

**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE
NATIONAL TARIFF COMMISSION**

Non-Confidential Version
APPLICATION
FOR
ANTI-DUMPING DUTIES

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DECLARATION

DECLARATION

I/We, hereby, request the Commission to initiate an Investigation in accordance with Section 20 of the Anti-dumping Duties Act 2015 (the “**Act**”), in respect of the product identified in Section 3.2 of the Questionnaire for the imposition of Anti-dumping Duty.

In support of this application I/We attach evidence of:

- (i) Dumping
- (ii) Injury to the Domestic Industry,
- (iii) Threat of Material Injury and
- (iv) Causal link between the dumped imports and injury

The evidence submitted includes all that is available to me/us in relation to the matters referred to in Section 23 and 24 of the Act.

Application is made by or on behalf of ICI Pakistan Limited (ICI) and Ibrahim Fibres Limited (IFL) that make XX% of the total production of the like product identified in section 3.2 of the questionnaire. Thus, the application is supported by Applicants whose collective output constitutes more than 50% of the total production of the like product. This Application shall be considered to have been made “by or on behalf of the domestic industry”.

I/We believe that the information contained in this Application:

- (i) Provides reasonable grounds for the publication of the notice(s) required, and
- (ii) Is complete and correct to the best of my/our knowledge and belief.

Application made by or on behalf of ICI Pakistan Limited and Ibrahim Fibres Limited

Signature: _____

Applicant Name(s): Mr. Shehzad Elahi & Mr. Salman Zaheer

Title/ Position: Special Attorney(s)

Address(s): Cornelius, Lane & Mufti, Nawa-e-Waqt House, 4 Fatima Jinnah Road, Lahore

Date: _____

ANTI-DUMPING APPLICATION

This Application is filed by or on behalf of the domestic industry producing Polyester Staple Fibre (“PSF”) not exceeding 2.0 denier to request the National Tariff Commission (“NTC” or “Commission”) to initiate an Investigation in accordance with Section 20 of the Act, on dumped imports of PSF not exceeding 2.0 denier originating in and/or exported from Republic of Indonesia (“Indonesia”), Kingdom of Thailand (“Thailand”), Chinese Taipei (“Taiwan”) and Republic of Korea (“Korea”). Indonesia, Thailand, Taiwan and Korea are hereinafter collectively referred to as “Dumped Sources” or “Exporting Countries” as the context may require.

1. Applicants Identification**1.1. Application is filed on behalf of domestic industry by:**

- (i) ICI Pakistan Limited (“ICI”)
- (ii) Ibrahim Fibres Limited (“IFL”)

1.2. a. Identification of the Applicants

	Name	Address	Telephone No	Fax No	Email address
(i)	ICI Pakistan Limited	ICI House, 63-Mozang Road Lahore	042-111-100-200	Not Applicable	rizwan.chaudhry@ici.com.pk
(ii)	Ibrahim Fibres Limited	Ibrahim Centre 1-Ahmed Block, New Garden Town Lahore	042-111-333-777	042-35864915	ahbhutta@igc.com.pk

1.2. b. Name(s) of the Applicant’s Authorized Officer or Legal Representative to deal with the Application

	Name	Address	Tel No.	Fax No.	E mail Address
(i)	Rizwan Afzal Chaudhry (ICI Pakistan Limited)	ICI House, 63-Mozang Road Lahore	0300-8471181	Not Applicable	rizwan.chaudhry@ici.com.pk
(ii)	Abdul Hameed Bhutta (Ibrahim Fibres Limited)	Ibrahim Centre 1 Ahmed Block New Garden Town Lahore	042-111-333-777	042-35864915	ahbhutta@igc.com.pk

1.2. c. Identification of Legal Representative

	Name	Address	Tel No.	Fax No.	E mail Address
(i)	Shehzad Elahi Cornelius, Lane & Mufti (CLM)	Nawa-e-Waqt House 4 Shahrah-e- Fatima Jinnah Road, Lahore	0300- 8403231	042- 36303301	selahi@clm.com.pk
(ii)	Salman Zaheer Cornelius, Lane & Mufti (CLM)	Nawa-e-Waqt House 4 Shahrah-e- Fatima Jinnah Road, Lahore	0321- 4145555	042- 36303301	salman.zaheer@clm.com.pk

1.3. Accounting Year

Both ICI and IFL do financial reporting on fiscal year basis (July to June). Within this application, financial data for applicants under consideration is for the following time period:

Oct 01, 2017 – Sept 30, 2020

Name	2017	2018	2019	2020
ICI	Oct to Jun	Jul to Jun	Jul to Jun	Jul to Sept
IFL	Oct to Jun	Jul to Jun	Jul to Jun	Jul to Sept

Applicants' Audited Accounts are attached as Enclosure 1.

1.4. List of Directors:**ICI Pakistan Limited**

1. Muhammad Sohail Tabba
2. Muhammad Ali Tabba
3. Jawed Yunus Tabba
4. Amina Abdul Aziz Bawany
5. Asif Jooma
6. Muhammad Abid Ganatra
7. Khawaja Iqbal Hasan
8. Syed Muhammad Shabbar Zaidi

Ibrahim Fibres Limited

1. Sheikh Mukhtar Ahmed
2. Mohammad Naeem Mukhtar
3. Muhammad Waseem Mukhtar
4. Mohammad Waqar
5. Mohammad Naeem Asghar
6. Abdul Hameed Bhutta
7. Ikram ul Haq Mian

2. Industry Identification

2.1. List details of all domestic producers (including the Applicants) of the like product, whether supporting, opposing or silent, in the format given below:

	Name	Tel & Fax No.	Authorized officer	Quantity of the like product (during last one year i.e. (Oct 2019 – Sep 2020) – Kgs		Sales Value in Rs. (000)	Share in domestic prod. %age	Supporting/ Opposing/ Indifferent
				Produced	Sold			
1	ICI Pakistan Limited	042-111-100-200	Rizwan Afzal Chaudhry	XX	XX	XX	XX%	Supporting
2	Ibrahim Fibres Limited	042-111-333-777/ 042 - 35864915	Abdul Hameed Bhutta	XX	XX	XX	XX%	Supporting
3	Rupali Polyester Limited	042-111-787-254/ 042-35713095-6	N/A	XX	N/A	N/A	XX%	Silent

Note:

- Rupali Polyester (“RPL”) sales figure is not available to the Applicants.
- RPL production figure was not available to the Applicants thus its production was taken at its name-plate capacity.

It is evident from the above information, that:

- Production of the Applicants during the POI of Dumping constitutes XX% of the total Domestic Industry’s production.
- The Applicant’s expressly supporting the Application account for more than 50% of the total production of the like product produced in the country.
- The Application has been made by or on behalf of the Domestic Industry.

The Application, therefore, satisfies the requirements of Section 24 (1) and (2) of the Act and the Applicant’s constitute domestic industry within the meaning of the Act.

2.2. Provide details of an industry association (if any) including producers of the domestic like product.

The domestic producers are part of the Polyester Staple Fibre Manufacturers Group (PSFMG). Group members include:

- Ibrahim Fibres Limited
- ICI Pakistan Limited
- Rupali Polyester Limited

2.3 Describe any known relationship the interested party(s) to this application may have with the foreign exporter or producer, or with a Pakistani importer of the product under consideration.

Applicants do not have any such relationship in terms of Section 2 (d) of the Act.

3 Product Identification

3.1 Domestic Product:

I	Complete description of the product	<p>PSF is a synthetic manmade fiber manufactured through a polymerization process (process shown in Chart 1). The major raw materials for the manufacturing of PSF are Pure Terephthalic Acid (“PTA”) and Mono Ethylene Glycol (“MEG”). Both raw materials are derivatives of the petrochemical chain. PTA is sourced locally and also imported whereas MEG is only imported, mainly from the Middle East region. PTA is in powder form under normal temperature/pressure while MEG is in the liquid form. The petrochemical chain is shown in Chart 2.</p> <p>PSF is available in different deniers and cut-lengths. Denier defines the fineness of fibre (weight in grams of 9,000 meters). Locally produced fibers are normally up to a maximum of 2.0 denier and have cut lengths of 32/38/44/51 mm.</p>
II	PCT classification	<p>5503.2010 5503.2000 - Used in 2003</p>
III	Details of local taxes	17% - sales tax
IV	Specific grade/type/model	Virgin / Grade A / Grade 1 / Semi-dull / Bright /up to 2.0 denier/Coloured
V	Major uses	PSF is supplied to textile spinning units both ring spun and open ended units, where it is either used in the pure form or blended with cotton, viscose, acrylic and other materials to be spun into a variety of yarns, which are subsequently used in the manufacturing of knitted or woven fabrics. PSF is also used in the production of 100% polyester yarn for sewing thread and weaving applications. Domestic like product and dumped product have identical uses.
VI	Any other information that will assist NTC in understanding the nature of the domestic like product	There is no difference between domestic like product and dumped products in terms of physical characteristics, applications and uses.

Chart 1

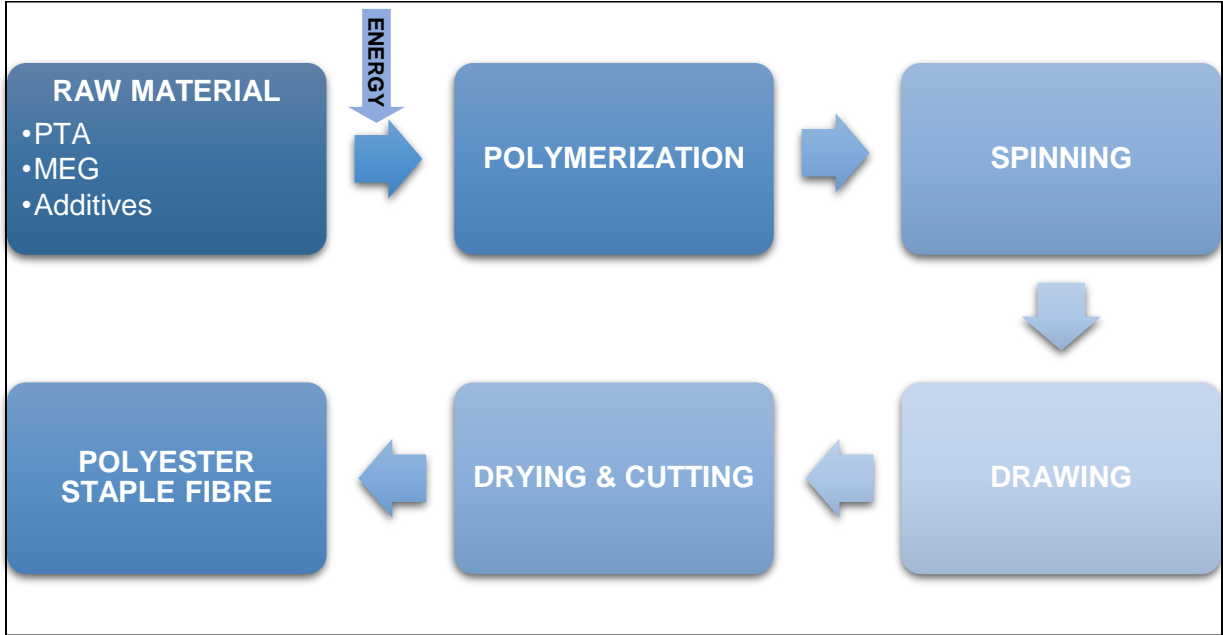
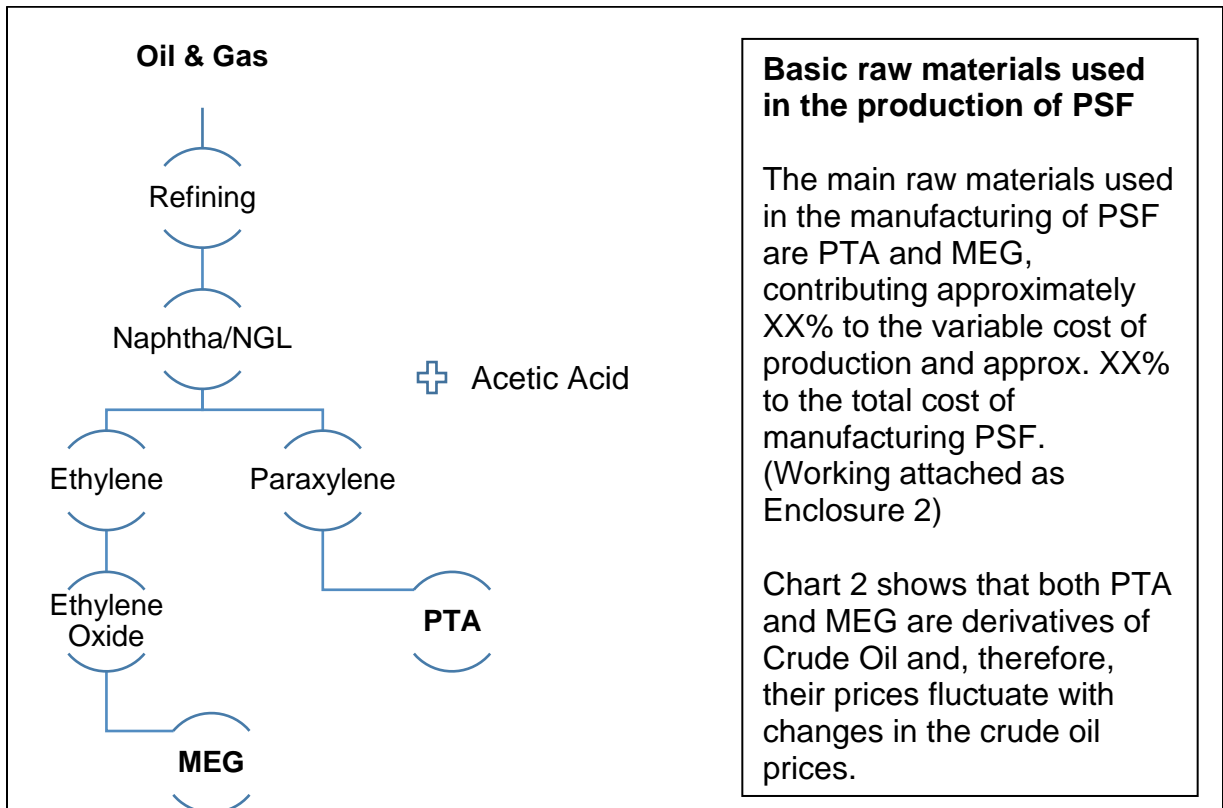


Chart 2



3.2 Imported Product:

I	Complete description of the product	Imported PSF is up to 2.0 denier and in the grades/form mentioned in Section 3.1 (IV). There is no difference between imported and domestic like product. The basic raw materials used in the production of both the imported and domestic like product are identical and both the products are produced through a similar manufacturing process. Both products have the same color and appearance. Both products are substitutable in use and application.
II	PCT classification	5503.2010 5503.2000 (Internationally applied HS Classification)
III	Details of local taxes	Customs duty – 7% under fifth Schedule Additional Customs Duty – 0% under fifth Schedule Sales tax - 17% Income tax - 2%
IV	Specific grade/type/model	Virgin / Grade A / Grade 1 / Semi-dull / Bright / up to 2.0 denier/Coloured
V	Major uses	The imported product and the product being produced locally have the same uses and applications as stated in Section 3.1 (V).
VI	If there are any differences between the dumped product and domestic product, please describe them in detail	As stated earlier in Section 3.1 (VI), there is no difference between the imported product and the product being produced domestically, in terms of physical characteristics, applications and uses.

4. Identification of producer (s)

4.1. Give details of producers who are producing imported product in the following format.

To the best of our knowledge, listed below are the known producers/exporters of PSF in Indonesia, Thailand, Taiwan and Korea. This is not an exhaustive list and there is a possibility that PSF exports may be diverted through other exporters/traders. It is for this reason that we urge the Commission to impose definitive Anti-dumping Duty on all imports of PSF from Indonesia, Thailand, Taiwan and Korea.

Sr.	Name	Country	Address	Tel/Fax	E-mail Website
1	PT. Indonesia Toray Synthetics (ITS)	Indonesia	Jl. Moh Toha KM 1, Pasar Baru, Tangerang, Koang Jaya, Karawaci, RT.001/RW.004, Koang Jaya, Kec. Karawaci, Kota Tangerang, Jawa Barat 15112, Indonesia	62 (021) 5524467	https://www.toray.co.id/
2	PT Kumafiber	Indonesia	Jl. Jend. Gatot Subroto Kav. 22	(021)2522210 - 2520122	N/A
3	PT. Indo-Rama Synthetics Tbk	Indonesia	Jatiluhur, Purwakarta, Indonesia	(0264) 202311- (0264) 200068	https://www.indorama.co.id
4	PT Polychem Indonesia Tbk	Indonesia	JL. Desa Kembang Kuning, Kecamatan Jatiluhur Purwakarta (Jawa Barat) Indonesia	(62-264) 207727 / (62-264) 211260	http://www.indoramaventures.com/en/worldwide/808/indorama-polychem-indonesia
5	PT. Sulindafin	Indonesia	Jl. Imam Bonjol 133 Karawaci, Tangerang 15115 Indonesia	(62-21) 552 5821, 552 5953	http://sulindafin.com/contact-us/
6	PT Tifico Fiber Indonesia Tbk	Indonesia	I. MH. Thamrin, RT.004/RW.002, Panunggangan, Kec. Pinang, Kota Tangerang, Banten 15001, Indonesia	(+62 21) 53120188 / +62 21 53120155 – 53120166	http://www.tifico.co.id/
7	PT. Langgeng Jaya Fiberindo	Indonesia	Jalan Industri Raya III Blok AF No.88, Suka Damai, Cikupa, Sukadamai, Kec. Cikupa, Tangerang, Banten 15710, Indonesia	(+62) 31 799 70535	https://langgengjayagroup.com/

8	PT. Sri Rejeki Isman (Sritex)	Indonesia	Gedung Sritex, Jl. KH. Wahid Hasyim No.147, RT.10/RW.2, Kb. Kacang, Tanahabang, Kota Jakarta Pusat, Daerah Khusus Ibukota Jakarta 10350, Indonesia	(+62 21) 3100995	https://www.sritex.co.id/
9	PT Asia Pacific Fibers Tbk.	Indonesia	The East, 35th Flr, Unit 5-6-7, Jl. DR Ide Anak Agung Gde Agung, Kav E3.2 No. 1, Jakarta 12950, Indonesia	(+62 21) 579 38555	https://www.asiapacificfibers.com
10	PT Asia Pacific Fibers Tbk.	Indonesia	Desa Kiara Payung, Kecamatan Klari, Jawa Barat, Karawang 41371, Indonesia	(+ 62) 267 431 971 / 431 974	https://www.asiapacificfibers.com
11	PT Kahatex	Indonesia	Jl. Raya Cijerah Jl. Cigondewah Kaler No.16, Melong, Kec. Cimahi Sel., Kota Cimahi, Jawa Barat 40534, Indonesia	(+62) 22 6031566	N/A
12	PT PANASIA INDOSYNTEC Tbk.	Indonesia	Jl. Moh. Toha KM6,8 Bandung 40258 - INDONESIA Direct Line : 62-22-5210055	62-22-5202930 (Hunting)/ 62-22-5204670	http://panasiagroup.co.id
13	PT. Indorama Polyester Industries Indonesia	Indonesia	Jl. Surya Lertari, Kav 1-16A, Kawasan Industri Surya Cipta, Ciampel, Karawang 41361, Indonesia	(+62) 26 744 0501	info.ptivi@id.indorama.net
14	SHING MING IND. CO., LTD.	Taiwan	330. Ho Shin Rd., Chu-Nan, Miao-Li, Taiwan 35048	(+886)-37-584-581 (+886)-37-584-580	https://www.smlon.com/
15	Nan Ya	Taiwan	102, Nanlin Rd., Taishan Dist., New Taipei City 243, Taiwan	02-29019141- 02-29041002	https://www.npc.com.tw
16	CHIMOCO INDUSTRIAL CO LTD	Taiwan	78 PEISHIHCHOU MINGHO VILLAGE SHANSHANG, Tainan, Taiwan	886-6-578-2271, 886-6-578-2950	N/A
17	Tainan Spinning Co. Ltd.	Taiwan	10F., No.398, Sec. 1, Zhonghua E. Rd., East Dist., Tainan City 701, Taiwan (R.O.C.)	886-6-2376161 / 886-6-2361156	http://www.tainanspin.com.tw
18	True Young Co., LTD.	Taiwan	No. 8, Lising St., Guantian Dist, Tainan City, 72046, Taiwan.	886-6-6986205 / 886-6-6984984	http://www.trueyoung.com.tw

19	Tung Ho Textile Co Ltd	Taiwan	227 Industrial Road Hsiaopili Matou Town Taipei, 106 Taiwan	886-06-5703211/ 886-06-5703382	www.tungho.com.tw
20	Far Eastern New Century Corp	Taiwan	36/F, 207 Tun-Hwa South Road Section 2 Taipei Taiwan	886-2-2733-8000	www.fenc.com
21	Chung Shing Textile Marketing Co., Ltd.	Taiwan	No. 567, Chung-Shan South Road, Yang-Mei Dist., Tao Yuan City, Taiwan	886-3-4783-141 / 886-3-4752-124	http://www.chung-shing-marketing.com.tw
22	Shinkong Synthetic Fibers Corp.	Taiwan	No. 223, Section 3, Yanping Road, Pingzhen District, Taoyuan City, Taiwan 324	886 2 2507-1251 / 886 (0) 2 2507-2576	www.shinkonggroup.com
23	Teijin Corporation (Thailand) Limited	Thailand	549 Bangpa-In Industrial Estate, Moo2, Tambon Klongjik, Bangpa-In District, Ayudthaya 13160	(66) 0-3525-8278 - 9 / (66) 0-3522-1391	www.teijin.co.th
24	New World Polyester Co., Ltd.	Thailand	1077, Moo 1 Sukhumwit Rd., Muangkrabi,, Samut Prakan, Thailand	66-2 3239341	N/A
25	Angtai Company Limited	Thailand	46/5 Moo 3 Nongsamsak Banbueng Chonburi 20170, Thailand.	038-379579, 038-056493-4 087-5816363 087-5826363	http://angtalthailand.com
26	Thai Polyester Co.,LTD.	Thailand	Nong Phai Kaeo, Ban Bueng District, Chon Buri 20220, Thailand	66(0) 2416-0112 to 8	http://www.thaipolyester.com
27	Indorama Polyester Industries PCL.	Thailand	35/8 Moo 4, Petchkasem Road, Tombon Khunkaew, AmphoeNakornchaisri, Nakornpathom, 73120, 73120, Thailand	66 2 661 6661 / 662 661 6664	www.indoramaventures.com
28	Teijin Polyester (Thailand) Limited	Thailand	1/1 Moo 3, Tambon Klong Nueng, Amphur Klong Luang, Pathumthani 12120	(66) 0-2516-2111, (66) 0-2516-8062	www.teijin.co.th
29	Kangwal Polyester Co.,Ltd	Thailand	1426/18-20, Soi Yodsay Kringkasem Rd., Pom Prap Pom Prap Sattru Phai, Bangkok 10100, 10100, Thailand	66 (0) 2220-7000 / 66 (0) 2226-3046, 2224-3388	www.kangwal.co.th
30	Chiem Patana Synthetic Fibers Co., Ltd.	Thailand	25/1 M. 6, Petchkasem Rd., Donkrabuang, Photharam,	66-32-389-072 Fax: +66-32-389-071	www.chiempatana.com

			Ratchaburi 70120, Thailand.		
31	Indorama Polyester Industry	Thailand	Map Ta Phut, Mueang Rayong District, Rayong 21150, Thailand	66 2 661 6661 / 662 661 6664	www.indoramaventures.com
32	Yida (thailand) Co.,ltd.	Thailand	Map Yang Phon, Pluak Daeng District, Rayong 21140, Thailand	66 38 027 420	N/A
33	BETTERBELL FIBER (THAILAND) CO.,LTD.	Thailand	74/9 Moo 7 T.Huaypawhai A.Prapudthabart Saraburi 18120 Thailand	66(0)3 623 9173 / 66(0)3 623 9174	www.betterbellfiber.com
34	Sunflag (Thailand) Company Limited	Thailand	1/30, PLOT 44-49, ROJANA INDUSTRIAL PARK, ROJANA ROAD, AMPUR U-THAI, AYUTHAYA, THAILAND – 13210	66 35 330 105	http://sunflagth.com
35	Toray Advanced Materials Korea Inc.	Republic of Korea	Korea Toray R&D center, 7, Magokdong-ro 10-gil, Gangseo-gu, Seoul, 07790, Republic of KOREA	(82) 2-3279-1000 / (82) 2-3279-1410	www.tory.com
36	Huvis	Republic of Korea	339 Palbokdong 2(i)-ga, Deokjin-gu, Jeonju-si, Jeollabuk-do, South Korea	(82) 63-210-2114	http://www.huvis.com
37	Estal Industrial Company	Republic of Korea	845 Hokye-Dong, Yangsan-City, Kyungnam, Korea	(82) 55-387-7970	http://www.estal.co.kr
38	Daehan Synthetic Fiber (Taekwang)	Republic of Korea	221 Seonam-dong, Nam-gu, Ulsan, Korea	(82)-52-279-3506	http://www.taekwang.co.kr

5. Identification of Exporters (s) if different from producers (s)

5.1. To the best of our knowledge, listed below are the known exporters/traders/agencies of PSF in the Exporting Countries. This is not an exhaustive list and there is a possibility that PSF exports may be diverted through other exporters/traders. It is for this reason that we urge the Commission to impose definitive Anti-dumping Duty on all imports of PSF from Indonesia, Thailand, Taiwan and Korea.

Sr.	Name	Country	Traders Address	Tel & Fax No	E-mail
1	New Brite Industries Inc.	Taiwan	16 Xinyi Road Section 4 Lane 395 110 Taipei City, Taipei City – Taiwan	886 2 8789 9109	N/A
2	New Site Industries Inc.	Taiwan	16F, No. 456 Sin Yi Road Sec 4, Taipei City, Taiwan	886 2 8789 9109	N/A
3	Highlight Industries	Taiwan	16F, No.456, Sec.4, Sin Yi Rd., Tai Pei, Taiwan R.O.C. Taiwan,	886 2 8789 9109	N/A

6. Identification of Importer (s)

6.1. Following are the known importers of Polyester Staple Fibre up to 2.0 Denier – this list is not exhaustive:

[Provided on a confidential basis]

7. Export Price

7.1. Give the quantities exported by each exporter in the period of alleged dumping. The information may be given separately for each consignment (Appendix 1)

7.1.1. Period of Investigation ("POI")

In light of Section 36 (2) and Section 36 (3) of the Act, the Applicants suggest the Commission to consider following time periods for the POI of Dumping and Injury:

POI of Dumping: Oct 01, 2019 – Sep 30, 2020

POI of Injury: Oct 01, 2017 – Sep 30, 2020

Section 36(2) stipulates that the POI of Dumping shall "normally cover twelve months preceding the month of initiation of the investigation".

Section 36(3) stipulates that the POI of Injury should "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 available information regarding domestic industry and an investigated product".

7.1.2. Import Data and Countries under Consideration

For the purpose of this Application, the applicants engaged both, local and international consultants as well as used their own market intelligence for the collection and analysis of the import data of the investigated product.

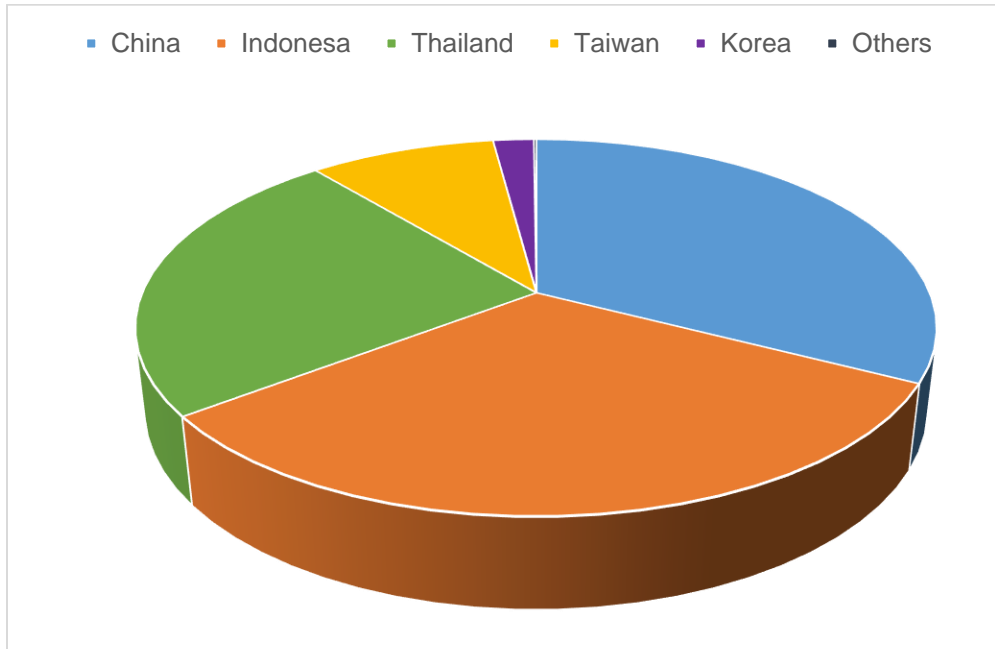
Appendix 1, on a confidential basis, provides separate sheets of the following:

- i. Consignment wise details of dumped imports from each exporting country
- ii. Consignment wise details of dumped imports from each individual exporter

Chart 3 below shows by the country of origin, the total PSF import volume into Pakistan, during the POI of Dumping.

Chart 3

**Country of Origin wise – Total Import Volume of PSF into Pakistan during the POI of Dumping.
(Kgs)**



As evident from the above chart, the volume of dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea was XX kgs against a total PSF import volume of XX kgs. In other words, the dumped imports of PSF from the aforementioned countries made up XX% [Indonesia - XX%, Thailand - XX%, Taiwan - XX% and Korea - XX%], of the total PSF import volume into Pakistan during the POI of dumping.

The dumped imports' cumulative share of XX% is well above the minimum requirement of 7% as defined in Section 41 (3) (b) of the Act. Based on this, it is evident that Indonesia, Thailand, Taiwan and Korea are dumping into Pakistan and therefore anti-dumping duty should be imposed on these countries in terms of this Application.

Furthermore, it is also important to highlight here that China, which accounts for XX% of the total PSF import volume during the POI of dumping, is already under investigation in furtherance of the initiation of Sunset Review and Change in Circumstances investigation, ADC # 33, by the Commission.

7.1.3. Exporters under consideration

During the POI of Dumping, there were XX exporters which accounted for 100% of the dumped imports, other than the dumped imports from China.

Table 1 and Chart 4 below show the volume and share of the XX manufacturers / exporters other than from China that dumped PSF into Pakistan during the POI of Dumping.

Table 1

[Provided on a Confidential Basis]

Chart 4

[Provided on a Confidential Basis]

7.2. Please indicate the known Ex-factory Export Price of each exporter for products alleged to be dumped in Pakistan (Appendix 2).

The ex-factory export prices of the XX producers/exporters are provided, on a confidential basis, in Appendix 2 for each consignment mentioned in Appendix 1.

The ex-factory export price is calculated from the formula listed below:

Formula

Ex-factory Export Price = C & F Karachi Export Price – Ocean Freight Cost – Commission Expenses – Ocean Insurance Cost – Inland Freight Cost – Inland Insurance cost – Port & Wharfage charges

Ocean Freight Cost

The port of loading for each dumping exporter was determined and is stated below in Table 2. In this regard, recent bill of ladings for each exporter were assessed. (Document attached as Enclosure 3).

Table 2

[Provided on a Confidential Basis]

For each port mentioned above, Applicants obtained quote of ocean freight rates, from that particular port to Karachi, Pakistan. All quotes are provided in Enclosure 4, on a confidential basis. The quotes are for 40 ft Container which approximately carries 25,000 Kgs of the investigated product.

Commission Expenses

PSF producers/exporters normally utilize the services of agents to export PSF to Pakistan. These agents have a certain commission for these services. For the purpose of this Application, a commission rate of USD XX/Kg was assumed; this being the commission paid by ICI to an agent to export PSF from Pakistan (document attached, on a confidential basis, as Enclosure 5).

Ocean and Inland Insurance Cost

PSF producers/exporters incur Ocean and Inland Insurance Cost to export PSF to Pakistan. Given that this data was not available, an estimate was made from the Ocean and Inland Insurance Cost borne by ICI to export product from Pakistan. The cost incurred by ICI Pakistan Ltd in terms of Ocean and Inland Insurance is XX% and XX% of the Shipment Value, respectively (document attached, on a confidential basis, as Enclosure 6).

Inland freight Cost (Ex-factory to Port of Loading)

For each exporter, the distance from its manufacturing site to port of loading was determined and is listed in Table 3 below.

Table 3

[Provided on a Confidential Basis]

The actual inland freight cost incurred by the exporters was not available. Thus, it was assumed that PSF producers/exporters would be incurring approximately the same per km cost for inland freight (Ex-factory to Port of Loading) as that was incurred by ICI in Pakistan.

Enclosure 7, on a confidential basis, lists the actual inland freight costs incurred by ICI Pakistan Ltd for product transported from Sheikhpura to Karachi. The rates (per km) incurred by ICI are as follow:

2017	PKR	XX per Km
2018	PKR	XX per Km
2019	PKR	XX per Km
2020	PKR	XX per Km

Wharfage Charges

Given that this information is not available, it was assumed that PSF producers/exporters would incur the same cost for Wharf-age charges as those incurred by ICI in Pakistan. ICI incurred wharf-age charges at the rate of PKR XX/Kg on exports of PSF (document attached, on a confidential basis, as Enclosure 8).

Ex-factory Export Price

Based on the above costs, the weighted average Ex-factory export price for each dumping exporter was calculated in Appendix 2.

Using the weighted average ex-factory export price for each exporter from dumped sources, the Applicants have arrived at the weighted average ex-factory export price for each exporting country.

Table 4 below shows, for each exporting country/dumped source, the Weighted Average C&F Export Price (\$/kg), the Weighted Average Ex-factory Export price (\$/kg) and share (%) in total dumped import volume during the POI of dumping.

Table 4

[Provided on a Confidential Basis]

As evident from the above table, Indonesia accounted for approximately XX% of the total dumped PSF import volume into Pakistan, during the POI of dumping. Furthermore, Thailand, owing to its lower pricing, was able to increase its quarterly average export volume to Pakistan from XX Kgs, in the first two quarters of the POI of Dumping, to XX Kgs, in the last two quarters of the POI of Dumping.

7.3. Please explain in detail any known relationship between importer and exporter or among any other interested parties.

As stated earlier, the applicants do not have such relationship as per Section (d) of the Act.

7.4. In case there is a relationship, the export price may be estimated as given in Appendix No. 3.

Not Applicable.

7.5. Any comments about answers given to the above questions including your efforts to determine any information that is not readily available to you.

The Ex-factory Export price was built with the data as detailed below:

Actual Costs – Ocean Freight

Market Norm/ICI Actual Costs – Insurance, Inland Freight, Commission and Wharfage.

Ex-factory export prices have been calculated based on the above costs, stated earlier in section 7.2, to get as close as possible to the actual cost borne by the exporter.

8. Normal Value

Despite the best efforts, Applicants were not able to obtain a comparable price of PSF payable/or paid in ordinary course of trade for sales of PSF when destined for consumption in Thailand, Taiwan and Korea. Therefore, the Applicants have constructed the normal value for these aforementioned countries as per cost of production of PSF in respective countries plus a reasonable amount of administrative, selling and general costs and profits, in terms of Section 6 (1) of the Act.

For Indonesia, the Ex-factory Normal Value has been calculated as per the provisions of the Section 5 of the Act.

Ex-factory Normal Value of Indonesia

8-A. Method of establishing Normal Value on the basis of domestic price(s) in exporting country

1. What is the ex-factory price charged by the producer(s) in the exporting country, subject to this application?

On a monthly basis, XX, an international renowned consultant for the Polyester Value Chain, publishes minimum and maximum ex-factory prices charged by the Indonesian PSF domestic industry within that particular month for its domestic sales of PSF.

For the purpose of this application, the Applicants purchased this data (stated in Table 5 below) from XX, on a confidential basis.

Using the monthly minimum and maximum price points, the Applicants have determined the average monthly Ex-factory domestic prices (as shown in Table 6 below) charged by the Indonesian PSF domestic industry during the POI of Dumping. The Applicants have established the Normal Value on a basis of average monthly Ex-factory domestic prices in line with Section (5) (1) of the Act.

Section (5) (1) of the Act stipulates that “the Commission shall establish normal value of an investigated product on the basis of 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”.

Table 5***[Provided on a Confidential Basis]*****Table 6*****[Provided on a Confidential Basis]*****8.2 Are indirect taxes such as VAT (total approximate amount may be given) included in the ex-factory price?**

The Average Domestic Ex-factory Normal Value determined in Section 8.1 does not include VAT or any other indirect tax.

8.3 What is the level of trade, (i.e. manufacturer to wholesalers, wholesaler to retailers, etc.) of the prices used to calculate domestic prices?

PSF is normally sold directly to the end-users and there are no intermediate wholesalers or retailers in the value chain. Export sales, however, usually have commission based agents.

8.4 Please provide the known quantities of sale, conditions and terms of sales?**Quantities of Sales**

In 2019 and 2020, on average, the total production for Indonesia PSF Industry is XX ktPA. It is pertinent to note that approximately XX% of this production is for industry's domestic sales. Therefore, it is evident that the domestic sales of PSF in Indonesia are in sufficient quantities (more than XX times the size of the export volume of PSF from Indonesia to Pakistan) for the determination of the normal value.

Table 7***[Provided on a Confidential Basis]*****Conditions of Sales**

In order to assess the conditions of sales, the Applicants determined the monthly profit margin that the Indonesia PSF domestic industry made at average ex-factory domestic prices, which have been earlier considered to establish Ex-factory Normal Value of Indonesia.

All working is shown on a confidential basis in Annexure 5.

The following formula was used to calculate the monthly profit margin during the POI of dumping

Profit Margin (\$/kg) = Average Ex-factory Domestic Price (\$/kg) – Cost of Raw Materials – Total Conversion Cost (\$/kg)

- **Cost of Raw Materials**

As discussed earlier, Polyester Staple Fiber has two main raw materials: PTA and MEG. To make 1 kg of PSF, XX kg of PTA and XX kg of MEG is consumed. Thus, the following formula is used to calculate the overall cost of raw materials,

Cost of Raw Materials: XX*(PTA XX Price + Inland freight) + XX*(MEG XX Price + Inland Freight)

Monthly PTA XX and MEG XX prices were purchased on a confidential basis from XX. Moreover, in an absence of actual freight cost, freight cost per km borne by ICI was taken as a benchmark.

It is pertinent to note that ICI pays approximately PKR XX/km and PKR XX/km in form of inland freight cost for transportation of PTA and MEG respectively (Document attached, on a confidential basis as Enclosure 9). To calculate the total inland freight cost, the Applicants determined the average distance between PSF manufacturers and PTA/MEG manufacturing sites within Indonesia, as shown in Annexure 2 and 3, on a confidential basis.

Furthermore, as per the information gathered by the Applicants from its sources, Indonesian PSF producers mostly procure domestically available raw materials to produce PSF for sale in the Domestic market. Indonesia has a surplus domestic PTA availability whereas MEG capacity in Indonesia is also balanced to meet the total PSF production requirement of Indonesia PSF Industry for its domestic sales, as shown in Table 8 below.

Table 8

[Provided on a Confidential Basis]

Trade map also reflects negligible PTA imports into Indonesia, which supports this assertion of the Applicants. Despite duty-free import of PTA and MEG, the importer will still have to bear import and transportation charges which can range from XX% to XX% of the total cost. Therefore, it is not commercially viable for any domestic manufacturer in Indonesia to import raw materials when the locally produced ones are available at lower prices.

- **Total Conversion Cost**

The Total Conversion Cost includes all costs (variable and fixed) other than the cost of raw materials incurred by PSF manufacturers.

For the purpose of this application, Applicants considered IFL total conversion cost as a benchmark for regional players. IFL having a state of the art German plant with an installed capacity of XX ktPA provides a good basis for the cost estimation. In Indonesia, the largest PSF manufacturers have an installed capacity of not more than XX ktPA (Annexure 4).

It is vital to note that in the last three years, the IFL total conversion cost ranged from \$XX/kg to \$XX/kg. Applicants took the minimum conversion cost of IFL to calculate the profit margin.

Based on the above costs, the monthly profit margin earned by the Indonesia PSF industry on its domestic sales was calculated in Annexure 5 and is shown in Table 9 below:

Table 9

[Provided on a Confidential Basis]

It is evident from the above table that during three months (XX, XX and XX), the domestic sales by producers in Indonesia were made at prices below cost. Therefore, this below cost sales should be excluded for the purpose of the calculation of the Normal Value since it is a considered view of the Applicants that these sales are in substantial quantities.

Terms of sale

Usually, both domestic and export markets have similar payment terms: Letter of Credit, Cash Against Documents and Advance Payment. As far as delivery terms are concerned, within export market, delivery terms can be FOB and CIF, while for domestic market, it is usually ex-works.

8.5 Any comments about information given above including your efforts to determine any information that is not readily available to you.

It is pertinent to note that the Applicants did not have access to each exporter ex-factory domestic prices. Therefore, the normal value determination was done on an overall country basis. The Applicants were able to purchase the pricing data of Indonesia Domestic PSF Industry from renowned petrochemical consultants. The same data has been used for the determination of the normal value.

8-D If it is not possible to establish normal value on the basis of above three methods (8- A, 8-B, & 8-C) then please provide information as per appendix 4

This method has been used for determination of Ex-factory Normal Value of Thailand, Taiwan and Korea

In the absence of data pertinent to domestic prices of sales of like product in an exporting country, the Applicants constructed the Ex-factory Normal Value of Thailand, Taiwan and Korea (calculations provided, on a confidential basis, in Appendix 4) in terms of Section 6 of the Act.

Ex-factory Normal Value Calculation

Cost of Raw Materials

As stated earlier, XX Kg of PTA and XX Kg of MEG is required to produce 1 Kg of PSF. Thus, the following formula was used to calculate the overall cost of raw materials.

For Thailand and Korea

$XX*(PTA\ XX + \text{Inland Freight}) + XX*(MEG\ XX\ \text{Prices} + \text{Inland Freight}).$

For Taiwan

$XX*(PTA\ XX\ \text{Price}^*) + XX*(MEG\ XX\ \text{Prices} + \text{Inland Freight}).$

As PTA XX Price for Taiwan is on delivered terms therefore the inland freight for PTA transportation from was excluded from the calculation

MEG XX Prices, PTA XX Monthly Prices and PTA XX Monthly Prices were purchased on a confidential basis, from XX and XX.

As mentioned earlier, in order to determine the inland freight cost, the following assumptions were made:

- (a) The freight cost per km borne by ICI was taken as a benchmark (Document attached as Enclosure 9).
- (b) Thailand, Taiwan and Korea have sufficient domestic availability of both raw materials, PTA and MEG to meet the total PSF production requirement for each country. In such a case, it does not make commercial sense for PSF manufacturers to use imported raw materials since domestic raw materials are available at lower prices. With this assumption, for each country, the average distance between its PSF manufactures and its PTA/MEG manufacturing sites was determined in Annexure 2 and Annexure 3, on a confidential basis.

Table 10

[Provided on a Confidential Basis]

Total Conversion Cost

The total conversion cost includes all variable and fixed costs of production apart from the cost of raw materials. The Applicants considered total IFL conversion cost as a benchmark for the regional players. It is vital to note that IFL has a state-of-art German plant with an installed capacity of XX ktPA and exporters under consideration (from Thailand, Taiwan and Korea) do not have an installed capacity more than XX ktPA, as shown in Annexure 4, on a confidential basis. Moreover, IFL has the same manufacturing process and produces the domestic like product which is substitutable with imported product. Thus, IFL conversion cost is a good basis for the cost estimation.

As mentioned earlier, in the last three years, IFL total conversion cost ranged from \$XX/kg to \$XX/kg. The Applicants considered the minimum IFL conversion cost (i.e. \$XX/kg) to construct the Normal Value.

Profit Margin

The profit margin for Thailand, Taiwan and Korea based PSF manufacturers was assumed to be similar to the average profit margin made by the Indonesia PSF local industry on the domestic sales, in an ordinary course of trade, when destined for domestic consumption. This assumption satisfies the requirements of Section 8 (c) of the Act.

The average profit margin during the POI of dumping for Indonesia PSF local industry was \$XX/kg, as shown in Annexure 5. It is pertinent to note that in order to calculate the profit margin for the region (Thailand, Taiwan and Korea), the Applicants excluded Indonesia Domestic PSF Industry's 3-month domestic sales made at below cost.

Ex-factory Normal Value of Thailand, Taiwan and Korea

Based on the above, the Ex-factory Normal value of Thailand, Taiwan and Korea was constructed as per Appendix 4 and is stated in Table 11 below.

Table 11

[Provided on a Confidential Basis]

9. Dumping Margin

1. What is the dumping margin (Normal Value minus Export Price) on the basis of information given in Sections 7 and 8, in terms of:

1. Absolute value per unit of the product.
- ii. Percentage of C&F value, accepted for the purpose of customs valuation in Pakistan.
- iii. Percentage of FOB value, accepted for the purpose of customs valuation in Pakistan.

The Average Normal Value and the Weighted Average Export Price have been determined at the Ex-factory level in Section 7 and 8 as per Part III and IV of the Act. Furthermore, there are no known differences in the terms and conditions of sale and all of the transactions relate to the same period. Therefore, to the best of Applicants knowledge and understanding, a fair and accurate analysis has been made. Hence, as per Part V Section 11 (1), the applicants qualify for the comparison between the Normal Value and the Export price.

Dumping Margin is calculated in accordance with Section 12 of the Act. Table 12 shows the dumping margin for each individual country for the POI of Dumping.

As evident from Table 12 below, the dumping margin as percentage of C&F price of Indonesia, Thailand, Taiwan and Korea is XX%, XX%, XX% and XX% respectively, during the POI of Dumping.

Table 12

[Table has been indexed for Non-confidential Version]

Dumping Margin for each Country under Investigation

Exporter	Weighted Average Export Price (USD/ kg)	Average Ex-Factory Normal Value (USD/ kg)	Weighted Average Ex-Factory Export Price (USD/ kg)	Dumping Margin (USD / kg)	Dumping Margin as %age of C&F Price	Dumping Margin as %age of Ex-Factory Export Price
Indonesia	100	113	90	22	22%	25%
Thailand	100	115	88	27	27%	30%
Taiwan	100	111	92	19	19%	21%
Korea	100	110	90	19	19%	21%

Furthermore, Tables 13 – 16 below show the dumping margins of each exporting country, on a quarterly basis for the POI of Dumping.

Table 13*[Table has been indexed for Non-confidential Version]***Dumping Margin of Indonesia on a quarterly basis during the POI of Dumping**

Indonesia						
	Weighted Average Export Price (USD/ kg)	Average Ex-Factory Normal Value (USD/ kg)	Weighted Average Ex-Factory Export Price (USD/ kg)	Dumping Margin (USD / kg)	Dumping Margin as %age of C&F Price	Dumping Margin as %age of Ex-Factory Export Price
Q2 2019/20	100	110	90	20	20%	22%
Q3 2019/20	100	112	92	20	20%	22%
Q4 2019/20	100	104	90	14	14%	16%
Q1 2020/21	100	107	90	17	17%	19%
Average	100	113	90	22	22%	25%

As evident from above table, the quarterly dumping margin (as % of C&F price) of Indonesia in Q2 2019/20, Q3 2019/20, Q4 2019/20 and Q1 2020/21 was XX%, XX%, XX% and XX% respectively.

It is pertinent to note that on average, during the POI of dumping, Indonesia's average dumping margin (as % of C&F price) was XX%.

Table 14*[Table has been indexed for Non-confidential Version]***Dumping Margin of Thailand on a quarterly basis during the POI of Dumping**

Thailand						
	Weighted Average Export Price (USD/ kg)	Average Ex-Factory Normal Value (USD/ kg)	Weighted Average Ex-Factory Export Price (USD/ kg)	Dumping Margin (USD / kg)	Dumping Margin as %age of C&F Price	Dumping Margin as %age of Ex-Factory Export Price
Q2 2019/20	100	113	90	23	23%	25%
Q3 2019/20	100	108	90	19	19%	21%
Q4 2019/20	100	106	87	19	19%	21%
Q1 2020/21	100	117	86	31	31%	37%
Average	100	115	88	27	27%	30%

Table 14 above shows that in Q2 2019/20, Q3 2019/20, Q4 2019/20 and Q1 2020/21, the quarterly dumping margin (as % of C&F price) of Thailand was XX%, XX%, XX% and XX% respectively.

It is pertinent to note that in Q4 2019/20, despite the pandemic, Thailand's dumping margin remained at XX% due to which Thailand enhanced its penetration in the domestic PSF market of Pakistan. In Q1 2020/21, Thailand's dumping margin (as % of C&F price) increased to XX%, further boosting its dumped PSF export volume to Pakistan.

During the POI of dumping, Thailand's average dumping margin (as % of C&F price) was XX%.

Table 15**[Table has been indexed for Non-confidential Version]****Dumping Margin of Taiwan on a quarterly basis during the POI of Dumping**

Taiwan						
	Weighted Average Export Price (USD/ kg)	Average Ex-Factory Normal Value (USD/ kg)	Weighted Average Ex-Factory Export Price (USD/ kg)	Dumping Margin (USD / kg)	Dumping Margin as %age of C&F Price	Dumping Margin as %age of Ex-Factory Export Price
Q2 2019/20	100	116	93	23	23%	25%
Q3 2019/20	100	114	92	21	21%	23%
Q4 2019/20	100	93	92	0.3	0.3%	0.3%
Q1 2020/21	100	133	92	42	42%	45%
Average	100	111	92	19	19%	21%

Table 15 above shows that the quarterly dumping margin (as % of C&F price) of Taiwan in Q2 2019/20, Q3 2019/20, Q4 2019/20 and Q1 2020/21 was XX%, XX%, XX% and XX% respectively.

In Q4 2019/20, Taiwan domestic market performed better than its regional counterparts thus Taiwanese players were less interested in the export market for a short-while. However, as soon as the world re-opened and the pent-up domestic demand in Taiwan adjusted, Taiwan once again started to dump PSF at a dumping margin (as % of C&F price) of as high as XX% in Q1 2020/21. With return to its dumping practices, in Q1 2020/21 as compared to Q4 2019/20, Taiwan dumped PSF export volume to Pakistan increased by more than XX times.

During the POI of Dumping, the average dumping margin (as % of C&F price) of Taiwan was XX%.

Table 16*[Table has been indexed for Non-confidential Version]***Dumping Margin of Korea on a quarterly basis during the POI of Dumping**

Korea						
	Weighted Average Export Price (USD/ kg)	Average Ex-Factory Normal Value (USD/ kg)	Weighted Average Ex-Factory Export Price (USD/ kg)	Dumping Margin (USD / kg)	Dumping Margin as %age of C&F Price	Dumping Margin as %age of Ex-Factory Export Price
Q2 2019/20	100	110	91	19	19%	21%
Q3 2019/20	100	108	91	16	16%	18%
Q4 2019/20	100	110	89	21.2	21%	24%
Q1 2020/21	100	109	90	19	19%	21%
Average	100	110	90	19	19%	21%

Table 16 above shows that the quarterly dumping margin (as % of C&F price) of Korea in Q2 2019/20, Q3 2019/20, Q4 2019/20 and Q1 2020/21 was XX%, XX%, XX% and XX% respectively.

It is pertinent to note that in two months of Q4 2019/20 (July and August), Korea had XX PSF export to Pakistan therefore the dumping margin calculated for this particular quarter is based on Korea's June export PSF volume to Pakistan. During the months of July and August, like Taiwan, Korea's domestic market also performed better than its regional counterparts. However, as soon as the markets around the world adjusted, Korea once again started to aggressively target Pakistan. In June'20 and Q1 2020/21, the dumping margin (as % of C&F price) for Korea was XX% and XX% respectively.

During the POI of Dumping, the average dumping margin (as % of C&F price) of Korea was XX%.

It is evident from above that the Dumping Margin of Indonesia, Thailand, Taiwan and Korea during the POI of Dumping is significant and beyond the thresholds specified in Section 41 (3) (a) of the Act.

The Commission is, therefore, requested to impose Definitive Anti-dumping Duty, as per Sections 50 and 51 of the Act, on all imports of the Investigated product from Indonesia, Thailand, Taiwan and Korea equivalent to XX%, XX%, XX% and XX% Ad Valorem respectively of the C&F Price, over and above the applicable Customs Duty, for a period of five years from the date of imposition of Anti-dumping Duties. The Commission is further requested to impose Provisional Anti-dumping Duty pursuant to Section 43 of the Act to prevent Injury being caused to the Applicants during the course of the Investigation initiated by the Commission pursuant to the Application and to apply Definitive Anti-dumping Duties retroactively pursuant to Section 54 of the Act.

10 Injury

In terms of Section 16 of the Act, where imports of a like-product from more than one country are the subject of simultaneous investigations under the Act, the Commission may cumulatively assess the effects of dumped imports on the domestic industry if

- (a) dumping margin in relation to investigated product from each country is more than negligible amount as specified in clause (a) of sub-section (3) of section 41 and volume of dumped imports from each investigated country is not less than the negligible quantity as specified in clause (b) of sub-section (3) of section 41; 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.

In view of the above reproduced provision of the Act, the Applicants request the Commission to cumulatively assess the effects of dumped imports from the Exporting Countries on the domestic industry since the dumping margin in relation to the investigated product from each exporting country is more than the negligible amount as specified in clause (a) of sub-section (3) of section 41 of the Act; and volume of the dumped imports from each exporting country is not less than the negligible quantity as specified in clause (b) of sub-section (3) of section 41 of the Act.

For clarification, it is highlighted here that volume of imports from Korea were less than XX% during the POI of Dumping. However, in terms of section 41 (3) (b) of the Act, the total imports of PSF from the Exporting Countries were XX% of the total imports of PSF during the POI of Dumping. Therefore, the volume of imports from the Exporting Countries meets the threshold requirements of volume under section 41 (3) (b) of the Act and also qualifies for cumulative assessment of injury of such imports on the domestic industry in terms of section 16 of the Act.

10.1 Injury Commencement: Specify the date when the allegedly dumped imports began causing or threatening to cause injury.

Over the years, there has been incessant dumping of PSF into Pakistan, mainly from Indonesia, Thailand, Taiwan and Korea. In order to protect itself from such unfair trade, in 2006, the Domestic Industry filed Anti-dumping Duties Application against dumped PSF imports coming from Indonesia, Thailand and Korea (Reference: ADC 12/2006). In pursuance of the submitted Application, the commission initiated its investigations and issued its Preliminary Determination on February 9, 2007. In both,

the Preliminary and the Final Determinations, it was established that Indonesia, Thailand and Korea were indeed dumping PSF into Pakistan, which caused significant material injury to the Domestic Industry. Thus, the Commission imposed definitive Anti-dumping Duties on all PSF imports from said countries for a period of 5 years.

In 2012, before the expiration of the anti-dumping duties, the Domestic Industry filed the Sunset Review application. The Commission positively concluded the review as it extended the anti-dumping duties for another two years to prevent the recurrence of dumping and injury. However, in 2014, the anti-dumping duties imposed on Indonesia, Thailand and Korea were terminated after the unsuccessful conclusion of the second sunset review.

Such a decision opened gates for these dumping countries and from 2019 onwards, the exponential growth in the dumped imports from Indonesia, Thailand, Taiwan and Korea caused significant injury to the domestic industry.

Circumstances and developments leading to the commencement of dumping from the Dumped Sources

1. Indonesia

The on-going trade war between world's two biggest economies, USA and China has severely disrupted the regional trade flow. To make matters worse, the world has been hit by COVID19 pandemic, which has further worsened the situation for the regional countries.

Before the trade war, USA was a major export destination for China based yarn and fabric manufacturers. However, with high anti-dumping duties imposed, Chinese yarn and fabrics exports volume to USA fell by XX% and XX% in 2018 and 2019 respectively (Annexure 10). To offset this drop, in 2019, China increased its yarn and fabrics exports to Indonesia by XX% (XX)

Such a surge in yarn and fabrics imports of Indonesia adversely impacted the country's domestic demand growth for Polyester Staple Fiber.

In 2019, the annual domestic demand growth of PSF in Indonesia was only XX% (XX ktPA) as compared to XX% (XX ktPA) and XX% (XX ktPA) in 2017 and 2018 respectively.

Amid, sluggish domestic demand, Indonesia further increased its PSF export volume to the world by XX% i.e. XX kt to keep its production and subsequently operating rates high, as shown in Table 17 below.

Table 17*[Table has been indexed for Non-confidential Version]***Indonesia PSF – Domestic Demand, Production, Exports and Imports
(2016 – 2019)**

Year	Indonesia PSF Domestic Demand (kt)	Change in Indonesia PSF Domestic Demand (% & kt)	Indonesia PSF Production (kt)	Change in Indonesia PSF Production (% & kt)
2016	100		98	
2017	104	XX	101	XX
2018	108	XX	106	XX
2019	108	XX	117	XX

Year	Indonesia PSF Exports (kt)	Change in Indonesia PSF Exports (% & kt)	Indonesia PSF Imports (kt)	Change in Indonesia PSF Imports (% & kt)
2016	21		23	
2017	22	XX	24	XX
2018	26	XX	28	XX
2019	37	XX	28	XX

As evident from Figure 1 below, in 2019, Indonesia mainly increased its PSF exports to United States of America and Pakistan. It is pertinent to note that in the first half of 2020 as compared to same period last year, Indonesia was able to further increase its PSF exports to Pakistan despite of the fact that the overall Indonesia PSF export volume to the world, for the same period, reduced by XX%.

This shows the significance of Pakistan as a lucrative export destination for Indonesia amid slow domestic demand growth.

This analysis is also validated from the PSF import data of Pakistan. Since 2015, in 2019, for the first time, Indonesia exported PSF to Pakistan and by Sept 2020, had exported XX kt of PSF to the country. During the POI of

dumping, Indonesia made XX% of the total dumped PSF imports into Pakistan from Indonesia, Thailand, Taiwan and Korea.

Figure 1

[Provided on a Confidential Basis]

Indonesia was able to increase its PSF export volume to Pakistan by offering the product at dumped prices. The magnitude of Indonesia dumping margin has already been established in Section 9.

Moreover, there is a substantial disparity between the prices of PSF exported by Indonesia to Pakistan and other importing countries. The same produced, PSF under the PCT heading 5503.2010, is being exported to Pakistan at much cheaper prices when compared to export prices to other major importers of PSF from Indonesia. The transparent cost and pricing structure of the PSF industry in general does not allow any logical justification for such a substantial price disparity for the export of the same product between different countries, especially when the comparison is being made for the same time period and all relevant costs are equally applicable for export to all countries under consideration.

Table 18

[Table has been indexed for Non-confidential Version]

Weighted Average FOB Price (\$/kg) for Top Three Export Destinations of Indonesia PSF Industry during period: Feb'2019 – Jan'2020

Sr.	Countries Importing from Indonesia	Weighted Average FOB Price (USD/KG)
1	United States of America	100
2	Bangladesh	87
3	Pakistan	83

It is evident from the aforementioned facts that Pakistan remains a hotbed and a lucrative export destination for the Indonesian PSF players to dump their produce and keep the operating rates high.

As per our consultant, the largest PSF producer in Indonesia has undertaken a capacity expansion of XX ktPA which is expected to be completed by December 2020 (XX) .

New capacity addition, sluggish PSF domestic demand amid surge of yarn and fabric imports from China will further aggravate the situation for the PSF

manufacturers in Indonesia, posing a continuing threat for Pakistan Domestic PSF Industry. Thus, in the absence of the anti-dumping duties, Indonesia will continue to target Pakistan, that has become its major export market of interest as compared to other export destinations.

2. Thailand

As stated earlier, in 2019, Indonesia, in a bid to deal with its sluggish domestic demand and high exportable surplus, increased its PSF exports to United States of America and Pakistan.

USA was already a major export destination for Thai based PSF manufacturers. Thailand enjoyed a dominant position in the USA market until mid-2019, when it started to lose its share mainly to Indonesia and some to Turkey and Taiwan, as shown in Figure 2 and Figure 3 below. By 2020, Thai share in the US fine denier PSF import volume was down to XX% from XX%, i.e. loss of XX ktPA in volumetric terms.

Figure 2

[Provided on a Confidential Basis]

Figure 3

[Provided on a Confidential Basis]

This was a grim situation for Thai based PSF manufacturers who were already facing low demand in the domestic market. It is pertinent to note that in 2019, only XX% of the country's installed capacity was sufficient to fulfil the country's total domestic demand of PSF (Table 19).

Table 19

[Provided on a Confidential Basis]

Thus, amid high exportable surplus, contraction in domestic demand and loss of share in the USA market, Thailand started to aggressively target Pakistan. During the POI of dumping, Thailand dumped approximately XX kt of PSF into Pakistan, an increase of XX% as compared to same period last year.

As evident from Figure 4 below, in 2019, Thailand started to target Pakistan market and in first eight months of 2020, Thailand Export volume to the world increased by XX%, mainly because of Pakistan.

Figure 4***[Provided on a Confidential Basis]***

Thailand was able to take share in the Pakistan PSF domestic market by selling product at dumped prices. Earlier in Section 9, it was established that during the POI of Dumping, Thailand dumping margin (as % of C&F price) was XX%.

Moreover, there was substantial disparity between the prices of PSF exported by Thailand to Pakistan and other importing countries, as shown in Table 20 below. The same produced PSF under the PCT heading 5503.2010, is being exported to Pakistan at much cheaper prices when compared to export prices to other major importers of PSF from Thailand. As mentioned earlier, there is no logical justification for this difference.

Table 20***[Table has been indexed for Non-confidential Version]*****Weighted Average FOB Price (\$/kg) for Top Four Major Export Destinations of Thailand PSF Industry**

Sr.	Countries Importing from Thailand	Weighted Average FOB Price (USD/KG)
1	Viet Nam	100
2	China	97
3	United States of America	114
4	Pakistan	89

Thus, in the absence of the anti-dumping duties, Pakistan will continue to remain a hotbed for Thai-based PSF manufacturers that will continue to dump their produce in Pakistan to compensate for their market share loss in USA and in a bid to increase its capacity utilization that currently stands at XX%.

3. Taiwan and Korea

It is evident from the above discussion that USA-China trade war has brought intense competition in the export arena for the regional players. Countries such as Taiwan and Korea, are heavily dependent upon their export sales as they have a minimal domestic demand as compared to their installed capacities. As shown

in Table 21 and Table 22 below, Taiwan and Korea have a high exportable surplus of XX ktPA and XX ktPA respectively.

It is pertinent to note that in 2019, when the region started to witness the change in trade flow due to US-China trade war, Taiwan and Korea also started to lose their share in export markets to other exporting countries. Subsequently, both countries, Taiwan and Korea started to report decline in their capacity utilization rates too.

Table 21

[Provided on a Confidential Basis]

Table 22

[Provided on a Confidential Basis]

The regional developments have compelled Taiwanese and Korean PSF producers to look for other export destinations to dump their produce. As shown in Table 23 and 24 below, Pakistan has emerged as a hotbed for both countries to liquidate their produce at dumped prices. Both Korea and Taiwan kept substantial disparity between prices of PSF exported to Pakistan and other countries. It is pertinent to note that earlier in Section 9, it has been established that during the POI of Dumping, both Taiwan and Korea dumping margin (as % of C&F price) was XX%.

During the POI of Dumping the Taiwanese and Korean dumped PSF export volume to Pakistan increased by XX% (XX kt) and XX% (XX kt) respectively.

Table 23

[Table has been indexed for Non-confidential Version]

Weighted Average FOB Price (\$/kg) for Top Three Major Export Destinations of Taiwan PSF Industry

Sr.	Countries Importing from Taiwan	Weighted Average FOB Price (USD/KG)
1	Viet Nam	100
2	Pakistan	97
3	Mexico	100

Table 24***[Table has been indexed for Non-confidential Version]*****Weighted Average FOB Price (\$/kg) for Major Export Destinations of Korea PSF Industry**

Sr.	Countries Importing from Korea	Weighted Average FOB Price (USD/KG)
1	United States of America	100
2	Poland	82
3	China	90
4	Viet Nam	114
5	Italy	86
6	United Kingdom	88
7	Russian Federation	96
8	Japan	106
9	Pakistan	85

Other

From the above analysis, it is evident that the region (Indonesia, Thailand, Taiwan and Korea) is in severe distress owing to change in the trade flow. Indonesian, Thai, Taiwanese and Korean PSF producers/exporters are seeking export markets where they can offer the product at prices lower than domestic market rates, i.e. dump their product, in order to gain additional sales volume to improve operating rates and thereby achieve optimal plant operations and in turn cost minimization without affecting their revenue stream from the domestic market. By doing this, while Indonesian, Thai, Taiwanese and Korean PSF producers/exporters face diminished profit margins or even losses for the dumped exports they are able to decrease average fixed costs per unit of production as well as gain from efficiencies through optimal plant operations.

In such a search, all of these countries have directed themselves towards Pakistan.

This is validated by the following facts:

- (a) During the POI of Dumping; Indonesia, Thailand, Taiwan and Korea dumped PSF export volume to Pakistan increased by XX% (XX kt), XX% (XX kt), XX% (XX kt) and XX% (XX kt) respectively.
- (b) All four countries exported PSF to Pakistan at a much lower FOB price as compared to their other major export destinations

- (c) For the first six months of 2020, while Indonesia exports to the world reduced by XX%, its PSF export volume to Pakistan increased by XX% (XX kt). On the other hand for Thailand's export volume growth of XX%, in the first eight months of 2020 was mainly because of its growth in PSF export volume to Pakistan.

Furthermore, it is pertinent to note that United States of America has placed Anti-dumping duties on Polyester Staple Fiber imported from Taiwan and Korea. On the other hand Turkey has imposed Anti-dumping duties on Indonesia and Korea. Indonesia has imposed Anti-dumping duties on Taiwan. Therefore, countries have started to take action to protect their domestic industries from unfair trade and dumping practices carried by the countries under investigation. As Countries continue to place anti-dumping on dumped sources, Indonesia, Thailand, Taiwan and Korea will continue to re-direct their dumped exports to those countries that have low tariff barriers or no anti-dumping duties.

Table 25

Year	Product	Antidumping Duties imposed by:	Exporting Country	ADD %age
2018	Polyester Staple Fibre	Turkey	Indonesia	6.2%-12%
2018	Polyester Staple Fibre	Turkey	Korea	6.20%
2018	Low-Melt Polyester Staple Fiber	United States of America	Taiwan	49.93%
2018	Low-Melt Polyester Staple Fiber	United States of America	Korea	0% -16.27%
2019	Polyester Staple Fibre	Indonesia	Taiwan	28.47%
2018	Fine Denier Polyester Staple Fiber	United States of America	Taiwan	48.86%
2018	Fine Denier Polyester Staple Fiber	United States of America	Korea	0% - 45.23%

Source: PCI Woodmac

Furthermore, a research reveals that between 1995 and 2019, there have been 1,176 Anti-dumping initiations against Indonesia, Thailand, Taiwan and Korea by various countries around the globe. Statistics taken from the WTO website also reveal that while India has protected its domestic industry against unfair trade very aggressively by way of Anti-dumping initiations, in comparison the number of Anti-dumping initiations in Pakistan have been quite low. Anti-dumping Initiations by Reporting Member vs. Exporting Country, between the 1995 and 2019, is shown in Table 26 below.

Table 26

Exporter	China	India	Indonesia	Korea	Pakistan	Taiwan	Thailand	United States	All Other Countries	Total
China		232	30	33	29	14	24	173	871	1392
India	11		15	7	5	3	2	42	159	241
Indonesia	6	42		8	11	3	5	23	123	218

Korea	42	74	19		14	10	13	58	227	447
Pakistan		3		1				2	20	26
Taiwan	19	68	14	8	9		8	38	151	315
Thailand	9	54	10	7	8	1		18	132	238
United States	54	44	2	15	4				179	298

Source: WTO

Dumping of PSF into Pakistan by Indonesian, Thai, Taiwanese and Korean PSF producers/exporters is a cause of serious concern for the domestic PSF Industry which continues to suffer Injury. The Applicants continue to suffer Material Injury, as per Sections 19 (a) and 19 (b), of the Act.

10.2 Volume of Imports

Provide details of imports of the allegedly dumped product by volume as per Appendix 5 (where the Application involves products from more than one country, please provide the above information for each country).

Appendix 5 summarizes, on a quarterly and a country wise basis, the volume of PSF imports for Pakistan during the POI of Injury.

As evident from Table 27 below, during the POI of Dumping, the volume of total dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea increased by XX% as compared to same period last year.

Table 27

[Table has been indexed for Non-confidential Version]

Volume and Change in the Volume of Dumped PSF Imports from Indonesia, Thailand, Korea and Taiwan during the POI of Injury

Period	Volume of Dumped Imports (Kg)	Increase/Decrease (%)
Oct 17 - Sep 18	100.00	
Oct 18 - Sep 19	195.30	95%
Oct 19 - Sep 20	818.60	319%

As shown in Table 28 below, during the POI of Dumping, the total volume of the dumped imports of PSF from the aforementioned countries was on a rise. In Q2 2019/20, Q3 2019/20 & Q1 2020/21, the volume of the dumped imports under investigation increased by XX%, XX% and XX% respectively, as compared to previous quarters.

Q4 2019/20 was an exception to this trend as for most of Q4 2019/20, owing to COVID19 lockdown, the downstream textile sector in Pakistan remained closed adversely impacting the demand of the both, the domestic and imported fiber. However, once the textile downstream sector re-opened, the demand re-bounded and in Q1 2020/21, as stated earlier, the volume of the dumped imports of PSF from the countries under investigation once again increased, this time by XX% as compared to previous quarter.

Table 28

[Table has been indexed for Non-confidential Version]

	Period	Dumped Imports of PSF From Indonesia, Thailand, Taiwan and Korea (Kgs)	Change in Volume as compared to previous quarter (%)
Period of Dumping	Oct'19 – Dec'19	100	152%
	Jan'20 – Mar'20	134	34%
	Apr'20 – Jun'20	113	-16%*
	Jul'20 – Sept'20	207	83%

*for most of Q4 2019/20, the textile downstream sector in Pakistan remained closed hence impacting the demand for imported fiber.

Furthermore, on an individual country basis, during the POI of Dumping, the dumped Imports of PSF from Indonesia, Thailand, Taiwan and Korea increased by XX%, XX%, XX%, XX% respectively, as shown in Table 29 below.

Table 29*[Table has been indexed for Non-confidential Version]***Volume of Dumped PSF Imports from Indonesia, Thailand, Korea and Taiwan during the POI of Injury**

	Oct'17 - Sept'18	Oct'18 - Sept'19	Oct'19 - Sept'20	Change in Volume during POI of Dumping
Indonesia	No Imports	100	463	363%
Thailand	100	1,040	5,636	442%
Taiwan	100	50	128	156%
Korea	100	147	253	72%

In addition to this, it is also pertinent to note that, during the POI of Dumping, the total PSF imports increased by XX% while the total dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea increased by XX% for the same period. Thus, as shown in Table 30 below, during the POI of Dumping, the share of the total dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea in total PSF imports increased, in a year, from XX% to XX%.

Table 30*[Table has been indexed for Non-confidential Version]***Total PSF Imports (Kgs) and Share of Dumped PSF Imports from Indonesia, Thailand, Taiwan and Korea in the total PSF Imports (%)**

Period	Total Imports (kg)	Share of Dumped Imports in Total Imports
Oct 17 - Sep 18	100	100
Oct 18 - Sep 19	87	226
Oct 19 - Sep 20	221	370

It is evident from above that the volume of dumped imports from Indonesia, Thailand, Taiwan and Korea significantly increased by XX Kgs or XX% during the POI of Dumping, taking up the market share of the domestic industry.

10.3 Sales and Output

i. Provide information, on a quarterly basis, showing sales volume by your industry and its share in the domestic market for the most recent three years.

Applicants have provided the sales volume information for the domestic industry on a quarterly basis for the POI of Injury in Appendix 6.

It is evident from Table 31 below that during the POI of dumping (Oct 2019 – Sept 2020), the share of the local industry in the domestic market reduced from XX% to XX% as compared to same period last year.

Table 31

[Table has been indexed for Non-confidential Version]

Sales Volume and Share of the local Industry during the POI of Injury

Period	Sales Volume of Local Industry (Kgs)	Change in Sales Volume of Local Industry (%)	Share in Domestic Market (%)	Total Domestic Market Size (Kgs)	Change in total Domestic Market Size
Oct 17 - Sep 18	100		100	100	
Oct 18 - Sep 19	92	8%	101	92	-8%
Oct 19 - Sep 20	75	-18%	81	93	2%

It is pertinent to note that despite domestic market demand growth of XX%, the local industry lost XX Kgs in its domestic sales volume, mainly due to the influx of dumped imports of PSF into the country. As discussed later in Section 10.4, the local industry has the surplus capacity to serve both current and future market demand of PSF in Pakistan.

Table 32 below shows on a quarterly basis, the domestic sales volume and the market share of the local industry, during the POI of Dumping

Table 32

[Provided on a Confidential Basis]

It is pertinent to highlight here that even when the textile downstream industry was fully operational post and pre COVID lockdown period, the local industry's share in

the domestic market ranged from XX% to XX%, as compared to an average of XX% in a year prior to the POI of Dumping.

It is therefore, evident from above that the applicants suffered material injury on account of loss of significant market share and sales volume to the dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea.

ii. Provide evidence of the size of the domestic market for the most recent three years.

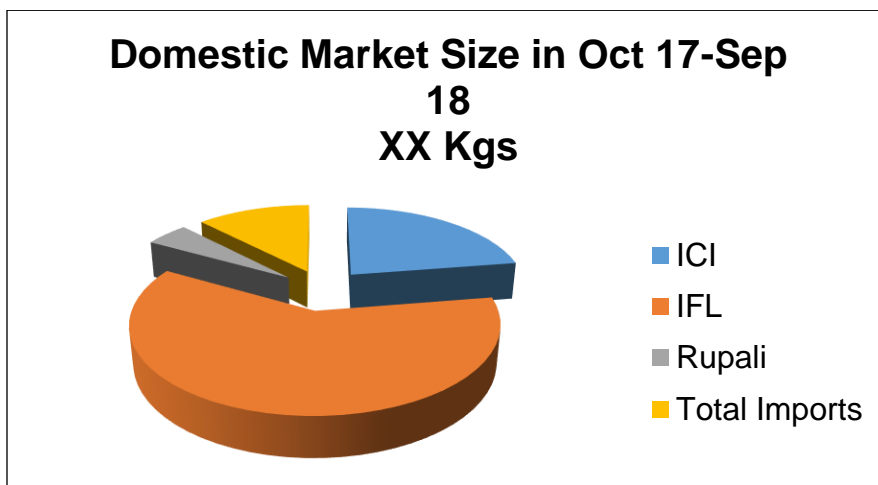
For the purpose of this Application, the domestic market size was calculated as the sum of the total sales volume of the three domestic PSF producers (ICI Pakistan Ltd; Ibrahim Fibres Ltd; Rupali Fibres Ltd) and total Import Volume of PSF into Pakistan from all sources.

As the sales volume data for RPL was not available, hence its sales were taken at its nameplate capacity.

Charts 5 - 7 below, show the domestic market size for the POI of Injury, as provided in Appendix 6, on a confidential basis.

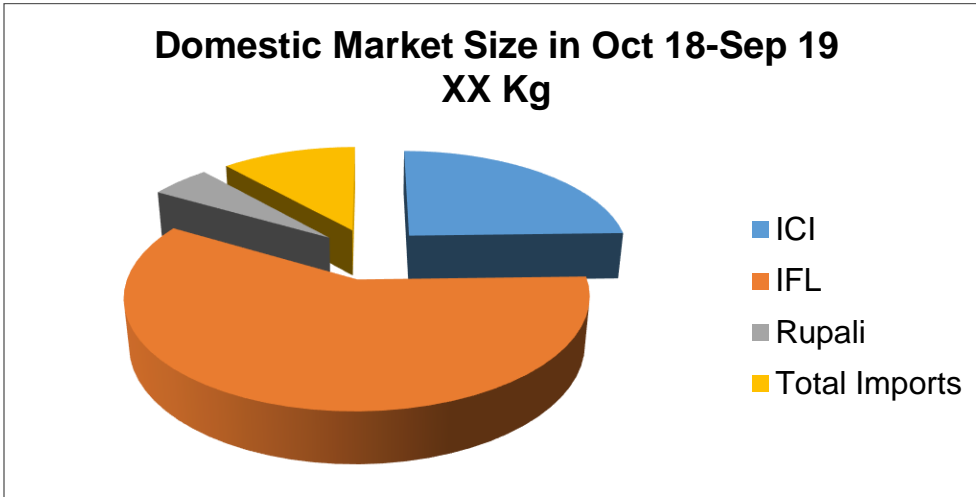
During the POI of Dumping, while the total domestic market size increased by approximately XX%, the share of the total imports of PSF in the domestic market increased from XX% to XX% as compared to same period last year. Furthermore, it is pertinent to note that, during the POI of Dumping, XX% of the total import volume of PSF in domestic market was from Indonesia, Thailand, Taiwan and Korea.

Chart 5



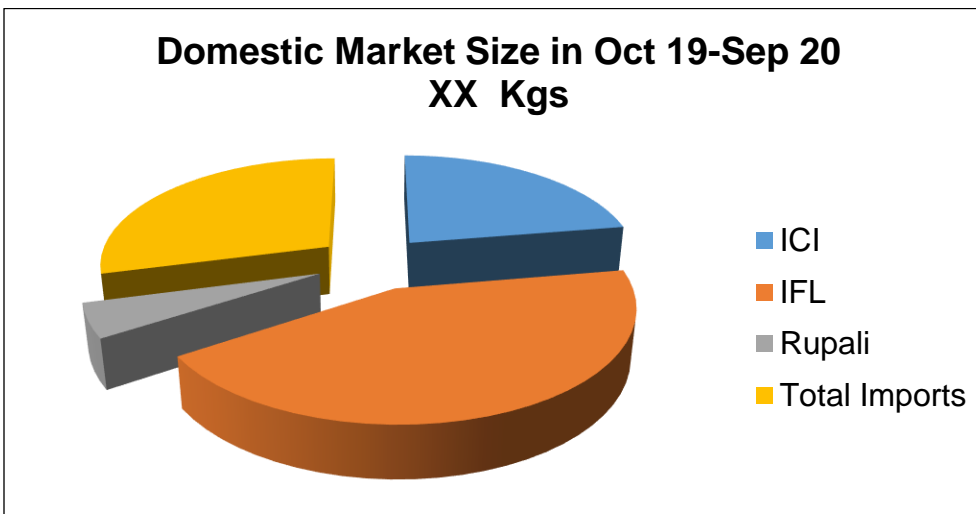
Source: Appendix 6

Chart 6



Source: Appendix 6

Chart 7



Source: Appendix 6

iii. Compare the market share of local industry in the domestic market, with the shares of imports of the allegedly dumped product and imports from other countries for the three years as in (i) above.

Table 33 below demonstrates that during the POI of Dumping, while the share of the local industry in the domestic market decreased from XX% to XX%, the share of the dumped imports from Indonesia, Thailand, Taiwan and Korea in the domestic market increased from XX% to XX% and the share of imports from other sources increased from X% to XX% during the same period last year. It is pertinent to note that the installed capacity of the domestic industry is sufficient to meet the current and the future demand of the market.

Table 33***[Table has been indexed for Non-confidential Version]***

Period	Share of Local Industry in the Domestic Market	Share of Dumped Imports from Indonesia, Thailand, Taiwan and Korea in the Domestic Market	Share of Imports from Other Countries in the Domestic Market
Oct 17 - Sep 18	100	100	100
Oct 18 - Sep 19	101	213	68
Oct 19 - Sep 20	81	879	95

iv. Provide details of inventory and sales changes as per appendix 7.

Required details are provided in Appendix 7, on a confidential basis.

Table 34***[Provided on a Confidential Basis]***

As evident from the table above, during the POI of Dumping, the inventories for the domestic industry were on rise. Earlier in Oct'18 to Sept'19, the average daily sales were down due to change in the market demand owing to taxation issues. However, during the POI of Dumping, the market demand actually grew by XX% but the average sales of the domestic industry were down by XX%. Thus, during the POI of Dumping the increase in inventories for the domestic industry was because of the change in the average daily sales which was due to the loss of market share of the domestic industry to the dumped imports of PSF.

Price Effects

Information on price effects should be provided for each product, model or type, subject to Investigation as per Appendix 8.

Note: Provide supporting evidence, for example, price lists, invoices, decline in average unit Ex-factory prices.

Applicants provided information on price effects for the investigated product in Appendix 8 on a confidential basis.

Price Undercutting

It is evident from Table 35 below that during the POI of Dumping, the Domestic Industry suffered significant Price Undercutting in all quarters on account of Dumped Imports of PSF from Indonesia, Thailand, Taiwan and Korea. The price undercutting during the POI of dumping ranged from XX% to XX%.

Table 35

[Table has been indexed for Non-confidential Version]

Price Undercutting from Total Dumped Imports of PSF from Indonesia, Thailand, Taiwan and Korea

Price undercutting-Dumped Imports				
	Domestic Avg Price Rs/kg	Avg Landed Price of dumped imports (Rs/kg)	Price undercutting Rs/kg	Price undercutting %age
2017/18 Q2	100	97	XX	-3.2%
2017/18 Q3	112	110	XX	-2.2%
2017/18 Q4	122	122	XX	-0.1%
2018/19 Q1	135	134	XX	-1.2%
2018/19 Q2	141	148	XX	5.4%
2018/19 Q3	140	135	XX	-4.0%
2018/19 Q4	139	144	XX	3.3%
2019/20 Q1	141	135	XX	-3.9%
2019/20 Q2	134	119	XX	-11.1%
2019/20 Q3	129	117	XX	-9.4%
2019/20 Q4	119	108	XX	-9.0%
2020/21 Q1	113	101	XX	-10.4%

When analysed on an individual country basis, during the POI of dumping, the Domestic industry suffered significant price undercutting in

- (a) All four quarters from the Dumped Imports of PSF from Indonesia, as shown in Table 36 (Range: XX% to XX%).
- (b) All four quarters from the Dumped Imports of PSF from Thailand, as shown in Table 37 (Range: XX% to XX%).
- (c) All four quarters from the Dumped Imports of PSF from Korea, as shown in Table 38 (Range: XX% to XX%).

- (d) Three of the four quarters from the Dumped Imports of PSF from Taiwan, as shown in Table 39 (Range: XX% to XX%). As stated earlier in Section 9, in Q4 2019/20, Taiwan focused on its domestic market which performed better than the region. However, as soon as the pent-up demand adjusted, Taiwan returned to its dumping practices undercutting the domestic PSF prices by XX%

Table 36

[Table has been indexed for Non-confidential Version]

Price undercutting-Indonesia				
	Domestic Avg Price Rs/kg	Avg Landed Price of dumped imports (Rs/kg)	Price undercutting Rs/kg	Price undercutting %age
2017/18 Q2	100			
2017/18 Q3	112			
2017/18 Q4	122			
2018/19 Q1	135			
2018/19 Q2	141			
2018/19 Q3	140	136	XX	-3.0%
2018/19 Q4	139	143	XX	2.7%
2019/20 Q1	141	137	XX	-2.4%
2019/20 Q2	134	119	XX	-10.9%
2019/20 Q3	129	117	XX	-9.0%
2019/20 Q4	119	109	XX	-8.6%
2020/21 Q1	113	101	XX	-10.4%

Table 37*[Table has been indexed for Non-confidential Version]*

Price undercutting-Thailand				
	Domestic Avg Price Rs/kg	Avg Landed Price of dumped imports (Rs/kg)	Price undercutting Rs/kg	Price undercutting %age
2017/18 Q2	100	102	XX	1.8%
2017/18 Q3	112	112	XX	-0.1%
2017/18 Q4	122	124	XX	2.0%
2018/19 Q1	135	132	XX	-2.2%
2018/19 Q2	141	152	XX	8.1%
2018/19 Q3	140	134	XX	-4.5%
2018/19 Q4	139	146	XX	5.2%
2019/20 Q1	141	135	XX	-4.2%
2019/20 Q2	134	119	XX	-11.1%
2019/20 Q3	129	117	XX	-9.0%
2019/20 Q4	119	106	XX	-11.1%
2020/21 Q1	113	99	XX	-12.0%

Table 38**[Table has been indexed for Non-confidential Version]**

Price undercutting-Taiwan				
	Domestic Avg Price Rs/kg	Avg Landed Price of dumped imports (Rs/kg)	Price undercutting Rs/kg	Price undercutting %age
2017/18 Q2	100	94	XX	-6.3%
2017/18 Q3	112	108	XX	-3.5%
2017/18 Q4	122	121	XX	-1.1%
2018/19 Q1	135	133	XX	-2.1%
2018/19 Q2	141	151	XX	7.6%
2018/19 Q3	140	140	XX	0.2%
2018/19 Q4	139	143	XX	2.7%
2019/20 Q1	141	131	XX	-7.1%
2019/20 Q2	134	118	XX	-11.8%
2019/20 Q3	129	115	XX	-11.2%
2019/20 Q4	119	124	XX	4.4%
2020/21 Q1	113	104	XX	-7.2%

Table 39**[Table has been indexed for Non-confidential Version]**

Price undercutting-Korea				
	Domestic Avg Price Rs/kg	Avg Landed Price of dumped imports (Rs/kg)	Price undercutting Rs/kg	Price undercutting %age
2017/18 Q2	100	100	XX	0.3%
2017/18 Q3	112	112	XX	0.0%
2017/18 Q4	-	-	XX	
2018/19 Q1	135	134	XX	-0.7%
2018/19 Q2	141	146	XX	4.1%
2018/19 Q3	140	139	XX	-1.0%
2018/19 Q4	139	146	XX	5.2%
2019/20 Q1	141	136	XX	-3.5%
2019/20 Q2	134	122	XX	-8.5%
2019/20 Q3	129	118	XX	-8.5%
2019/20 Q4	119	103	XX	-13.5%
2020/21 Q1	113	107	XX	-5.2%

Table 40 below illustrates the weighted average price undercutting from each dumped source during the POI of Injury.

Table 40*[Table has been indexed for Non-confidential Version]*

	Weighted Average Price Undercutting By Dumped Sources	Weighted Average Price Undercutting By Indonesia	Weighted Average Price Undercutting By Thailand	Weighted Average Price Undercutting By Taiwan	Weighted Average Price Undercutting By Korea
POI of Dumping (Oct'19 – Sept'20)	(946)	(5,100)	(251)	(164)	(758)
Oct'18 - Sept'19	(106)	100	(58)	3	85
Oct'17 - Sept'18	(100)	N/A	100	(100)	100

As evident from above, during the POI of dumping, the price undercutting by the Exporting Countries/Dumped Sources increased to XX% from XX% in Oct'18 – Sept'19 and XX% in Oct'17 – Sept'18. On an individual country basis, during the POI of Dumping, the price undercutting by Indonesia, Thailand, Taiwan and Korea increased to XX%, XX%, XX% and XX% respectively.

The Applicants, therefore, claim Material Injury on account of Price Undercutting due to Dumped Imports of the like product from Indonesia, Thailand, Taiwan and Korea.

Price Depression

As shown in Table 41 below, during the POI of Dumping the Domestic Industry suffered Price depression in all four quarters ranging from XX% to XX% i.e. the domestic PSF prices remained depressed by a range of XX% to XX% throughout the POI of Dumping.

As a result, the Applicants claim Material Injury on account of Price Depression resulting from Dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea.

Table 41**[Table has been indexed for Non-confidential Version]**

Price depression			
	Domestic Avg Price Rs/kg	Domestic Price Depression	Domestic Price Depression %age
2017/18 Q2	100	XX	
2017/18 Q3	112	XX	12.0%
2017/18 Q4	122	XX	8.9%
2018/19 Q1	135	XX	11.0%
2018/19 Q2	141	XX	4.0%
2018/19 Q3	140	XX	-0.4%
2018/19 Q4	139	XX	-0.7%
2019/20 Q1	141	XX	1.1%
2019/20 Q2	134	XX	-4.8%
2019/20 Q3	129	XX	-3.6%
2019/20 Q4	119	XX	-7.8%
2020/21 Q1	113	XX	-5.4%

Price Suppression

It is evident from Table 42 below that the average profit margin (Avg. Domestic PSF Price – Avg. Cost of Production) per kg in two years prior to POI of dumping was PKR XX/kg while during the POI of Dumping, it was reduced to PKR XX/kg (discussed in detail in next section). The decrease in profit margin per kg highlights the fact that during the POI of dumping, the Applicants suffered Price Suppression resulting from Dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea.

As discussed earlier, amid the increasing high exportable surplus and the change in the regional trade flow, countries under investigation have targeted Pakistan with one of the lowest FOB export prices (as compared to FOB prices for other export destinations). Hence, going forward, as the pressure on these countries mount to liquidate their increasing exportable surplus, it will get more difficult for the domestic industry to increase its price in line with the increase in the cost of production.

Table 42**[Table has been indexed for Non-confidential Version]**

Price Suppression			
	Avg Cost to make and sell	Domestic Weighted Average Price	Difference between Weighted Average Domestic Price and Weighted Average Cost to make and Sell
	Rs/kg	Rs/kg	
2017/18 Q2	100	100	XX – XX = 100
2017/18 Q3	111	112	
2017/18 Q4	120	122	
2018/19 Q1	131	135	
2018/19 Q2	150	141	
2018/19 Q3	144	140	
2018/19 Q4	140	139	
2019/20 Q1	146	141	
2019/20 Q2	134	134	XX – XX = 19
2019/20 Q3	130	129	
2019/20 Q4	146	119	
2020/21 Q1	111	113	

10.4 Profit and Loss

- i. Provide explanation of how the industry's gross and net profits on domestic sales have been affected due to dumped imports. Such an explanation should relate to and be consistent with, changes in gross and net profit shown in Appendix 9.**

Note: To substantiate your claims provide your audited accounts for the last three years.

The Audited accounts and P&L statement for the Applicants are provided in Enclosure 1 and Appendix 9 respectively.

Table 43, below, provides information on the Profit/(Loss) Before Tax of the Applicants during the POI of Injury.

It is pertinent to note that during the POI of Dumping, despite government investor friendly policies, much lower finance cost and market demand growth of XX%, the domestic PSF industry was not able to take full advantage owing to surge of XX% in the volume of the dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea.

From Oct'17 to Sept'18, the industry made a profitability of PKR XX Billion. In Oct'18 to Sept'19, the industry profitability remained affected as the market demand shrank by XX% (due to taxation issues and market adjustments to new government policies) and finance costs surged. The industry profitability was PKR XX Mn for that period.

During the POI of Dumping (Oct'19 to Sept'20), the government resolved the taxation issues and provided incentives to the industry which boosted the demand growth of PSF in the domestic market by XX%. Moreover, the interest rates were lowered, which significantly reduced the financial cost of the industry.

However, despite favourable conditions during POI of Dumping, Domestic Industry lost PKR XX Bn in potential profits which could have been earned if there was no dumping from the dumped sources.

The loss in profitability is calculated by taking in account the loss of sales volume to dumped imports (XX Kgs) and profit margin per kg (from XX/kg to XX/kg).

It is pertinent to note that even without Q4 2019/20 (COVID Lockdown period), the average quarterly profitability of other three quarters of the POI of Dumping is approximately XX% below than the average quarterly profitability of eight quarters prior to POI of Dumping.

Therefore, the Applicants claim material injury on account of reduction in profitability owing to surge of dumped imports of PSF.

Table 43***[Provided on a Confidential Basis]*****10.5 Utilization of Production Capacity**

- i. What is the industry's production capacity for the like product? Explain the basis for this assessment, e.g. machine capacity, number of shifts, and state the units of measurement, for example tons, meters, liters etc.**

Table 44 below shows that the current installed capacity of the Domestic Industry for PSF is XX MTPA including ICI Polyester Business's batch line which came online in Q1 2020/21. Prior to Q1 2020/21, the installed capacity of the Domestic industry for PSF was XX MTPA.

It is pertinent to note that both, the old and new PSF capacities of the domestic industry is suffice to meet the total domestic demand of PSF in Pakistan. As stated earlier, during the POI of Dumping, the total domestic market size of PSF in Pakistan was approximately XX MTPA, an increase of around XX MTPA from same period last year.

Still, the domestic industry, during the POI of Dumping, lost its capacity utilization rate by XX%, explained in more detail in the part (ii) of this Section 10.6.

Table 44***[Provided on a Confidential Basis]*****Table 45*****[Provided on a Confidential Basis]***

- ii. What has been the industry's capacity utilization rate for the period specified above?**

Table 46 shows the industry's capacity utilization on a quarterly basis for the POI of Injury. Domestic Industry production volume has been determined by taking a total of the actual production volumes of the Applicants. Since Rupali Polyester Ltd. production numbers were not available, their capacity has not been included in the calculations.

In order to clearly understand the change in the Capacity Utilization rates, it is pertinent to compare it with corresponding market share of Applicants in the total Domestic Market Size.

As evident from the Table 46 below,

- In Oct'17 to Sept'18, the capacity utilization rate for Applicants ranged from XX% to XX%, while applicants market share in the domestic market was in a range of XX% - XX%.
- In Oct'18 to Sept'19, the capacity utilization rate for Applicants ranged from XX% to XX%. This was mainly due to change in market size (owing to market adjustments to new government policies) as applicants market share in the domestic market remained in a range of XX% to XX%.
- Barring Q4 2019/20 (COVID lockdown Period), in Oct'19 to Sept'20 (POI of Dumping), the capacity utilization rate for Applicants ranged from XX% - XX%. It is pertinent to note that during the same period, the applicants market share ranged from XX% to XX%. Therefore, it is clearly established that the lower capacity utilization rate is due to loss of market share on account of influx of dumped imports of PSF.

Table 46

[Table has been indexed for Non-confidential Version]

Installed Capacity (Kgs), Actual Production (Kgs), Capacity Utilization (%) and Market Share for the Applicants.

Period	Capacity (Kgs)	Production (kgs)	Capacity Utilization (%)	Share of Applicants in the total Domestic Market (%)
Oct'17 – Dec'17	100	82	82%	100
Jan'18 – Mar'18	100	88	88%	100
Apr'18 – Jun'18	100	88	88%	98
Jul'18 – Sept'18	100	93	93%	99
Oct'18 – Dec'18	100	71	71%	101
Jan'19 – Mar'19	100	75	75%	101
Apr'19 – Jun'19	100	81	81%	99

Jul'19 – Sept'19	100	69	69%	96
Oct'19 – Dec'19	100	79	79%	86
Jan'20 – Mar'20	100	73	73%	83
Apr'20 – Jun'20	100	16	16%	66
Jul'20 – Sept'20	102	75	74%	75

From the above table, it is evident that the Domestic Industry has significant surplus capacity to fulfil the domestic demand, including the market share presently taken by Dumped Imports from Indonesia, Thailand, Taiwan and Korea. The Applicants, therefore, claim Material Injury on account of Loss in Utilization Rates, in accordance with Section 17.1 (a) of the Act.

10.6 Other Adverse Effects

- i. **Please provide appropriate explanations and evidence to support claims of injurious effects in terms of (actual and potential) effects in any of the following relevant areas**

Cash Flows

The Applicants Cash Flow Statements for the POI of Injury are provided in Annexure 18. It is pertinent to note that in Q4 2019/20, due to delay in payments to vendor (owing to pandemic), the domestic industry reported higher cash bank balance. In addition to this, barring Q4 2019/20, the sum of net cash flow in three quarters of the POI of Dumping was XX% less than the sum of net cash flow in eight quarters prior to POI of Dumping.

Moreover, as stated earlier, based on the regional developments and high exportable surplus, the countries under investigation will continue to dump PSF into Pakistan. Therefore, the threat of material injury continues to persist (will be explained in detail later in this section). Due to this, there is a likelihood of further reduction in cash flows as the Cash inflow will be adversely impacted on continuing loss of sales volume and market share of the Domestic Industry to the dumped imports of PSF. Moreover, the continued dumping will further reduce the capacity utilization rate that would have an adverse impact on Cash Outflows.

Table 47

[Provided on a Confidential Basis]

Inventories

As already stated earlier in Table 34, the inventories, during the POI of Dumping were on rise. This was due to loss of sales volume to the dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea.

Employment, Wages and Productivity

Details of Employment, Wages and Productivity for each Applicant is provided in Annexure 19.

It is pertinent to note that during the POI of Dumping, Industry rationalized its workforce in order to remain competitive. This adversely impacted the employment for the domestic industry.

As evident from Table 48 below, during the POI of Dumping, due to under-utilization of the capacity and to sustain impact of dumping, the domestic industry took drastic measures by which the number of employees went down by XX% as compared to same period last year. On the other hand, the production, during the POI of dumping went down by XX% as compared to same period last year. Thus, on an overall basis, the productivity per MT did not increase in line with the reduction of workforce owing to lower production caused by loss of market share of domestic industry to the dumped imports of PSF. It is pertinent to note that even in Q1 2020/21, when textile downstream industry was fully operational; the domestic industry of PSF continued to reduce its workforce which highlights the fact that reduction in employment was not limited to pandemic times and it has become a necessity for the domestic industry to sustain impact of dumping. Thus, going forward, as the domestic industry will continue to lose its market share and sales volume to the dumped imports, the domestic industry will have a reduced production adversely impacting the industry's employment, wages and productivity.

Table 48

[Provided on a Confidential Basis]

Return on Investment (ROI)

The Applicants ROI Statements are provided, on a confidential basis, in Annexure 20.

As evident from Table 49 below, during the POI of Dumping, despite government favourable policies and total market demand growing by XX%, the industry was not able to achieve prior ROI.

It is pertinent to note that in Q1 2020/21, when the textile domestic downstream market was fully operational, domestic PSF Industry had only a ROI of XX%. Thus,

the decline in ROI during the POI of Dumping was due to the influx of dumped imports of PSF.

Table 49

[Provided on a Confidential Basis]

Investments

It is pertinent to note that during the POI of Dumping, the domestic industry lost almost PKR XX Billion in sales revenue (based on sales volume lost to dumped imports of PSF) that could have been utilized in investments in product or market development or other avenues of business growth by the Applicants.

With the current effects of dumping on the domestic industry and continuing threat of material injury, the industry will be wary to make any future investments until the imposition of the anti-dumping duties. As stated earlier, in Q1 2020/21, the ROI of the industry was only XX%. At such negligible ROI, the domestic industry will not make any new investments.

Ability to Raise Capital

The Applicants ability to raise capital is significantly adversely impacted on the account of the following owing to dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea

- Losing of Sales Volume
- Losing of Market Share
- Losing of Capacity Utilization Rate
- Increasing Finished Goods Inventory
- Eroding Profit Margins and Profitability
- Declining ROI (Currently at only XX%).
- Rationalization of Workforce

Threat of Material Injury

Applicants also claim Threat of Material Injury on the following grounds:

- i. There is significant surplus PSF production capacity in Indonesia, Thailand, Taiwan and Korea (Note: Information provided in Section 10.1). The regional developments, discussed earlier in Section 10, has affected the trade flow in the region. The aforementioned countries continue to re-direct exports to Pakistan, which has become an export market of interest. During the POI of dumping, the dumped imports of PSF from the countries under investigation increased by XX% or XX Kgs increasing the market share of the dumped imports in the domestic PSF market of Pakistan by XX% to XX%.

As these countries continue to reel with the effects of the changed trade flow in the region amid increased exportable surplus, there is continuing serious threat of Material Injury to the Domestic Industry on account of continuing Dumping of PSF from Indonesia, Thailand, Taiwan and Korea.

- ii. The magnitude of the Dumping Margin (as % of C&F price) of Dumped PSF imports from Indonesia (XX%), Thailand (XX%), Taiwan (XX%) and Korea (XX%) is significant. (Note: Information provided in Section 9). As discussed earlier, it is pertinent to note that all countries under investigation are exporting PSF to Pakistan at an FOB price which is usually the lowest when compared to FOB prices for other export destinations. This is primarily because of the fact that there is a sizeable domestic market for PSF in Pakistan and domestic industry pricing in Pakistan is competitive. The substantial magnitude of dumping margin poses a continuing serious threat of Material Injury to the Domestic Industry on account of continuing Dumping of PSF from Indonesia, Thailand, Taiwan and Korea.
- iii. The extent of Price Undercutting, Price Depression and Price Suppression from continued Dumping of PSF exports from Indonesia, Thailand, Taiwan and Korea poses a serious threat of Material Injury to the Domestic Industry in terms of further loss of sales volume and market share. The domestic industry has suffered significant price undercutting and price depression during all quarters of POI of Dumping. As stated earlier, the profit margin per kg, during the POI of Dumping, was reduced to PKR XX/kg from an average of PKR XX/kg in two years prior to POI of Dumping. The adverse price effects on the domestic PSF prices is significant to claim threat of material injury. Going forward, the trend is expected to worsen as the countries under investigation continue to dump their high exportable surplus at much lower prices to gain more volume in the market.

Without prejudice to the foregoing, the Injury suffered by the Applicant during the POI of Dumping as a result of Dumping of PSF from Indonesia, Thailand, Taiwan and Korea, is summarized below:

- i. Loss of Sales Volume and Market Share, which results in loss of potential sales revenue.
- ii. Significant Price Suppression, Depression and Undercutting, which results in erosion of profit margins per kg.
- iii. Based on point (i) and point (ii), in the absence of anti-dumping duties, the industry potential profitability loss is PKR XX Billion
- iii. Decline in Capacity Utilization Rates, resulting in sub-optimal operations and resultant Financial Losses.
- iv. Other Injury factors include, rising Inventory, adverse impact on Employment and Wages, Net Cash Flows, ROI and reduction in ability to raise Capital for future

investments, jeopardizing continuous Domestic Industry operations and new investments made in capacity expansion and other projects.

v. Continuing threat of Material Injury on account of continued Dumping of PSF from Indonesia, Thailand, Taiwan and Korea.

ii. Comment on the impact of the magnitude of the alleged dumping margin, and any other factors affecting domestic prices.

The Average Dumping Margin during the POI of Dumping for Indonesia, Thailand, Taiwan and Korea is XX%, XX%, XX% and XX% respectively as percentage of C&F price.

The magnitude of the Dumping Margin is significantly large that it has caused significant injury to the domestic producers on account of several parameters, as discussed earlier.

As mentioned earlier, as far as price effects are concerned, during the POI of dumping, the domestic industry suffered:

- a) Significant price depression in all four quarters ranging from XX% to XX%. Prior to POI of Dumping, there was minimal or no price depression.
- b) Significant price-undercutting in all four quarters ranging from XX% to XX%. It is pertinent to note during the POI of Dumping, the average price undercutting increased to XX% from XX% and XX% in prior years.
- c) Increased Price Suppression and Eroding profit margins: It is pertinent to note that despite domestic market demand growth of XX%, strongest recovery post-pandemic, favourable government policies and lower finance changes, the domestic industry was not able to take advantage of the situation. Average domestic profit margin per Kg, during the POI of Dumping, was at PKR XX/kg compared to PKR XX/kg (average profit margin for two years prior to POI of Dumping). Even without Q4 2019/20, as stated earlier, the average quarterly profitability of other quarters of POI of Dumping was XX% less than the average quarterly profitability of eight quarters prior to POI of dumping.

Thus, it is evident that even during post and pre-pandemic period of POI of Dumping, the industry suffered on all accounts hence the injury to the domestic industry is not because of the pandemic effects but because of the dumped imports of PSF from Thailand, Indonesia, Taiwan and Korea. Even after the POI of Dumping, the dumping is continuing in large quantities from the dumped sources.

The Commission is therefore requested to take immediate notice of the plight of the Domestic Industry and the threat that the Domestic Industry has of further material injury. Thus, it is hereby requested that anti-dumping duties are imposed on Indonesia, Thailand, Taiwan and Korea in terms of this application.

11. Causal Link

1. Outline your arguments in support of a causal link between dumping & injury explaining how the sales of imported dumped products have affected Pakistan's producers.

While identifying the aforementioned Injury factors in Section 10, the causal link with Dumping of PSF from Indonesia, Thailand, Taiwan and Korea was clearly stated by the Applicants. The content of Section 10 is deemed to be repeated herein and form an integral part of Section 11.

Without prejudice to the foregoing, the causal link between Dumping and Injury is further summarized below.

Substantial Increase in Dumped Imports of PSF resulting in loss of market share, sales, production and capacity utilization rate for the domestic industry

First of all, it is pertinent to understand that in Oct'18 to Sept'19 (i.e. one year prior to POI of Dumping), CNIC taxation issues and uncertainty caused by new government policies disturbed the domestic trade activity as the domestic market demand shrank by XX%. The sales volume of the domestic industry also shrank in line with change in the market. At that time, the market share of the dumped imports of PSF in the domestic market was XX%.

During the POI of Dumping, with improved policies and timely decisions taken by the government, Pakistan emerged as one of the best performing economies despite the pandemic. This is also reflected by the fact that, during the POI of Dumping, the total market demand for the PSF increased by XX% as compared to same period last year.

In spite of growth in the domestic consumption of PSF, the domestic industry reported loss of sales volume by XX% or XX Kgs. On the other hand, during the POI of dumping, the volume of the dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea increased by XX% or XX Kgs.

Consequently, during the POI of dumping, the market share of dumped imports of PSF (from the countries under investigation) increased to XX% (from XX%) while the local industry lost its share by XX% (XX% from XX%).

It is pertinent to note that, during the POI of Dumping, the domestic industry had the surplus capacity to fulfil the total demand of the domestic market for PSF. During the POI of Dumping, the total domestic demand of PSF was XX Kgs while the Domestic Industry had an installed capacity of more than XX kgs. By losing high volume of sales and market share to the dumped imports, the capacity utilization for the domestic industry deteriorated.

This is validated from the fact that during the POI of Dumping, the domestic industry operated at only XX% as compared to an average capacity utilization of XX% in same period last year.

Table A

Period	Change in the total Domestic Market Size	Dumped Import Volume	Domestic Sales Volume	Share of Dumped Imports in Domestic Market	Share of Local Industry in Domestic Market	Local Industry Capacity Utilization
Oct 17 - Sep 18		100	100	100	100	100
Oct 18 - Sep 19	(100.00)	195	92	213	101	84
POI of Dumping	20.08	819	75	879	81	69

Earlier in Section 10, it has been explained that this trend was witnessed through all quarters of POI of Dumping (pre, during and post pandemic times) as the dumped imports of PSF continued to increase their share causing injury to the domestic industry on the aforementioned parameters.

Therefore, it is clearly established that, during the POI of Dumping, the substantial volume of dumped PSF imports into Pakistan resulted in loss of market share, sales, production and capacity utilization rate for the domestic industry.

The Applicants faced significant Price Undercutting, Price Depression and Price Suppression due to dumped imports from Indonesia, Thailand, Taiwan and Korea, causing Injury to the Domestic Industry.

As evident from Table B below, during the POI of Dumping,

- The magnitude of the Price Undercutting suffered by the Domestic Industry from the Dumped imports of PSF significantly increased to XX% (i.e. on average the landed price of dumped PSF imports was XX% cheaper than domestic PSF prices). It is pertinent to note that prior to POI of Dumping, the two year average domestic PSF price was XX% cheaper than the average import landed price for PSF imports from the sources under investigation.

The significant price undercutting by the dumped imports resulted in substantial increase in the volume of dumped imports causing significant material injury to the domestic industry. As discussed earlier, in Section 10, the domestic industry suffered significant Price Undercutting in all four quarters of the POI of dumping.

- The domestic industry, on average, suffered a price depression of approximately XX%. Once again, a change from the historical trend as within two years prior to the POI of Dumping, the domestic PSF prices increased by XX%. The price depression of XX% caused, during the POI of dumping, was mainly because of high influx of dumped imports of PSF, which was not the case in the period before POI of Dumping.
- During the POI of Dumping, the profit margin per kg was eroded to PKR XX/kg from PKR XX/kg (an average profit margin in two years prior to POI of Dumping); owing to price suppression from dumped sources.

Table B

	Price Undercutting	Price Depression (Change in Domestic Prices)	Profit Margin per kg (Change in Domestic Price – Change in Cost of Production)	Volume of Dumped Imports
Two years before POI of Dumping	100.00	100.00	100.00	100.00
During POI for Dumping (Oct'19 – Sept'20)	(310.42)	(39.23)	19.41	277.21

The volume and value of dumped imports from Indonesia, Thailand, Taiwan and Korea is significantly higher than the “De Minimis” level prescribed

under the Act. This significantly high volume of Dumped Imports is causing Injury to the Domestic Industry.

As discussed earlier in Section 9, the dumping margin for Thailand, Indonesia, Taiwan and Korea as % of C&F price is XX%, XX%, XX% and XX% respectively. Moreover, on collective basis, the dumped imports from Indonesia (XX%), Thailand (XX%), Taiwan (XX%) and Korea (XX%) make XX% of the total PSF imports into Pakistan. With significant volume and magnitude, the dumped imports of PSF has able to have adverse impact on the domestic prices as well as have caused loss of market share, volume, production, capacity utilization for the domestic Industry. The dumped imports have been able to increase their share in the domestic market to XX% from X% in a year.

The Applicants suffered in Profitability, Rising Inventory, adverse impact on Employment and Wages, net cash flows, ROI and reduction in ability to raise Capital for future investments, jeopardizing continuous Domestic Industry operations and new investments made in capacity expansion and other projects as a direct consequence of Dumping of PSF from Indonesia, Thailand, Taiwan and Korea.

As mentioned in Section 10, during the POI of Dumping, despite government favourable policies, reduction in finance charges, domestic market demand growth of XX%, the Industry was not able to take advantage due to high influx of dumped imports of PSF. Even without Q4 2019/20 (COVID lockdown quarter), the average quarterly profitability during the POI of Dumping was XX% less than the average quarterly profitability of eight quarters prior to POI of Dumping. Moreover, as stated earlier, the industry potential profitability loss due to loss of sales volume and adverse price effects is PKR XX Billion.

Furthermore, during the POI of Dumping, the industry rationalized its workforce reducing its number of employees by XX%. Moreover, the production for the domestic industry, for the same period, also went down by XX%.

Lastly, during the POI of Dumping, on average the ROI for the Domestic Industry was XX% down from a two-year average of XX%. Even in Q1 2020/21, despite one of the strongest recovery reported by the domestic downstream textile industry, the ROI of the domestic industry was XX% owing to the surge of dumped imports of PSF.

With the prevalent situation of the domestic industry, the investors will be wary to make any future investments in the domestic industry

In Section 10, Applicants have already claimed threat of Material Injury from the dumped imports of PSF from Indonesia, Thailand, Taiwan and Korea, for the reasons that fully meet the criteria set by the Act.

Other Factors

The Applicants further submit as follows.

- i. During the POI of Dumping, share of Indonesian, Thai, Taiwanese and Korean imports in total imports is XX%. Consequently, non-dumped imports are not significant during the POI of Dumping, as Chinese dumped imports, which make XX% of the remaining imports are already under investigation by the Commission.
- ii. Domestic demand for PSF increased during the POI of Dumping. Consequently, there was no negative impact in terms of market demand that could have contributed to the Injury to the Domestic Industry. Moreover, despite pandemic, the market demand of PSF in Pakistan increased by XX%.
- iii. To the best of the Applicants knowledge, there is no other known trade related or any other factor that could have contributed to the Injury suffered by the Domestic Industry. The Applicants have also shown that the Injury to the domestic industry was not limited to the pandemic times but it was there during the pre and post pandemic period of the POI of Dumping therefore there is no other known factor (besides Dumped Imports of PSF) that have contributed towards the Injury Suffered by the Domestic Industry.

Prayer

For the reasons stated above, the Commission is requested to initiate Anti-dumping proceedings against dumping of PSF from Indonesia, Thailand, Taiwan and Korea, and to impose Anti-dumping Duties as per Sections 50 and 51 of the Act on all imports of the investigated product from Indonesia, Thailand, Taiwan and Korea equal to XX%, XX%, XX% and XX% Ad Valorem of C&F price respectively on imports of PSF from Indonesia, Thailand, Taiwan and Korea over and above the currently applicable Customs Duty for a period of 5 years from the date of imposition to Anti-dumping Duties to prevent further injury being caused to the Domestic Industry producing the like product.

The Commission is further requested to impose Provisional measures pursuant to Section 43 of the Act to prevent injury being caused during the course of any Investigation initiated by the Commission pursuant to this Application.

The Commission is also requested to apply the Definitive Anti-dumping Duties retroactively pursuant to Section 54 of the Act. It is submitted that the conditions of Section 54 of the Act are met in the present case, given that,

- i. It is evident from this Application that there is a history of dumping which caused material injury.
- ii. It is evident from the transparency of pricing of PSF in the domestic market, that both Indonesian, Thai, Taiwanese and Korean exporters and importers of dumped product would have been aware that the product was being dumped into Pakistan.
- iii. The resultant injury to the domestic industry has been explained in the Application above. It is necessary to apply retroactive duty in terms of Section 54 of the Act to mitigate the injurious effect of the substantial imports (at Dumped prices) that already have been imported and by the time of application of provisional measures will have been imported.

For the Applicants
(ICI Pakistan Limited and Ibrahim Fibres Limited)

Title: Special Attorney
Dated: _____, 2020



Government of Pakistan National Tariff Commission

(Tick the appropriate box)

- CONFIDENTIAL VERSION
 NON-CONFIDENTIAL VERSION
(please refer Annex-I)

ANTIDUMPING QUESTIONNAIRE FOR EXPORTERS /FOREIGN PRODUCERS

Product: Polyester Staple Fibre (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber) (“PSF”)

Exporting Countries: Chinese Taipei, the Republic of Indonesia and the Kingdom of Thailand

Period of Investigation: October 01, 2019 to September 30, 2020

Officer in Charge: Muhammad Arshad,
Title Director
Telephone +92 51 9201188
Fax +92 51 9211521
E-mail arshad.ntc@outlook.com

Address: State Life Building No. 5, Blue Area, Islamabad, Pakistan

Visit us at: www.ntc.gov.pk

PLEASE NOTE THAT THIS QUESTIONNAIRE HAS TO BE COMPLETED TWICE, ONCE AS CONFIDENTIAL VERSION AND ONCE AS NON-CONFIDENTIAL VERSION FOR INSPECTION BY INTERESTED PARTIES

General Instructions

This questionnaire is made to enable the national Tariff Commission (herein-after referred to as the “Commission”) to obtain information necessary to investigate alleged dumping.

It is in the interest of exporters/foreign producers to reply as accurately and completely as possible and to attach all the supporting documents as requested. If the required information is not communicated to the Commission within the time limit specified, the Commission may make its determinations on the basis of information available in accordance with the section 32 (1) of the Anti-dumping Duties Act, 2015 (herein after referred as the “Act”). Such action may be adverse to the interests of parties who do not cooperate with the Commission in providing information requested in this questionnaire and any subsequent requests for information or clarification. If you are unable to answer any questions fully due to lack of data/information and in the format requested please describe the efforts you have made to obtain the data and why you have not been able to do so. You should immediately communicate to the Officer in Charge if you have particular difficulties. Communications with the Officer in Charge and with the Commission in general may be oral initially, but only explanations and suggestions submitted in written form will become part of the official record on which determinations will be made. The Commission is willing to consider alternate methods of reporting if they provide the Commission with adequate information in time to permit the timely completion of investigation and do not deprive other parties of their rights of participation.

You have to furnish two versions of this questionnaire; confidential version and non-confidential version. Non-confidential version would be placed in **Public File** established and maintained by the Commission in accordance with Rule 7 of Anti-Dumping Duties Rules 2001. Public file is opened for inspection and copying throughout the investigation by the parties registered as ‘interested parties’ in this investigation. If you believe any information is confidential, you also must explain why it should be treated as confidential, unless the information is confidential by nature (prices of individual transactions, identity of your customers or suppliers, detailed internal cost information.). You must provide a non-confidential summary (please refer Annex-I for guidelines to prepare a non-confidential summary of the confidential information). If there is any information which you wish to be treated as confidential but for which a non-confidential summary is not feasible, in that case you must explain why the information is not susceptible to summary. Failure to supply a non-confidential summary of confidential information or to justify why summarization is not possible will lead the Commission to disregard the said information altogether. As noted above, this will force the Commission to use

information otherwise available in making its determinations, which may adversely affect your interests.

Answers to the questions must follow the respective format given in the questionnaire. Please repeat the question in your response. Your response should be in two paper copies. All worksheets and documents compiled to answer the questionnaire, in particular those linking the information supplied with management records and audited or unaudited accounts, must be retained for inspection. Also, note that you will be asked at several places to provide worksheets to illustrate your calculation methodology for portions of your response. The same requirements for the rest of your response apply to worksheets submitted.

The pages of the answer to the questionnaire should be consecutively numbered. Appendices should have their own numbering system, which includes the number of the appendix, and page number, (e.g 3-1, 3-2. etc.) If any of your answers to the question require an attachment, for example a copy of an agreement, the attachment should identify the question to which it responds, and page number. This will allow the Commission staff to readily relate the attachments to the response and refer to them in their written analysis of the investigation

Your response to this questionnaire should be in English. Any source material that you provide with your response must be accompanied by a translation in English so as to allow its understanding. Failure to do so may preclude the Commission from considering the information.

If you have any queries about questionnaire you should contact the identified Officer in Charge on the cover of this questionnaire within 15 days of receipt of the questionnaire.

SECTION A – GENERAL INFORMATION

A IDENTIFICATION

A-1 Identify your company

Name:
Address:
Telephone No:
Fax No:
E-mail Address:

A-2 Identify the authorized contact person for your company for this investigation

Name:
Designation:
Address:
Telephone No:
Fax No:
E-mail address:

A-3 Legal Representative

If you have appointed a legal representative to assist you in this proceeding, please provide following details:

Name:
Address:
Telephone No:
Fax No:
E-mail address:

A-4 Corporate Information

A-4.1 Legal form of your company

A-4.2 Please indicate address (es) of all your offices involved in the administration, sales and production of the investigated product.

A-4.3 Supply detailed diagram outlining the overall internal hierarchical and organizational structure of your company.

A-4.4 Please provide your company’s world-wide corporate structure and affiliations, including parent companies, subsidiaries or other related companies.

A-4.5 Provide, for all countries, the following information for subsidiaries and related companies. Also specify the activities of each related/subsidiary company.

Name, address, telephone & fax Nos. of related company	List of activities	Involved with investigated product	Involved in production of investigated product	Customer for investigated product	Supplier of raw material for investigated product	Your percentage of share-holding in related company	Percentage of share-holding of related company in your company
		Yes/No	Yes/No	Yes/No	Yes/No		

A-4.6 Describe the nature of your relationship with related company (s). State whether you share any board members or senior executives with any of those entities. If so, identify the persons and nature of their affiliations.

A-4.7 Specify in detail any financial or contractual links and joint ventures with any other company concerning production, sales, licensing, technical and patent agreements for the investigated product.

SECTION B - INVESTIGATED PRODUCT (“IP”)

B-1 The investigated product is Polyester Staple Fibre (Not Exceeding 2.0 Denier & Excluding Colored Polyester Staple Fiber and Regenerated Polyester Staple Fiber) (“PSF”) (the “investigated product”) imported from Chinese Taipei, the Republic of Indonesia and the Kingdom of Thailand (the “Exporting Countries”). It is classified under Pakistan Customs Tariff¹ (“PCT”) Heading No. 5503.2010. Investigated product is used for blended yarn and pure polyester sewing thread. The blended yarn is used to produce woven and knitted fabrics.

B-2 Specifications of the IP

The following information is necessary to define and distinguish the different types of the IP produced and/or sold by your company and related companies

B-2.1 Explain in detail the types of the IP produced and/or sold by your company and your related companies. Also provide different characteristics and final uses of the IP.

B-2.2 Explain in detail all differences between IP sold by your company and your related companies on the domestic market and those exported to Pakistan. Points to be covered should include material, design, specifications and production processes. Explain any other factors that lead to a pricing differential between the types.

¹ PCT heading in Pakistan is equivalent to Harmonized Commodity Description and Coding System up to six-digit level.

- B-2.3 Describe in detail your company's product coding system. Provide a key to your production and sales codes, including all prefixes, suffixes, or other notations, which identify special specifications.
- B-2.4 Provide a complete set of catalogues and brochures issued by your company and/or your related companies covering all types of the IP.

SECTION C - EXPORT SALES OF THE IP TO PAKISTAN

In this section please provide specific information on all of your sales of the IP for exports to Pakistan during the POI.

C-1 General Information

- C-1.1 Explain your company's channels of distribution to Pakistan starting from the factory gate up to the first resale to unrelated customers. Include a detailed flow chart indicating terms of sale and pricing policies to each class of customer (e.g. end-users, distributors, etc.) including related companies.
- C-1.2 Describe each step in the sales negotiation process, from the first point of contact with customer through any after-sale price adjustments. If the sales process differs between classes of customers, please describe each variation separately.
- C-1.3 Where export sales to Pakistan were made through intermediate countries, please provide the following information:
- a) Explain each distribution channel through which the IP enters the Pakistan. Report the names of the companies involved and whether they are related to your company. Provide information on who holds legal title of the IP while it is in intermediate countries. List the qualities of IP and the countries from which they are shipped to Pakistan. Include a flow chart indicating the physical delivery, ordering, invoicing and payment of the sales concerned.
 - b) If there is any further processing or assembly, or if the IP is changed or enhanced in any way in intermediate country, explain in detail.

- C-1.4 For all sales through related companies, give a detailed description of how sales are made indicating the procedure followed between time of order and delivery to the first unrelated customer. A full explanation of how the invoicing and payment is made should be given.
- C-1.5 If your sales are made pursuant to contracts (either long-term or short-term), describe in detail the process by which the contracts, and the prices and quantities therein, are agreed upon. Describe each of the types of contracts applicable to the IP, including the terms, the requirements for a price change or re-negotiation by either side, etc. Explain any commitments on either party, should the contract be terminated prematurely.
- C-1.6 Explain whether production begins after the customer has ordered the product and the sale has been made, or pursuant to normal company production schedules.
- C-1.7 Provide copies of all price lists (in English or accompanied by English translation) issued or in use during the POI for exports to Pakistan, including those used by related companies.
- C-1.8 List any cost incurred by your related companies that have been paid or reimbursed by your company, directly or indirectly, regardless of whether the cost was related to the IP. Explain in detail the nature of these costs.

C-2 Allowances on Export Sales

In order to carry out a fair comparison between the **export price** and the **normal value** of the IP, the following information is requested. Where the normal value and the export price as established are not on a comparable basis, due allowance, in form of adjustments, should be made where prices and price comparability are affected. For this purpose you should claim adjustments where it can be demonstrated that the factor concerned is one that has resulted in a different price being charged to your customers. You are requested to explain in detail all adjustments that could affect price comparisons, to report them on a transaction by transaction basis. Report actual expenses rather than averages. If you allocate any of these expenses, explain the reason for your choice and the methodology used:

C-2.1 DIFFERENCES IN DISCOUNTS, REBATES, AND QUANTITIES

Describe in detail your policy for granting discounts and rebates to customers in Pakistan. List all different kinds of discounts or rebates you granted, e.g. cash discounts, quantity discounts, loyalty discounts, year-end rebates, etc., and describe their terms. Include deferred discounts. If discounts or rebates vary by class of customer, explain separately the discounts and rebates given to each class. Note that the term "rebate" includes credit on current or future purchases, promissory notes, extension of credit, or free goods or services.

List all of your customers who were eligible for each discount or rebate program, and describe the criteria you used to determine their eligibility.

Provide your discount schedules, and be prepared to furnish on request contracts or

agreements that reflect all discounts and rebates that were given.

Report the adjustment in the transaction-by-transaction listing below (see point C-3 below).

C-2.2 DIFFERENCES IN TRANSPORTATION, INSURANCE, HANDLING, LOADING, AND ANCILLARY COSTS

List all charges that are included in the export prices and explain how you have quantified each of these charges. Identify the general ledger account(s) where each such expense is located.

As far as transportation costs are concerned your attention is drawn to the fact that an adjustment can only be made for transportation costs that were incurred subsequent to the sale being made, for moving the products from the production premises to the unrelated customer. Report the adjustment in the transaction-by-transaction listing at point C-3 below).

C-2.3 DIFFERENCES IN PACKING COSTS

Specify the cost of packing for the IP. List material and labour costs separately. Be specific in describing packing materials and any special or extraordinary procedures used in preparing the IP for shipment to Pakistan. If the IP is repackaged in Pakistan, report these charges and costs separately.

Report the adjustment in the transaction-by-transaction listing (see point C-3 below). Identify the general ledger account where the expense is located.

C-2.4 DIFFERENCES IN THE COST OF ANY CREDIT GRANTED FOR THE EXPORT SALES

Cost of credit refers to the "costs" of granting credit for a specific sales transaction. The agreed terms of payment must be known to the parties involved and the cost of the credit terms must be reflected in the sales price of the IP. Describe the method you have used to calculate the credit costs. Indicate the interest rate you used to compute expenses associated with granting credit on sales.

Provide information on interest rates that you paid for short-term borrowings for the currencies concerned. Explain your calculation of the credit costs reported in the transaction-by-transaction listing (see C-3 below).

C-2.5 DIFFERENCES IN THE DIRECT COSTS OF PROVIDING WARRANTIES, GUARANTEES, TECHNICAL ASSISTANCE AND SERVICES, AS PROVIDED FOR BY LAW AND/OR IN THE SALES CONTRACT

List all costs mentioned above that were incurred and were specified in the export sales contracts, or were required by the law of the country concerned, e.g. the cost of the materials concerned.

Provide a record of warranty/guarantee expenses incurred for sales of the IP during the POI.

State how you calculated these expenses. Identify your source of data. If these expenses were incurred only for certain customers, provide customer specific information. Explain your calculation of warranty/guarantee costs in the transaction-by-transaction listing at C-3 below.

Cost for technical services can include any service; repair, or consultation you provide to a customer regarding the IP. An adjustment can only be made for expenses that are directly related to the sales of the IP. If technical assistance and services are performed by a division or cost centre of your firm, identify that division. Describe any technical assistance and service provided on the export market. Note any reimbursement you received for these services.

Report the adjustment in the transaction-by-transaction listing at C-3 below. Identify the general ledger account where the expense is located.

C-2.6 DIFFERENCES IN COMMISSIONS PAID IN RESPECT OF THE SALES UNDER CONSIDERATION

Where commissions were paid to agents, unrelated or related sellers, report the amount of commission expenses and explain the terms under which commissions are given. Report the adjustment in the transaction-by-transaction listing at C-3 below. Identify the general ledger account where the expense is located.

C-2.7 DUTY DRAWBACK OR REBATE

Provide original and English translations of statutes and regulations authorising duty drawback or rebate on exported goods and governing the methods used to calculate duty drawback or rebate.

Report the total amounts of duty drawback you received separately for sales to Pakistan and for sales to third countries, and separately for the IP and for other products.

Provide on a transaction-by-transaction basis, the amount of duty drawback or rebate you received for each sale to Pakistan at point C-3 below. Explain how you calculated this amount for each transaction.

Explain the method you used to connect the duty drawback amount to the specific Pakistani sale.

C-2.8 CURRENCY CONVERSIONS

In order to compare export with domestic sales prices a conversion of currency will be required. Fluctuations in exchange rates can only be taken into account under certain circumstances, i.e. when a fluctuation becomes a "sustained" movement.

If you claim an adjustment for currency conversion, provide detailed information on the movement in exchange rates in your country. Provide the official central bank exchange

rates specifying the official daily buying and selling rates of exchange used for the foreign currencies concerned during the last two years in connection with the export of goods and services. Provide the unofficial exchange rates and the sources of these rates. Explain the adjustment you claim in the transaction-by-transaction listing (see C-3 below).

If you bought foreign currency in advance of the date of sale, provide the details of the forward purchase and explain whether the purchase was specifically linked to export transactions. If so, state the exchange rates of the forward purchase for the specific sale concerned in the transaction-by-transaction listing below (see C-3 below).

C-2.9 OTHER FACTORS

An adjustment may also be made for differences in other factors not provided above if it is demonstrated that they affect price comparability, in particular that customers consistently pay different prices on the domestic market because of the difference in such factors.

C-3 Information on Export Transactions

Following information should be provided for the POI for each transaction separately in a table form. This information should also be supplied in soft form on CD ROM. These data files should be compatible to the US versions in EXCEL format.

	<u>Information Required</u>	<u>Field Name</u>
A	Sequential number for the transaction/shipment	S. No.
B	Product code (if any)	Code
C	Product description	Product
D	Date of issue of the invoice	IN. Date
E	Invoice number.	IN. No
F	Number of the bill of lading or other transport document.	LB No
G	Sales order or contract number.	SALORDNo
H	Date of the sales order or contract.	SaleDate
I	Customer name.	CUS. Name
J	Relationship with customer (show code "U" for "Unrelated customer", and code "R" for "Related customer").	CUS.REL
K	Quantity (in MT or Kgs) of the IP, (for this transaction).	QTY
L	Gross value of this transaction in the currency of sale.	G.Value
M	Currency of sale	Currency
N	Number of the credit note (if any).	Crdt N.No
O	Date of the credit note issued.	Crdt Date
P	Quantity (in units) credited.	Crdt Qty
Q	Value credited.	Crdt Value
R	Net quantity (in units) (quantity of the invoice minus	Net Qty

	quantity of the credit note)	
S	Payment terms (e.g. at sight, 30 days, etc.)	P.Terms
T	CIF Value	
U	Interest rate (if sales is made on credit)	Int Rate
V	Credit Cost	Crdt Cost
W	Delivery terms (e.g. FOB, C&F, CIF, etc.).	Del Terms
X	The actual amount of discounts which were not deducted on the invoice.	Discount
Y	The actual amount of the rebate.	Rebate
Z	The amount of commission paid (if any).	Commission
AA	The amount of inland freight in exporting country.	Inl Frt
AB	The amount of ocean freight.	Ocn Frt
AC	The amount of insurance cost.	Insurance
AD	The rate of export tax	Exp.tax Rt
AE	The amount of export tax	Exp.Tax
AF	The rate of value added tax	VAT rate
AG	The amount of value added tax	VAT
AH	Amount of duty draw back or rebate (if any)	Duty DB
AI	The amount of inland freight paid from the Pakistani port to the unrelated customer (if any).	InlPk Frt
AJ	The amount of Handling, loading and ancillary expenses.	Handl Cost
AK	The bank charges related to this transaction, e.g. document fee, bank commission, currency exchange, etc..	Bank Char
AL	The amount of warranty and guarantee expenses (if any).	Warnty
AM	The amount of the expenses for technical assistance and services.	Tech Asst
AN	In case you paid customs duties, in Pakistan indicate the amount.	Cus.Duty
AO	In case you claim any other non-specified allowance (please specify).	Other
AP	Net Value of this transaction (gross value-adjustments)	Net Value
AQ	Exchange rate used for the conversion of the currency of sale to your own accounting currency.	Exchange

C-4 Information on all Pakistani Customers

Provide the following information on all Pakistani customers.

Customer name	
Customer address	(Provide the complete address, telephone No., Fax No. of your customer).
Customer relation	(Whether your customer is related with you or not).

Customer Level of trade	(For example distributor, retailer, end-user etc)
Turnover	(Report the turnover of the IP per customer during the POI).
Total amount of all discounts, rebates, etc.	(Report the total amount of all discounts, rebates and bonuses, etc. granted to the customer for the IP).
General terms of delivery	[Indicate the general agreed terms of delivery per customer (e.g. FOB, C&F, CIF, etc.).]
General payment terms	(Indicate the payment terms agreed with the customer (e.g. at sight, 30 days credit, etc.)

SECTION D – DOMESTIC SALES OF THE IP

In this section please provide specific information on all of your sales of the IP in your domestic market during the POI.

D-1 General Information

- D-1.1 Explain your company's channels of distribution on your domestic market starting from the factory gate up to the first resale to unrelated customers. Include a detailed flow chart indicating terms of sale and pricing policies to each class of customer (e.g. end-users, distributors, etc.) including related companies.
- D-1.2 Describe each step in the sales negotiation process, from the first point of contact with customer through any after-sale price adjustments. If the sales process differs between classes of customers, please describe each variation separately.
- D-1.3 For all sales through related companies, give a detailed description of how sales are made indicating the procedure followed between time of order and delivery to the first unrelated customer. A full explanation of how the invoicing and payment is made should be given.
- D-1.4 If your sales are made pursuant to contracts (either long-term or short-term), describe in detail the process by which the contracts, and the prices and quantities therein, are agreed upon. Describe each of the types of contracts applicable to the IP, including the terms, the requirements for a price change or re-negotiation by either side, etc. Explain any commitments on either party, should the contract be terminated prematurely.
- D-1.5 Explain whether production begins after the customer has ordered the product and the sale has been made, or pursuant to normal company production schedules.
- D-1.6 Provide copies of all price lists (in English or accompanied by English translations)

issued or in use during the POI for sales made on your domestic market, including those used by related companies.

- D-1.7 List any cost incurred by your related companies that have been paid or reimbursed by your company, directly or indirectly, regardless of whether the cost was related to the IP. Explain in detail the nature of these costs.

D-2 Allowances on Domestic Sales

In order to carry out a fair comparison between the **export price** and the **normal value** of the IP, the following information is requested. Where the normal value and the export price as established are not on a comparable basis, due allowance, in form of adjustments, should be made where prices and price comparability are affected. For this purpose you should claim adjustments where it can be demonstrated that the factor concerned is one that has resulted in a different price being charged to your customers. You are requested to explain in detail all adjustments that could affect price comparisons, to report them on a transaction by transaction basis at point D-3. Report actual expenses rather than averages. If you allocate any of these expenses, explain the reason for your choice and the methodology used:

D-2.1 DIFFERENCES IN PHYSICAL CHARACTERISTICS

In comparing the product sold to Pakistan with the most similar domestic market product, an adjustment can be made to take account of physical differences between both the products.

The amount of the adjustment shall correspond to a reasonable estimate of the difference in market value between the comparable type sold on the domestic market and the type exported to Pakistan if it was sold on the domestic market. Identify the physical differences separately for each type. Provide a detailed list of all physical differences with a full explanation of each item listed. For each difference claimed provide detailed information of the market value of such difference. Identify the source of your data. Report the amount of such difference in the transaction-by-transaction listing at point D-3 below).

D-2.2 IMPORT CHARGES OR INDIRECT TAXES

An adjustment concerning import charges (on inputs) and indirect taxes can be made. For such adjustments provide the following information:

List all indirect taxes imposed on sales of IP in your domestic market which were either fully or partially exempted upon exportation or not collected on the products exported to Pakistan.

For each tax listed above, provide English translations of statutes and regulations authorising the collection of the tax, including documents which explain the method of calculation, assessment, and payment of the tax.

For each tax listed above, separately provide information on the tax base or taxable price, the tax rate, the amount of taxes assessed, any deductions or offsets to the tax and the formula used to calculate the tax amount.

Indicate when you have a legal obligation or liability to pay tax. Report when you actually paid taxes and whether you maintain separate accounts for these taxes.

Report in the transaction-by-transaction (see D-3 below) the amount of such taxes applicable to each domestic sale.

D-2.3 DIFFERENCES IN DISCOUNTS, REBATES, AND QUANTITIES

Describe in detail your policy for granting discounts and rebates to your domestic customers. List all different kinds of discounts or rebates you granted, e.g. cash discounts, quantity discounts, loyalty discounts, year-end rebates, etc., and describe their terms. Include deferred discounts. If discounts or rebates vary by class of customer, explain separately the discounts and rebates given to each class. Note that the term "rebate" includes credit on current or future purchases, promissory notes, extension of credit, or free goods or services.

List all of your customers who were eligible for each discount or rebate program, and describe the criteria you used to determine their eligibility.

Provide your discount schedules, and be prepared to furnish on request contracts or agreements that reflect all discounts and rebates that were given.

Report the adjustment in the transaction-by-transaction listing at point D-3 below.

D-2.4 DIFFERENCES IN THE LEVEL OF TRADE

An adjustment for differences in levels of trade, including any differences which may arise in OEM (Original Equipment Manufacturer) sales, can be made where, in relation to the distribution chain in both markets, it is shown that the export price, including a constructed export price, is at a different level of trade from the normal value and the difference has affected price comparability which is demonstrated by consistent and distinct differences in functions and prices of the seller for the different level of trade in the domestic market of the exporting country. The amount of the adjustment has to be based on the market value of the difference.

However, in circumstances not envisaged in the paragraph above, when an existing difference in level of trade cannot be quantified because of the absence of the relevant levels on the domestic market of the exporting country, or where certain functions are shown clearly to relate to levels of trade other than the one which is to be used in the comparison, a special adjustment may be granted.

If you claim a level of trade adjustment the following information should be provided:-

- a detailed description of the functions of each level of trade both on the domestic

market and Pakistani market.

- a detailed description of the method used to determine the amount of adjustment.
- evidence showing that prices differ consistently for the different levels of trade on the domestic market.
- report in the transaction-by-transaction listing (at point D-3 below) the market value of the difference in level of trade.

D-2.5 DIFFERENCES IN TRANSPORTATION, INSURANCE, HANDLING, LOADING, AND ANCILLARY COSTS

List all charges that are included in domestic prices and explain how you have quantified each of these charges. Report the adjustment in the transaction-by-transaction listing at point D-3 below. Identify the general ledger account(s) where each such expense is located.

As far as transportation costs are concerned your attention is drawn to the fact that an adjustment can only be made for transportation costs that were incurred subsequent to the sale being made, for moving the products from the production premises to the customer.

D-2.6 DIFFERENCES IN PACKING COSTS

Specify the per unit cost of packing for the IP. List material and labour costs separately. Be specific in describing packing materials.

Report the adjustment in the transaction-by-transaction listing below (see point D-3 below). Identify the general ledger account where the expense is located.

D-2.7 DIFFERENCES IN THE COST OF ANY CREDIT GRANTED FOR THE SALES

Cost of credit refers to the "costs" of granting credit for a specific sales transaction. The agreed terms of payment must be known to the parties involved and the cost of the credit terms must be reflected in the sales price of the IP. Describe the method you have used to calculate the credit costs. Indicate the interest rate you used to compute expenses associated with granting credit on sales.

Provide information on interest rates that you paid for short-term borrowings for the currencies concerned. Explain your calculation of the credit costs reported in the transaction-by-transaction listing (see D-3 below).

D-2.8 DIFFERENCES IN THE DIRECT COSTS OF PROVIDING WARRANTIES, GUARANTEES, TECHNICAL ASSISTANCE AND SERVICES, AS PROVIDED FOR BY LAW AND/OR IN THE SALES CONTRACT

List all costs mentioned above that were incurred and were specified in the domestic sales contracts, or were required by the law of the country concerned, e.g. the cost of the

materials concerned.

Provide a record of warranty/guarantee expenses incurred for sales of the IP during the POI.

State how you calculated these expenses. Identify your source of data. If these expenses were incurred only for certain customers, provide customer specific information. Explain your calculation of warranty/guarantee costs in the transaction-by-transaction listing at D-3 below.

Cost for technical services can include any service; repair, or consultation you provide to a customer regarding the IP. An adjustment can only be made for expenses that are directly related to the sales of the IP. If technical assistance and services are performed by a division or cost centre of your firm, identify that division. Describe any technical assistance and service provided on the export market. Note any reimbursement you received for these services.

Report the adjustment in the transaction-by-transaction listing at D-3 below. Identify the general ledger account where the expense is located.

D-2.9 DIFFERENCES IN COMMISSIONS PAID IN RESPECT OF THE SALES UNDER CONSIDERATION

Where commissions were paid to agents, unrelated or related sellers, report the amount of commission expenses and explain the terms under which commissions are given. Report the adjustment in the transaction-by-transaction listing at D-3 below. Identify the general ledger account where the expense is located.

D-2.10 OTHER FACTORS

An adjustment may also be made for differences in other factors not provided above if it is demonstrated that they affect price comparability, in particular that customers consistently pay different prices on the domestic market because of the difference in such factors.

D-3 Information on Domestic market customers

Following information should be provided for each transaction separately in a table form. This information should also be supplied in soft form on CD ROM. These data files should be compatible to the US versions in EXCEL format.

	<u>Information Required</u>	<u>Field Name</u>
A	Sequential number for the transaction	S. No.
B	Product code (if any)	Code
C	Product description	Product

D	Date of issue of the invoice	IN. Date
E	Invoice number.	IN. No
F	Number of the bill of lading or other transport document.	LB No
G	Sales order or contract number.	SALORDNo
H	Date of the sales order or contract.	SaleDate
I	Customer name.	CUS. Name
J	Relationship with customer (show code "U" for "Unrelated customer", and code "R" for "Related customer").	CUS.REL
K	Quantity (in MT or Kgs) of the IP, (for this transaction).	QTY
L	Gross value of this transaction in the currency of sale.	G.Value
M	Currency of sale	Currency
N	Number of the credit note (if any).	Crdt N.No
O	Date of the credit note issued.	Crdt Date
P	Quantity (in units) credited.	Crdt Qty
Q	Value credited.	Crdt Value
R	Net quantity (in units) (quantity of the invoice minus quantity of the credit note)	Net Qty
S	Payment terms (e.g. at sight, 30 days credit, etc.)	P.Terms
T	Interest rate (if sales is made on credit)	Int Rate
U	Credit Cost	Crdt Cost
V	Delivery terms	Del Terms
W	The actual amount of discounts which were not deducted on the invoice.	Discount
X	The actual amount of the rebate.	Rebate
Y	The amount of commission paid (if any).	Commission
Z	Adjustment for physical difference	Physical
AA	Amount of indirect taxes	Ind Tax
AB	The amount of freight in domestic market.	Freight
AC	The amount of insurance cost.	Insurance
AD	The amount of Handling, loading and ancillary expenses.	Handl Cost
AE	The bank charges related to this transaction, e.g. document fee, bank commission, currency exchange, etc..	Bank Char
AF	The amount of warranty and guarantee expenses (if any).	Warnty
AG	The amount of the expenses for technical assistance and services.	Tech Asst
AH	In case you claim any other non-specified allowance (please specify).	Other
AI	Net Value of this transaction (gross value-adjustments)	Net Value
AJ	Per unit total cost to make and sell (cost of production plus administrative, selling, financial expenses and other) for this transaction	COP

D-4 Information on all Your Domestic Market Customers

Provide the following information on all your domestic customers.

Customer name	
Customer address	(Provide the complete address of your customer).
Customer relation	(Whether your customer is related with you or not).
Customer Level of trade	(For example distributor, retailer, end-user etc)
Turnover	(Report the turnover of the IP per customer during the POI).
Total amount of all discounts, rebates, etc.	(Report the total amount of all discounts, rebates and bonuses, etc. granted to the customer for the IP).
General terms of delivery	(Indicate the general agreed terms of delivery per customer)
General payment terms	(Indicate the payment terms agreed with the customer (e.g. At sight, 30 days credit, etc.)

SECTION E – OPERATING STATISTICS

E-1 Total Quantity and Value of Sales

Please fill in the Appendix No. 1 for the sales of the IP during the periods given in the Appendix.

E-2 Distribution Channels

Please indicate the turnover of the IP, during the POI, according to each of the following distribution channels:

Distribution channel	Sales on the Domestic market		Sales on the Pakistani Export market	
	Volume (MT)	Value	Volume (MT)	Value
OEM				
Distributors				
Retailers				
End-users				
Other (please specify)				
TOTAL				

SECTION F - COST OF PRODUCTION

You should report per-unit COP information for each type of IP in Appendix No. 2

The amounts reported in Appendix 2 should be based on the actual costs incurred by your company as recorded in your normal accounting system.

If you produce the product under investigation at more than one facility, you should report based on the weighted-average of costs incurred at all facilities, using quantity as the weighting factor.

Indicate your normal corporate financial accounting period.

Please indicate the address where the accounting records concerning the activities of the company are located. If they are maintained in different locations please indicate which records are kept at what location.

Attach an English version of the audited accounts including Balance sheet, Profit and loss accounts and all reports, notes, footnotes and auditor's opinion to these documents for the last three financial years for your company as well as for those companies related to you which are involved in the production, marketing or sales of the IP. If applicable, you should also provide copies of the consolidated financial statements for the same periods. In the event that your company's accounts have not been audited, attach the financial statements that are required by your country's business law. Provide copies of any financial statement or other financial report filed with the local or national government of the country in which your company or the related companies were located for the three most recent financial years.

If internal financial statements, management reports, standard cost reviews etc. are prepared and maintained for the IP, provide copies for the three most recent financial years.

Provide a chart of accounts (translated into English). This list should also contain numbers and labels of accounts used for analytic purposes.

F-1 General Information Needed

The production process, financial accounting, and cost accounting information requested below is necessary for the Commission to better understand your operations, products and production processes, and financial and cost accounting practices. Please provide complete and detailed narrative responses to each of the items listed below.

F-1.1 Products and Production Process

Provide a description of your production process for the product under investigation including:

- a description of your production facilities.
- a flowchart of the production process for the product under investigation.
- a description of how you account for processing yields or losses throughout the production cycle. Indicate each stage in the production cycle where processing yields are measured.
- all joint products, scrap, or byproducts that result from producing the product under investigation and where in the production process they become individually identifiable. State whether any scrap material generated is reintroduced into the production cycle as raw materials, sold, or otherwise disposed of in the normal course of business.
- all inputs used to produce the product under investigation.

F1.2 Financial Accounting Systems and Policies

Please provide a flowchart illustrating your financial accounting books and record keeping system. Indicate in your flowchart all subsidiary ledgers and reports generated by your financial accounting system, (*e.g.*, subsidiary ledgers maintained for raw materials purchases, inventories, sales, accounts receivable, etc.). Show in your flowchart how data from your financial accounting system are summarized in financial statements.

F1.3 Cost Accounting Systems and Policies

Describe your normal cost accounting system and how it is used to classify, allocate, aggregate, and record the costs incurred to produce the product under investigation in the normal course of business. Your description should be provided in narrative form and should include a flow chart that (1) illustrates how the system records and reports costs for the merchandise throughout the production process, and (2) shows the various subsidiary cost ledgers maintained under the system and how they reconcile to your normal financial statement data. In addition describe:

- the method used under your cost accounting system to account for scrap generated at each stage of the production process.
- the method used under your cost accounting system to account for byproducts and joint products that result from producing the merchandise under investigation.
- all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

- how you value opening and closing inventories and materials issued for production.
- how you charge depreciation in the accounts e.g. straight line or other method
- how respective rates and amounts of interest on owners' capital and/ or loan are charged in the accounts.
- the subsidies/ rebates, export rebate available/ received and their treatment in the accounts;
- how indirect costs have been allocated to joint products and by-products e.g. market/ sales value method, quantitative/ physical unit method, average unit cost method, weighted average method etc.
- how specific items are treated differently in your financial and cost accounting systems.

F1.4 Worksheets

For the model with the highest volume of production for sale in the home market, provide worksheets that illustrate:

- i. How you computed direct materials, direct labor, and fixed and variable overhead costs. If you rely on a standard cost accounting system, the worksheets should show how you allocated any cost variances in deriving actual production costs.
- ii. How you computed general and administrative expense ratios. The worksheet should demonstrate how the G&A expenses used for Appendix 2 reconcile to your financial statements.
- iii. How you computed your net interest expense ratio. The worksheet should demonstrate how the interest income and expense figures used for Appendix 2 interest reconcile to your financial statements.

F-2 Production Process

Describe the manufacturing process for the IP. Your description should include the following:

- a) A description of your company's production facility. If production or any one process takes place at more than one facility, list all facilities informing their location, and provide brief descriptions of the production activities that take place at those major facilities.
- b) Please provide a list of all companies that are involved on a subcontracting basis in

- the manufacture of the IP. Describe the part of the manufacturing process they are performing.
- c) Explain the production process of the IP produced and sold by your firm and attach a complete flowchart of the production cycle, including descriptions of each stage in the process.
 - d) In case primary materials or components are used for the manufacturing of both the IP and other products not subject to this proceeding please provide information concerning the overlapping material use.
 - e) Identify any products manufactured by your company in the same production facilities as the IP.
 - f) Identify the major "by-products" resulting from the production of the IP and describe the use given to these "by-products".
 - g) List the primary materials used in the manufacturing process and your relationship with the main suppliers (whether related or not). Indicate whether the primary materials were imported, and explain whether the value of the primary material includes import charges or indirect taxes.
 - h) Provide the number of days for which the IP is held in inventory in either market (domestic and export) prior to the time of sale.

F-3 Purchase of Raw Materials

Please provide a complete list of your purchases of raw materials or components used for the production of the IP, during the POI. This list should at least contain references to the country of origin, date of purchase, weight/units, price, delivery terms, import duties paid, and should also allow a direct link to the original purchasing documents. Further, information on purchases and usage of inputs/raw materials should be provided in Appendix-3

If you claim a duty drawback adjustment based on the raw materials or components purchases list, please summarise your purchases during the POI and import duties paid, by filling in the following tables:

a) Materials and components purchased locally

Type/ Description of the input	Quantity	Value	Amount of duty/ tax normally payable	Amount of duty/tax paid	Quantity required to produce one unit of IP
(Please specify)					
:					
:					
Totals					

b) Materials and components imported

Type/ Description of the input	Quantity	Value	Amount of duty/tax normally payable	Amount of duty/tax paid	Quantity required to produce one unit of IP
(Please specify)					
Totals					

SECTION G - EXCHANGE RATE

Please provide information on exchange rate in the following table

Exchange rates per one unit currency of exporting country vis-à-vis US \$

Period	USD	Pak Rupees
<i>Year 2018 (Average)</i>		
<i>Year 2019 (Average)</i>		
<i>Year 2020 (Average)</i>		
October 2019		
November 2019		
December 2019		
January 2020		
February 2020		
March 2020		
April 2020		
May 2020		
June 2020		
July 2020		
August 2020		
September 2020		

SECTION H – CHECK LIST

The purpose of the following checklist is to ensure that you have answered all questions of the above Sections and to permit a quick survey on information, which may be missing. You are requested to tick the box where complete information is submitted or where information has not sufficiently been provided:

SECTION	PLEASE TICK IF YOU SUBMITTED ALL INFORMATION REQUESTED	PLEASE TICK IF INFORMATION IS NOT OR INSUFFICIENTLY SUBMITTED
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SECTION A: GENERAL INFORMATION	<input type="checkbox"/>	<input type="checkbox"/>
SECTION B: INVESTIGATED PRODUCT (IP)	<input type="checkbox"/>	<input type="checkbox"/>
SECTION C: EXPORT SALES OF THE IP TO PAKISTAN	<input type="checkbox"/>	<input type="checkbox"/>
SECTION D: DOMESTIC SALES OF THE IP	<input type="checkbox"/>	<input type="checkbox"/>
SECTION E: OPERATING STATISTICS	<input type="checkbox"/>	<input type="checkbox"/>
SECTION F: COST OF PRODUCTION	<input type="checkbox"/>	<input type="checkbox"/>
SECTION G : EXCHANGE RATE	<input type="checkbox"/>	<input type="checkbox"/>

CERTIFICATION

The undersigned certifies that all information herein supplied in response to the questionnaire is complete and correct to the best of my knowledge and belief, and understands that the information submitted may be subject to audit and verification by the Pakistan National Tariff Commission.

Date

Signature of authorised official

Name and title of authorised official

APPENDIX NO 1

QUANTITY AND VALUE OF TOTAL SALES

Name of the country of sale	Product Description/ Name	October 2017 to September 2018								October 2018 to September 2019								October 2019 to September 2020							
		1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Pakistan																									
Country A																									
Country B																									
Country C																									
Country D																									
Country																									
...																									
Domestic sales																									
Total																									

Specify the units of quantity and currency used. If you sell to a related importer in Pakistan report the total quantity and value of sales of the product in Pakistan by the related importer to an independent buyer. If you sell both to independent and related importers, report the quantities and values separately for each type of sale

SALES AND COST TO MAKE AND SELL OF THE INVESTIGATED PRODUCT

Please provide information for the last two years (POI and last accounting year), separately for each year, for each model/grade of the investigated product. Mention period to which the information pertains (e.g, 2019/2020 etc.)

Product Name with Grade/ Type/ Model: _____

Reporting Period/Year -----

(Specify unit of measurement and unit of currency)

S. No	Description	Domestic Sales		Export Sales		Total Sales	
		Quantity (Units)	Value (Unit of Value)	Quantity (Units)	Value (Unit of Value)	Quantity (Units)	Value (Unit of Value)
1	SALES 1.1 Sales to un-related customers 1.2 Sales to related customers 1.3 Internal transfer (describe basis for valuation) 1.4 Total Sales						
2	COST OF GOODS SOLD						
2.1	Quantity produced (specify unit of measurement)						
		Variable Cost (Unit of Value)	Fixed Cost (Unit of Value)	Total Cost (Unit of Value)	per Unit		
2.2	i. Raw and packing material – local ii. Raw and packing material – imported iii. Salaries and wages iv. Overheads details - Stores, spares/supplies - Electricity/Gas/fuel - Repair and maintenance - Depreciation - Miscellaneous/other expenses						
2.3	Total Cost of Production						
2.4	Plus opening stock: a. Quantity b. Value						
2.5	Available for sale (2.3+2.4): a. Quantity b. Value						
2.6	Less closing stock: a. Quantity b. Value						
2.7	Cost of goods sold (2.5-2.6)						
3.	Gross profit on sales (1.4-2.7)						
4.	Selling, administrative and financial expenses 4.1 Selling expenses 4.2 Administrative expenses 4.3 Financial expenses						
5	Other cost (please details of “other” costs)						
6.	Less Other income						
7.	Cost to make and sell (2.7+4+5-6)						
8	Net Profit on sales (1.4-7)						

Note: All items of income & expenditure should be reconcilable with Audited Accounts. In case more than one products are produced and sold, a statement showing the results for the IP and other products be prepared to reconcile the results with audited accounts.

Appendix No. 3

Cost of Imported/Locally Procured Raw Materials and Packing Materials for Production of Investigated Product during the POI

(Specify unit of measurement e.g tonne,Kg. litre etc and currency unit.)

Description of raw/packing material with unit of measurement	Source of import/purchase	Purchase Date	Invoice No	H.S code.	Quantity procured (MT/Kg)	C&F Price	Customs Duty	VAT	Other taxes/duties (pl. specify)	Landed Cost (Total)	Quantity required to produce one unit of the IP	Cost per unit of output

**GUIDELINES FOR COMPLETING THE
NON-CONFIDENTIAL VERSION OF THE QUESTIONNAIRE**

When completing the questionnaire destined for inspection by interested parties (non-confidential version of the questionnaire) you should bear in mind that all the parties registered as interested parties in this investigation will have access to it. The reply destined for inspection by interested parties should be sufficiently detailed to permit a reasonable understanding of the substance of the information submitted as 'confidential'. When completing the questionnaire destined for inspection by interested parties the Commission advise you to act as follows:

1. Use the completed 'confidential version' of questionnaire response as a basis. Identify all information in the 'confidential' response, which you consider is not confidential, and copy it to the file destined for inspection by interested parties.
2. After this, check again whether the information you did not copy to the response destined for inspection by interested parties is really confidential. If you still consider it to be confidential, you must give the reasons why, item by item and summarise the confidential information in a form destined for inspection by interested parties. If, in exceptional circumstances, it is not possible to even summarise the confidential information, give reasons why summarisation is not possible.

Examples on how to summarise confidential information.

- **When the information concerns numbers for various years you can use indices.**

Example of **confidential** information:

2018	2019	2020
20.000 Rupees	30.000 Rupees	40.000 Rupees

The summary destined for inspection by interested parties could be as follows:

2018	2019	2020
=100	150	200

- **When the information concerns a single number you can apply a % change to it.**

Example of **confidential** figure:

"My cost of production is Rs. 300 per tonne."

The summary destined for inspection by interested parties could be as follows:

"My cost of production is Rs. 330 per tonne" (+ footnote saying: "actual numbers have been amended by a margin of maximum +/- 10%, to protect confidentiality").

- **When the confidential information concerns text, you can either summarise it or eliminate the names of parties by indicating their function.**

Example of **confidential** information:

"TRADING COMPANY Ltd, told me that the prices of imports were 20% lower."

The summary destined for inspection by interested parties could be as follows:

"[One of my customers], told me that the prices of imports were 20% lower.