory price of the domestic like product throughout the POI. The landed cost of the investigated product undercut the prices of the domestic like product ranging from 1.55 percent to 15.55 percent during the POI.

45.3 **Price Depression**

45.3.1 The domestic industry's weighted average ex-factory prices of the domestic like product for the POI are given in the following table

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**Table – IX
Price Depression**

Period	Domestic like product's price*
Oct 2017 – Sep 2018	100.00
Oct 2018 – Sep 2019	119.63
Oct 2019 – Sep 2020	106.37

* Domestic prices are without sales tax

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of domestic like product price of the period Oct 17-Sep18.

45.3.2 The above table shows that the prices of the domestic like product increased by 19 percent during the period Oct 2018 – Sep 2019 and then decreased by 11% during the period Oct 2019 – Sep 2020 which is the period of dumping. Cost to make & sell of the domestic industry decreased during the POI for dumping that reduced the prices of the domestic like product.

45.4 Price Suppression

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

**Table – X
Price Suppression**

(Rs./MT)

Period	Cost to make & sell	Domestic product's price	Increase/(Decrease) in:		Price Suppression
			Cost to m&s	Price	
Oct 2017 – Sep 2018	95.30	100.00	---	---	---
Oct 2018 – Sep 2019	119.11	119.63	23.81	19.63	4.19
Oct 2019 – Sep 2020	105.47	106.37	(13.64)	(13.26)	---

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of domestic like product price of the period Oct 17-Sep18.

45.4.2 The above table shows that the weighted average cost to make and sell of the domestic like product increased by 24 percent during the period Oct 2018 – Sep 2019 and then decreased by 11 percent during the period Oct 2019 – Sep 2020, whereas weighted average prices of the domestic like product increased by 19 percent during the period Oct 2018 – Sep 2019 then decreased by 11 percent during Oct 2018 – Sep 2019. Domestic industry was not able to raise its prices more than the increase in the weighted average cost to make and sell during the period Oct 2018 – Sep 2019. However, during the period

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Oct 2019 – Sep 2020, which is the period of dumping, the domestic industry's price decreased less than the decrease in its cost to make and sell.

46. Effects on Market Share:

46.1 The total domestic demand of PSF in Pakistan is met through local production and imports. Size of the domestic market is established by adding sales of domestic like product and imports of the investigated product from dumped sources & from other sources. Following table shows the market share from each source of supply during the POI.

**Table – XI
Market Share**

Period	Domestic industry	Sources of Imports:			Total domestic market
		Dumped sources (Exporting Countries)	China (other dumped source)	Others Sources	
Oct 2017 – Sep 2018	89.68	2.44	7.65	0.24	100.00
Oct 2018 – Sep 2019	87.10	6.32	6.2	0.38	95.59
Oct 2019 – Sep 2020	69.25	22.2	7.98	0.57	96.02

Sources: PRAL, Cooperative Exporters & the domestic industry.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of total domestic market of the period Oct 17-Sep18.

46.2 The above table shows that the domestic market of PSF decreased by 4 percent and increased by 0.43 percent during the period Oct 2018 – Sep 2019 and Oct 2019 – Sep 2020 respectively.

46.3 Domestic industry's market share marginally decreased from 90 percent during the period Oct 2017 – Sep 2018 to 87 percent during the period Oct 2018 – Sep 2019 and then further decreased to 69 percent during the period Oct 2019 – Sep 2020.

46.4 Market share of dumped imports of the investigated product increased from 2 percent during the period Oct 2017 – Sep 2018 to 6 percent during the period Oct 2018 – Sep 2019 and then further increased to 22 percent during the period Oct 2019 – Sep 2020 despite of decline in total market. Market share of imports from other sources remained 0.24 percent to 0.57 percent during the period Oct 2017 – Sep 2020.

47. Effects on Sales:

47.1 Information on domestic sales of the domestic like product by the domestic industry is the following table:

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Table – XII
Sales

Period	Volume	% change
Oct 2017 – Sep 2018	100.00	---
Oct 2018 – Sep 2019	92.84	(7)
Oct 2019 – Sep 2020	74.15	(20)

Source: the domestic industry.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of domestic sales of the period Oct 17-Sep18.

47.2 The above table shows that sales of the domestic like product decreased by 7 percent during the period Sep 2018 to Oct 2019. It further decreased by 20 percent during the period Sep 2019 to Oct 2020 which is the POI of dumping.

48. Effects on Production and Capacity Utilization:

48.1 The capacity utilized by the domestic industry during POI was as follows;

Table – XIII
Capacity Utilization

Period	Installed capacity	Capacity utilization (%)
Oct 2017 – Sep 2018	100.00	92.54
Oct 2018 – Sep 2019	100.00	80.00
Oct 2019 – Sep 2020	100.00	65.37

Source: the domestic industry

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of installed capacity of the period Oct 17-Sep18.

48.2 The above table shows that the installed production capacity of the domestic industry remained the same during the POI. Production of the domestic like product decreased by 14 percent and 18 percent during the period Sep 2018 to Oct 2019 and Sep 2019 to Oct 2020 respectively. Resultantly capacity utilization of the domestic industry also decreased from 92 percent during the period Sep 2017 to Oct 2018 to 80 percent during the period Sep 2018 to Oct 2019. It further decreased to 65 percent during the period Sep 2019 to Oct 2020. The decrease in domestic production was mainly due to dumped imports and COVID-19.

49. Effects on Inventories:

49.1 The data relating to accumulation of inventories of the domestic like product during POI is given in the following table:

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Table – XIV
Inventories of the Domestic Like Product

Period	Opening Inventory	Production	Domestic sales	Internal transfer	Closing Inventory
Oct 2017 – Sep 2018	3.45	100.00	91.17	4.14	8.14
Oct 2018 – Sep 2019	8.14	85.64	84.65	4.27	4.87
Oct 2019 – Sep 2020	4.87	69.93	67.60	3.97	3.22

Source: the domestic industry.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of production of the period Oct 17-Sep18.

49.2 The above table shows that the closing inventory of the domestic like product decreased during the POI. This decline in closing inventory was due to significant decline in production.

50. **Effects on Profit/Loss:**

50.1 The table below shows the profit/loss of the domestic industry for the POI:

Table – XV
Profits/(Loss)

Period	Net Profit
Oct 2017 – Sep 2018	100.00
Oct 2018 – Sep 2019	10.18
Oct 2019 – Sep 2020	14.07

Source: the domestic industry.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of net profit of the period Oct 17-Sep18.

50.2 Above information shows that the profits of the domestic industry on production and sales of the domestic like product decreased significantly from Rs. *** billion to Rs *** million during the POI.

51. **Effects on Cash Flow:**

51.1 M/s. ICI Pakistan Limited, M/s Ibrahim Fibers Limited and M/s Rupali Polyester Limited are multi-product companies and the cash flows operations cannot be determined separately for different products. Therefore, keeping in view provisions of the Section 17(2) of the Act, the cash flows of the domestic industry for its entire operations during the POI is given in following table

Table – XVI
Cash Flows from Operating Activities

Period	Cash flows
Oct 2017 – Sep 2018	(100.00)
Oct 2018 – Sep 2019	3,325.40
Oct 2019 – Sep 2020	3,353.65

Source: the domestic industry.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of cash flows of the period Oct 17-Sep18.

51.2 The above table shows that the domestic industry’s cash flows from its operating activities remained positive during the POI for injury. The cashflows are of the Applicant’s all businesses and not for the domestic like product only.

52. Effects on Employment, Productivity and Salaries & Wages

52.1 The data relating to the employment, salaries & wages and productivity of the domestic industry during the POI is given in the table given below:

Table – XVII
Employment, Salaries & Wages and Productivity

Period	No. of Employees	Salaries & wages	Production *	Productivity (per worker)	Salaries & wages
Oct 2017 – Sep 2018	100	100.00	100.00	100.00	100.00
Oct 2018 – Sep 2019	95	104.86	86.46	90.38	121.27
Oct 2019 – Sep 2020	72	93.65	70.54	97.60	132.77

Source: the domestic industry

* Production includes production of domestic like product, colored PSF and regenerated PSF

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of the period Oct 17-Sep18 of each respective column.

52.2 The above table shows that the employment in the domestic industry decreased during the POI. The reasons of decrease in number of employees during the POI of dumping are attributed to dumped imports and COVID 19. With the decrease in number of employees, salaries & wages of the domestic industry also decreased. Productivity per worker which was *** per MT during the period Oct 2017 – Sep 2018 decreased to *** per MT during the period Oct 2018 – Sep 2019 and then increased to *** MT during the period Oct 2019 – Sep 2020. Salaries & wages per MT increased during the POI of injury.

53. Effects on Return on Investment

M/s. ICI Pakistan Limited, M/s Ibrahim Fibers Limited and M/s Rupali Polyester Limited are multi-product companies. Only M/s ICI Pakistan Limited has maintained separate record of investment. Therefore, investment and return on investment of Ms.

ICI Pakistan Ltd. for its polyester business is determined as profit before the tax divided by total assets minus current liabilities. Investment and return on investment of M/s Ibrahim Fibers Limited and M/s Rupali Polyester for whole company is determined as profit before the tax divided by total assets minus current liabilities and is given in the table below:

Table – XVIII
Investment and Return on Investment

Period	Return on investment (%)
Oct 2017 – Sep 2018	2.37
Oct 2018 – Sep 2019	0.58
Oct 2019 – Sep 2020	0.04

Source: the domestic industry.

54. **Effects on Growth**

Analysis of the information shows that installed production capacity of the domestic industry was much more than the domestic demand of PSF during the POI, therefore, no further growth in the domestic industry could be expected during the POI.

55. **Ability to Raise Capital**

The domestic industry are multi-product companies. The financial health of other products also contributes to the ability to raise capital. As the other products of the domestic industry are earning profits, therefore, dumped imports did not adversely affect the domestic industry’s ability to raise capital.

56. **Magnitude of Dumping Margins:**

56.1 Dumping margins determined for the Exporting Countries ranges from 2.39 percent to 18.06 percent, which are considered enough to cause material injury the domestic industry.

57. **Summing up of Material Injury:**

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

Table – XIX
Effects of Dumped Imports

Injury Factor	Oct 17-Sep 18	Oct 18-Sep 19	Oct 19-Sep 20
Volume of dumped imports	2.48	6.15	21.68
Dumped imports as % of domestic production (%)	2.48%	7.18%	31.00%
Production of domestic like product	100.00	85.64	69.93
Price Undercutting (%)	1.55%	3.78%	15.55%
Market share of dumped imports (%)	2.44%	6.32%	22.20%
Market share of domestic like product (%)	89.68%	87.10%	69.25%
Sales of the domestic like product	100.00	92.84	74.15
Capacity utilization of domestic industry	92.54%	80.00%	65.37%
Closing inventory of domestic like product	8.14	4.87	3.22
Profits	100.00	10.18	14.07
ROI (%)	2.37%	0.58%	0.04%
Net cash flows	(100.00)	3325.40	3,353.65
Productivity per worker	100.00	90.38	97.60

57.2 The above table shows that volume of dumped imports increased significantly during the period Oct 19-Sep 20 over the preceding year. However, it is noted the domestic industry of PSF in Pakistan remained closed during the quarter April-June 2020 due the lockdown imposed to control Covid-19. Although the dumped imports of investigated product from the Exporting Countries substantially increased during the aforesaid quarter, however, there was an increasing trend of dumped imports throughout the POI regardless of the closure of the domestic industry in the quarter April-June 2020.

57.3 The domestic industry suffered price under-cutting during the POI as the landed cost of investigated product undercut the sales price of domestic like product in the range from 1.55 percent to 15.55 percent.

57.4 It is also evident from the above table that the production and sales of the domestic industry decreased during the POI. Hence, the domestic industry suffered material injury on account of decline in production and sales.

57.5 The market share of the domestic industry decreased from 89.68 percent to 69.25 percent whereas, the market share of dumped imports increased from 2.44 percent to 22.20 percent during the POI.

D. CAUSATION

58. Effect of Dumped Imports:

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

- i. Volume of dumped imports of the investigated product increased significantly in absolute terms as well as relative to the domestic production;
- ii. Domestic industry experienced price undercutting due to dumped imports of the investigated product;
- iii. Market share of dumped imports of the investigated product increased whereas market share of the domestic like product declined simultaneously;
- iv. Domestic industry faced decline in sales, production & productivity; and
- v. Domestic industry faced decline in capacity utilization and salaries & wages per MT

59. Other Factors:

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

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

- i. volume and price of imports not sold at the dumped prices;
- ii. contraction in demand or changes in the patterns of consumption;
- iii. trade restrictive practices of and competition between foreign and domestic producers;
- iv. development in technology; and
- v. export performance and productivity of domestic industry

59.3 Volume of Imports from Other Sources

59.3.1 Following table shows volume of imports of the investigated product imported from other sources:

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Table – XX
Volume of Imports from Other Sources

Period	Domestic industry	Sources of Imports:			Total domestic market
		Dumped sources (Exporting Countries)	China (other dumped source)	Others Sources	
Oct 2017 – Sep 2018	89.68	2.44	7.65	0.24	100.00
Oct 2018 – Sep 2019	87.10	6.32	6.2	0.38	95.59
Oct 2019 – Sep 2020	69.25	22.2	7.98	0.57	96.02

Sources: PRAL, Cooperative Exporter & the domestic industry.

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of total domestic market of the period Oct 17-Sep18.

59.3.2 The above table shows that the volume of imports of PSF from other sources other than Exporting Countries and dumped imports from China is less than 1% and did not cause injury to the domestic industry.

59.4 Prices of Imports of PSF from Other Sources:

59.4.1 Following table shows prices (landed cost) of imports of the investigated product and PSF imported from other sources:

Table – XXI
Landed cost of imports and Domestic Industry’s Price

Period	Landed Cost of imports from			Domestic product’s price
	Dumped sources (Exporting Countries)	China (other dumped source)	Other Sources	
Oct 2017 – Sep 2018	97.79	94.75	102.85	100.00
Oct 2018 – Sep 2019	114.33	115.35	117.41	118.54
Oct 2019 – Sep 2020	89.23	95.55	97.13	105.13

Note: Domestic price and landed cost are without sales tax

Sources: the domestic industry and PRAL and Cooperative Exporter

Note: In order to maintain confidentiality, actual figures have been indexed w.r.t. the figure of domestic product price of the period Oct 17-Sep18.

59.4.2 The above table shows that the landed cost of PSF imported from other sources from other sources other than Exporting Countries and dumped imports from China was much higher than the landed cost from dumped sources during the POI for dumping. Therefore, the domestic industry did not suffer material injury on account of prices of imports of PSF from other sources during the POI.

59.5 Contraction in Demand or Change in Pattern of Consumption:

59.5.1 Information obtained from PRAL and submitted by the domestic industry shows that, there was contraction in demand during the period Oct 2018 – Sep 2019, where domestic market of PSF decreased by 6 percent. However, during the period and Oct 2019 – Sep 2020 which is the period of dumping the domestic market of PSF decreased by 2 percent only. On the other hand, the sales of the domestic like product decreased by 7 percent during the period Sep 2018 to Oct 2019 and by 19 percent during the period Sep 2019 to Oct 2020 which is the POI of dumping.

59.5.2 The Commission therefore determined that the domestic industry did not suffer material injury due to contraction in demand as its sales declined much more than the decline in the domestic market during the POI for dumping.

59.6 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.

59.7 Developments in Technology:

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

59.8 Export Performance of Domestic Industry:

M/s ICI Pakistan Ltd. exported a marginal quantity of the domestic like product during the POI for injury, which in actual contribute positively in the financial statistics of the domestic industry.

60. Effect of COVID 19:

60.1 COVID-19 that was classified as a pandemic by the World Health Organization impacted countries globally including Pakistan. Government of Pakistan took certain measures to reduce spread of the pandemic including lockdown of business activities across the country. These measures resulted in an overall economic slowdown.

60.2 However, the domestic industry of PSF in Pakistan also remained closed during the quarter April-June 2020 due the lockdown. During this period dumped imports of investigated product from the Exporting Countries substantially increased creating an impression that increase in imports during the Oct 19-Sep 20is due to this phenomenon. However, quarterly analysis shows that there was an increasing trend of dumped imports

throughout the POI regardless of the closure of the domestic industry in the quarter April-June 2020.

E. CONCLUSIONS

61. The conclusions, after taking into account all considerations for this preliminary determination, are as follows:

- i. the application was filed by the domestic industry as the Applicants are the largest producers of the domestic like product in domestic market;
- ii. the investigated product and the domestic like product are like products;
- iii. during POI, the investigated product was exported to Pakistan by the exporters/ producers from the Exporting Countries at prices below its normal value;
- iv. the volume of dumped imports of the investigated product and the dumping margins established for the investigated product from the Exporting Countries are above the negligible and de minimis levels respectively;
- v. the dumping margins expressed as a percentage of weighted average adjusted export price at ex-factory level varies between 2.52 percent to 19.52 percent for Exporting Countries;
- vi. On the spot verification of the exporters could not be conducted due to travel restrictions, information provided by the exporters has not been fully verified and despite repeated correspondence information provided by some of exporters is deficient;
- vii. the domestic industry suffered material injury during POI on account of significant increase in volume of dumped imports, price undercutting, decline in market share, sales, profits, production, productivity, capacity utilization and negative effect on salaries and wages per MT in terms of Section 15 and 17 of the Act; and
- viii. there was a causal relationship between dumped imports of the investigated product and the material injury suffered by the domestic industry.

F. Non-Imposition of Provisional Antidumping Duties

62. The information and analysis even though establishes that the industry suffered material injury during the POI, however the data/information provided by the exporters /producers from the Exporting Countries has not been verified so far. The financial condition of the domestic industry is also not expected to deteriorate during the course of this investigation.

63. Therefore, the Commission is of the view that the imposition of provisional antidumping duties on dumped imports of the investigated product from the Exporting Countries are not necessary to prevent injury being caused to the domestic industry during the course of investigation till final determination, in accordance with Section 43 of the Act.

(Anjum Assad Amin)
Member
July 30, 2021

(Tipu Sultan)
Member
July 30, 2021

(Abdul Khaliq)
Member
July 30, 2021

(Robina Ather)
Chairperson
July 30, 2021

ANNEX – I

Comments of Interested Parties

Comments from Interested Parties	NTC Views
Views/ Comments of the Directorate General of Foreign Trade, Ministry of Trade, Government of Indonesia	
<p>Petitioner does not provide reliable and verifiable information regarding total production in Pakistan, thus it does not satisfy the standing petitioner requirement:</p> <p>“..... Petitioner in Section 1.1 stated that they represent 100% of the domestic production.... However, in the table of the standing petitioner, there is no information conveyed regarding the amount of production or the percentage of the total national production. We are of the view that the Authority has to assess whether the petition submitted has met the requirements of "representing the domestic industry". No evidence can prove the petitioner fulfilled a major proportion of domestic production. Therefore, the Authority should meticulously evaluate these claims made by the Petitioner and dismiss the petition in the first place as it does not satisfy the condition regulated in Article 5.3 of the ADA....”</p>	<p>Please refer Para 8 of this preliminary determination report in which the Commission has determined the “Standing”.</p> <p>Please also note that the Applicants represent 95% of the total domestic production by the domestic industry and supported by Rupali Polyester Ltd. which accounts for 5% of total domestic production. The Application is supported by 100% of the producers who are expressing their opinion on application thus the standing requirements as given in section 24 of the Act are met and it is determined that the application is made by or on behalf of the domestic industry.</p>
<p>The injury period and period of investigation are inconsistent:</p> <p>“The petitioner's financial reporting period is October-September, but we found in the NCC that both injury period and period of investigation used different timeframe, where the first injury period and period of investigation are October-June, while the second injury period and third injury period are July to June. It is unusual since the investigation period usually uses a 1-year frame, thus the data presented cannot be compared and is ineligible to use in dumping findings.</p> <p>It is also noted that the Petitioner also presented different timeframe on the injury indicators and price effect. As stated above, the injury period used 3 years' timeframe of 1 October 2017 to 30 September 2020, but on the other hand for price effect (undercutting, depression, and suppression), the petitioner applied a quarterly period. Thus, it is very clear that the Authority is looking for a far-fetched analysis aimed at the interests of the Petitioner and ignore the principles of transparency and fairness.....”</p>	<p>Please note that the financial reporting period of the Applicants is from July – June and in this regard financial reports of the Applicants available in the public file and on the official websites of the Applicants may be referred.</p> <p>Further please refer Para 14 of this preliminary determination report in which the Commission has determined the “Period of Investigation”. It may also be noted that the Commission received the application on December 14, 2020 and initiated the investigation on February 06, 2021. The Applicants have provided the information/data and evidences up till September 30, 2020 in the application. Therefore, to fulfill the requirement of Section 36 of the Act, the POI selected by the Commission for dumping and injury are, as follows:</p> <p>For determination of dumping: From October 01, 2019 to September 30, 2020</p> <p>For determination of injury: From October 01, 2017 to September 30, 2020</p>

Preliminary Determination in Anti-dumping Investigation against Dumped Imports of PSF into Pakistan Originating in and/or exported from Chinese Taipei, the Republic of Indonesia and the Kingdom of Thailand

Comments from Interested Parties	NTC Views
<p>The domestic industry has claimed excessive confidentiality in the petition:</p> <p>“The GOI is fully aware of the special treatment for any information which is by nature confidential. As regulated in Article 6.5 of the ADA, confidential information shall not be disclosed without the specific permission of the party submitting it.....</p> <p>With the spirit of transparency, GOI would like to ask the Authority regarding the Petitioner's decision to present import data in the NCC as confidential. This action is prejudicial to the interests of GOI and Indonesian exporters as we are not able to prepare our defense properly due to insufficient data available</p> <p>As such, we request the domestic industry to file the revised petition and disclose the information in the non-confidential version of the petition as prescribed in Article 6.5.1 of the ADA. If the domestic industry does not disclose this information in the non-confidential version of the petition, the information provided by the domestic industry that is completely blocked should be disregarded as prescribed in Article 6.5.2 of the ADA”.</p>	<p>The Applicants purchased the import data from the local consultants on confidential basis and thus bound to keep confidential. The Applicants provided the indexed figure of imports from Chinese Taipei, Indonesia, Thailand and Korea in the table 29, page no. 43 of the Non – Confidential version of the application.</p>
<p>The volume and price impact determination is unclear:</p> <p>“As explained above, the price impact is carried out quarterly and not in line with the injury and dumping period, it shows that the petitioner and Authority did data cherry-picking.</p> <p>On the other hand, volume impact analysis is not carried out per country, so it is difficult to know whether the import volume from the accused country is proven to interfere with the share of domestic industry from Pakistan or not.</p> <p>We are of the view that if the comparison of data analysis uses the same period (annually) and the volume impact analysis is specifically determined per country, it is highly likely that there will be no volume impact and price impact in this investigation for Indonesia”.</p>	<p>Please refer table – VI, “Volume of dumped imports” of this preliminary determination report in which the Commission has determined that the volume of dumped imports of the investigated product from exporting countries was well above the negligible threshold (less than three percent of volume of total imports of the like product) during the POI.</p>
<p>The determination of dumping margin, normal value, and export price is not transparent and unreliable:</p> <p>“The GOI believes that the determination of normal value is not transparent and reliable. The calculation of normal value and export price is not clear. In the NCC, the normal value is calculated using the construction method, but the data to support this method is not conveyed such as for raw materials.</p>	<p>The dumping margins for the exporters/producers from Indonesia, cooperated with the Commission in this investigation, are calculated on the information provided by them and in this regard please refer Para 40 of this preliminary determination.</p>

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<p>Further, the GOI is of the view that there is an indication that the petitioner purposely chose certain transactions to come up with a dumping margin for Indonesian imports. Even in such limited and selective transactions, the petitioner only found a dumping margin of 5.82% for Indonesia, a relatively small number compared to China (15.29%) and Malaysia (28.45%).</p> <p>The petitioner also only stated that the export price for Indonesia is 20%, but there is no further explanation regarding this finding. Since the data is excessively hidden, thus the calculation and formula are theoretically baseless, the petitioner could not give proper justification to defend this result.</p> <p>Therefore, the GOI asks the Authority to calculate the normal value and export price based on the data submitted by Indonesian exporters who actively participate in this investigation instead of baseless data provided by the petitioner.....”</p>	
<p>The Authority failed to analyze economic factors that contributed to the injury:</p> <p>In the NCC page 94, the petitioner argued that the domestic industry is suffering because of dumped imported products. On contrary, the annual report of ICI Pakistan Limited of 2018-2019 showed otherwise as stated on page 32 as follows:</p> <p><i>“The cash used in investing activities has increased over the past six years and comprises mainly of investment in capital expenditure and investment in the Associate and Subsidiaries. The Company invested PKR 960 million in NutriCo Pakistan (Private) Limited during 2014-15 and 2015-16. During 2016-17, the Company invested PKR 981.3 million in Cirin Pharmaceuticals (Private) Limited and PKR 510 million in NutriCo Morinaga (Private) Limited. During 2017-18, the Company invested in the 75 KTPA expansion of Soda Ash Plant, along with the acquisition of selected assets and brands from Wyeth Pakistan Limited and Pfizer Pakistan Limited and subscribing towards the right issue of Nutri Co Morinaga (Private) Limited”.</i></p> <p>....It is a big question mark as to how Authority can made analysis without positive evidence related to domestic industry-relevant economic factors as required in Article 3.4 of ADA. It also means that an objective examination of the consequent impact of the imports as stated in Article 3.1(b) of ADA cannot be made.</p>	<p>It may kindly be noted that ICI Pakistan Ltd. is a multiproduct company and the financial report represents the overall financial position/health of the whole company. The financial health of PSF has been separately analysed by the Commission and in this regards the team of the Commission conducted on-the-spot investigation at the premises of ICI Pakistan Ltd. to verify the information provided in the application and to seek clarifications. Non-Confidential version of the on-the-spot investigation report is placed in the public file for review any copy.</p>

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<p>Other factors: Based on the production process, it can be concluded that the PSF alleged in this investigation is virgin PSF from pure chemicals. On contrary, one of the listed Indonesian companies in the NCC produces PSF from recycled PET, and also not to mention that there is also a company that already closed down its production. We ask the Authority to regard this fact in determining the data set to be analysed in the investigation.</p> <p>GOI also noted that based on the Pakistan trade statistic from Trademap, for the alleged product with HS Code 5503.20.10, the export data from Indonesia is available only from 2019. There is no export data of this product in 2017-2019 which is part of the injury period. We questioned the Authority to explain this matter.</p>	<p>Please note that the investigated product is Polyester Staple Fibre, PCT No. 5503.2010 (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber). PSF from recycled PET is not the part of this investigation.</p> <p>The Commission has access to database of import statistics of Pakistan Revenue Automation Limited (“PRAL”), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this preliminary determination the Commission has used import data obtained from PRAL in addition to the information provided by the Applicants, the exporters and the importers.</p>
<p>Views/ Comments of the Khyber Pakhtunkhwa Textile Mills Association (KPTMA)</p>	
<p>Domestic Industry: “The Applicants have refused to provide what the standing of the Applicants is in terms of the total production of PSF in the country. Rather, they have stated that they “make XX% of the total production” in the country...</p> <p>In addition, it is submitted that the Applicant, namely ICI Pakistan Limited, does not fall within the definition of ‘Domestic Industry’ as defined under Section 2 (d) of the Act, nor does it qualify as required for initiation of the Investigation in terms of Section 24 of the Act. ...</p> <p>It must be noted that the definition provided above excludes domestic producers when any such domestic producers are related to the importers of the investigated product. In this regard, it is submitted that ICI Pakistan Limited and Gadoon Textile Mills Limited (“GTML”) are subsidiaries of Yunus Brothers Group and the latter is also an importer of PSF....”</p>	<p>Please refer Para 8 of this preliminary determination report in which the Commission has determined the “Standing”.</p> <p>Please also note that the Applicants represent 95% of the total domestic production by the domestic industry and supported by Rupali Polyester Ltd. which accounts for 5% of total domestic production. The Application is supported by 100% of the producers who are expressing their opinion on application thus the standing requirements as given in section 24 of the Act are met and it is determined that the application is made by or on behalf of the domestic industry.</p>
<p>Unwarranted Claims of Confidentiality: “The Applicants have claimed confidentiality on the information that otherwise requires disclosure to interested parties under Section 31 of the Act for meaningful analysis in order to defend their interests in this investigation. Such unwarranted claim of confidentiality has deprived the exporters and the importers of their basic legal right to comment on the Application”.</p>	<p>The Applicants under Section 31(1) of the Anti-Dumping Duties Act, 2015 (the “Act) maintained confidentiality of following types of information in the application:</p> <p>a) business or trade secrets concerning the nature of a product, production processes, operations, production equipment, or machinery;</p>

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Comments from Interested Parties	NTC Views
<p>i. Share of Applicants in domestic production:</p> <p>“... the Applicants have hidden their respective share in the domestic production of the Investigated Product..... knowledge of the exact share of the Applicants in the domestic production of the Investigated Product is imperative in determining whether they control enough of the production to qualify as the Domestic Industry as per the anti-dumping laws”.</p> <p>ii. Import quantities:</p> <p>“The Application fails to provide details of the import quantities from Indonesia, Thailand, Taiwan and Korea.....Without providing accurate figures, it is impossible to analyse whether the allegedly dumped imports are causing injury to the domestic market or not, and whether in fact this is above or below the 7% threshold”.</p> <p>iii. Exporters under consideration:</p> <p>“The Applicants have also claimed confidentiality on the precise number of exporters under consideration alongwith the volume and share of their exports. In terms of Section 31 of the Act, such a claim is unwarranted....”</p> <p>iv. Export price:</p> <p>“The Applicants have also claimed confidentiality on the export price of the Investigated Product. The Applicants have failed to give good cause for keeping these values confidential.....The factors that the Applicants have used to assess the ex-factory export price of the Investigated Product have also been kept confidential; factors such as ocean freight, inland freight, insurance charges etc.”</p>	<p>b) information concerning financial condition of a company which is not publicly available; and</p> <p>c) information concerning costs, identification of customers, sales, inventories, shipments, or amount or source of any income, profit, loss or expenditure related to manufacture and sale of a product.</p> <p>The Applicants produce investigated product and different types of specialized variants that do not come under the scope of investigated product. The published accounts of the Applicants contain information of whole polyester business. The Applicants provided indexed figures of its share in total domestic market in table 46, page no. 58 of the Non-Confidential version of the application;</p> <p>The Applicants purchased the import data from the local consultants on confidential basis and thus bound to keep confidential. The Applicants provided the indexed figure of imports from Chinese Taipei, Indonesia, Thailand and Korea in the table 29, page no. 43 of the Non-Confidential version of the application;</p> <p>At Section 4&5, page no. 10-14 of the Non-Confidential version of the application, the names and details of all the alleged exporters/producers of Chinese Taipei, Indonesia, Thailand and South Korea are provided.</p> <p>In Non-Confidential version of the application, C&F export price and ex-factory export price of each alleged exporting country are provided in indexed form at table 12-16, page no. 26-30 along with dumping margins.</p>

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Comments from Interested Parties	NTC Views
<p>v. Normal value:</p> <p>“The Applicants have themselves admitted that the figures they have arrived at are not exact and are in fact constructed by basing the same off of the cost of production and other related costs. Assuming, <i>arguendo</i>, that the same had been kept confidential due to the reason that it pertained to a particular exporter the provisions of Section 31 would still have required that the claim of confidentiality be substantiated by showing good cause for the same. However, in the instant case, not only is the constructed value unaccompanied by a summary and/or a ‘good cause’, but it also does not merit confidential protection since it has been calculated based on <u>averages</u>. Therefore, as far as Indonesian exporters are concerned, the “constructed normal value” claimed as confidential by the Applicants is a value which may be the <u>normal value for Indonesia as a whole</u>. ... Furthermore, the Applicants have not disclosed the “international renowned consultant” that it claims provided it with fundamental information such as the minimum and maximum ex-factory prices charged by the Indonesian PSF Domestic Industry.”</p> <p>vi. Utilization of production capacity:</p> <p>“Production capacity has been concealed and indexed within the Application. The Applicants have failed to provide good cause for concealment of production capacities and in the absence of a good cause a matter has to be treated as non-confidential”.</p> <p>vii. Cost of raw materials:</p> <p>“The Applicants have not provided cost of purified terephthalic acid and monoethylene glycol the two are the main raw materials required to manufacture the Investigated Product. The prices for the two raw materials will help determine the cost of manufacturing polyester staple fibre”.</p> <p>viii. Dumping margin:</p> <p>“the Applicants have also claimed confidentiality on the dumping margins calculated. While, unlike for the export price and normal value, the Applicants have used indexed values for the dumping margins the indexation has been done in such a manner that the same makes little to no sense”.</p>	<p>The Applicants have purchased the data/information from consultant and bound through agreement not to share the information because the terms & conditions of the publishers that restrict the consumer to share the same with other party and to maintain the confidentiality.</p> <p>In this regard, please refer Table – A, page 65 of the Non-Confidential version of the application regarding the figures of capacity utilization.</p> <p>As per Section 31(1) of the Anti-Dumping Duties Act, 2015, information concerning costs, identification of customers, sales, inventories, shipments, or amount or source of any income, profit, loss or expenditure related to manufacture and sale of a product are confidential.</p> <p>Please refer Table – 12, page 26 of the Non-Confidential version of the application. The dumping margins have been provided by the Applicants.</p>

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Comments from Interested Parties	NTC Views
<p>ix. Sales volume and share of the local industry during the period of injury:</p> <p>“The Applicants have used indexed figures for both the sales volume and for share of the local industry during the period of injury. In addition of having failed to show good cause for keeping these values confidential, the indexation of the figures has also been done incorrectly...”</p> <p>x. Share in domestic market:</p> <p>“The Application also fails to provide details of the respective share of the local industry, the allegedly dumped imports and of that of imports from other sources.....”</p> <p>xi. Price undercutting:</p> <p>“The figures provided which purportedly show the extent of the price undercutting caused by the allegedly dumped imports have also been claimed as confidential.....”</p> <p>xii. Price depression:</p> <p>“The Applicants have also claimed confidentiality on the extent of price depression caused by the allegedly dumped imports....”</p> <p>xiii. Price suppression:</p> <p>“Similar to other values contained within the Application, the values for price suppression have also been claimed as confidential and in much the same manner have been incorrectly indexed.....”</p>	<p>The Applicants provided indexed figure of sales volume and share in domestic market by keeping figures of Oct 17-Sep 18 as a base year of respective column.</p> <p>The Applicants provided the indexed figures of price undercutting, price depression and price suppression in table 35 – 42, page no. 48-55 of the Non-Confidential version of the application that provides reasonable understanding of the information submitted as confidential.</p> <p>Please also refer to the analysis of price effect of the Commission at para 45 of this preliminary determination.</p>
<p>Unjustified Anti-Dumping Application:</p> <p>“It is most respectfully submitted that, as this written submission makes clear, there is no injury to the Domestic Industry either on account of the allegedly dumped imports or due to any other reason.....”</p>	<p>Please refer Para 6 of this preliminary determination report.</p>

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Comments from Interested Parties	NTC Views
<p>Impact of COVID-19:</p> <p>“Ibrahim Fibres Limited fired more than 3,500 workers in the middle of the pandemic which further reduced their output and efficiency. During the pandemic, there was an increased demand in the textile industry. Instead of availing this opportunity and optimizing its production or producing to its full capacity, Ibrahim Fibres Limited shut down its factories. ...</p> <p>When the pandemic surfaced in Pakistan, in March 2020 the gas consumption reduced to 76,000 - 163,000. Although other factories also suffered initially, with efficient management and strategic decisions, they were able to accommodate their operations in light of the pandemic. However, due to the mismanagement of Ibrahim Fibres Limited its factories remained closed longer than required.....”</p>	<p>Please refer Para 60 of this preliminary determination report.</p>
<p>NTC Initiation Memorandum:</p> <p>Pursuant to Section 23 of the Act, the officials of the NTC review the Application filed by the Domestic Industry and review the same, placing their finding in what is known as an “Initiation Memorandum”. Our brief review of the same provides multiple grounds for the Commission to accept that the primary reason for injury, if any, was COVID-19, poor management decisions and lack of technological development due to which PSF users have no option but to search for alternate sources and import the Investigated Product and, therefore, the allegation of dumping by the Applicants are unfounded and unreasonable.</p>	<p>Please refer Para 12 of this preliminary determination report.</p>