



**Government of Pakistan
National Tariff Commission**

STATEMENT OF ESSENTIAL FACTS

in

**Anti-Dumping Investigation on Dumped Imports of
Cold Rolled Coils/Sheets into Pakistan Originating in
and/or Exported from the European Union, Republic
of Korea, Chinese Taipei and Vietnam**

ADC NO 60/2021/NTC/CRC
November 23, 2021

A. Introduction

This Statement of Essential Facts (“SEF”) is prepared pursuant to Rule 14(8) of the Anti-Dumping Duties Rules, 2001 (“Rules”) in relation to the investigation of dumping of Cold Rolled Coils/Sheets into Pakistan originating in and/or exported from the European Union, Republic of Korea, Chinese Taipei and Vietnam (the “Exporting Countries”). The National Tariff Commission (the “Commission”) initiated this Investigation on February 25, 2021, following receipt of an application from the domestic industry manufacturing CR Coils/Sheets.

B. Purpose

2. In terms of rule 14(8) of the Rules, at least thirty days before the proposed date of final determination, the Commission shall inform all interested parties, in writing, of the essential facts under consideration which shall form the basis of a decision whether to apply definitive anti-dumping measures under the Anti-dumping Duties Act, 2015 (the “Act”).

3. Purpose of this SEF is to provide interested parties an opportunity to comment on essential facts before the Investigation is finalized. In terms of Rule 14(9) of the Rules, the interested parties may submit views, comments, if any, in writing on the information disclosed in this SEF, not later than fifteen days of such disclosure by the Commission.

4. Interested parties intending to respond to this SEF must also submit a non-confidential version of the confidential information, in terms of Section 31 of the Act, to be placed on the public file maintained by the Commission under Rule 7 of the Rules. Submissions should be sent to:

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C. Essential Facts of the Case

5. Receipt of Application

5.1 On December 28, 2020, the Commission received a written application under Section 20 and 24 of the Act from M/s Aisha Steel Mills Limited, Karachi and M/s International Steel Limited, Karachi (the “Applicants”). The Applicants are producers of flat- rolled products of iron or non- alloy steel, cold-rolled (cold-reduced), not clad, plated or coated coils and sheets (“CR Coils/Sheets”). The Applicants alleged that CR Coils/Sheets originating in and/or exported from the Exporting Countries are being

dumped into Pakistan, which have caused and are causing material injury to the domestic industry producing CR Coils/Sheets.

5.2 The Commission informed Diplomatic Missions of the Exporting Countries in Islamabad through note verbal dated December 30, 2020, of the receipt of application in accordance with the requirements of Section 21 of the Act.

6. Evaluation and Examination of the Application

Examination of the application showed that it met requirements of Section 20 of the Act as it contained sufficient evidence of alleged dumping of CR Coils/Sheets into Pakistan from the Exporting Countries and material injury to the domestic industry caused therefrom. Requirements of Rule 3 of the Rules, which relate to the submission of information prescribed therein were also found to have been met.

7. Anti-dumping Duties In-place on Dumped Imports of CR Coils/Sheets:

7.1 The Commission imposed following definitive anti-dumping duties on dumped imports of CR Coils/Sheets from the People’s Republic of China (“China”) and Ukraine for a period of five years effective from January 13, 2016:

**Table-I
Definitive Antidumping Duty Rates**

Country	Exporter / Producer Name	Antidumping Duty Rate (%)
China		
	Shougang Casey Steel Company Ltd.	19.04
	Shougang Jingtang United Iron & Steel Co. Ltd.	19.04
	Beijing Shougang Cold Rolling Company Ltd.	16.27
	Handan Iron & Steel Group Han-Bao Co. Ltd.	13.17
	Maanshan Iron & Steel Company Ltd.	19.04
	All others	19.04
Ukraine		
	Zaporizhstal Integrated Iron-and-Steel Works	18.92
	Ilyich Iron and Steel Works of Mariupol	18.36
		All others

7.2 On request of the Applicants, a sunset review of anti-dumping duties on dumped imports of CR Coils/Sheets from China and Ukraine was initiated on January 08, 2021 under Section 58 of the Act and is under process.

7.3 The Commission has also conducted an antidumping investigation on imports of Cold Rolled Coils/Sheets/Strips into Pakistan originating in and/or exported from Canada and Russian Federation and has imposed definitive anti-dumping duty at the rate of 13.94 percent with effect from September 20, 2019.

8. Domestic Industry and Standing

8.1 According to the information available with the Commission, the domestic industry producing CR Coils/Sheets consists of following five units:

- i. Aisha Steel Mills Limited (“ASL”), Karachi;
- ii. International Steel Limited (“ISL”), Karachi;
- iii. AHN Steel Pvt. Limited, Lahore; and
- iv. Pakistan Steel Mills Limited, Karachi.
- v. Hadeed Pakistan Pvt. Limited, Lahore

Out of these five units, two units i.e. M/s Aisha Steel Mills Limited, Karachi and M/s International Steel Limited, Karachi are Applicants in this investigation. The Commission on February 25, 2021 and May 25, 2021 sent questionnaire to AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd. respectively for necessary information. In response, AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd provided limited information only relating to their production and installed capacity during POI for dumping.

8.2 On the basis of available information, the total installed production capacity CR Coils/ Sheets in Pakistan is 2,260,000 MT per annum. However, Pakistan Steel Mills Ltd. is not in operation since 2015, therefore, operational capacity of the domestic industry is 2,050,000 MT per annum. Further, both the Applicants also used CR Coils/Sheets inhouse for production of galvanized and coloured coils/ sheets. Their installed capacity for galvanized and coloured coils/ sheets is 796,000 MT per annum, therefore, domestic industry’s current operational installed capacity for production and sale of CR Coils/ Sheets in the market is 1,254,000 MT:

8.3 Following table shows unit-wise installed capacity of the domestic industry:

Table-II
Unit-wise Current Installed Production Capacity (MT)

S. No.	Unit Name	Installed Capacity*
i.	Aisha Steel Mills Limited	700,000
ii.	International Steel Limited	1,000,000
iii.	AHN Steel Limited	50,000
iv.	Pakistan Steel Mills Limited	210,000
v.	Hadeed Pakistan Pvt. Ltd.	300,000
vi.	Total	2,260,000

*Installed capacity is determined on the basis of CR coils of 0.5/0.6 mm thickness on triple shift basis

*Sources: the Applicants, AHN Steel Pvt. Ltd. and Hadeed Pakistan Ltd.

9. Initiation of Investigation

9.1 The Commission examined accuracy and adequacy of the evidence and information provided in the application in accordance with Section 23 of the Act and determined that there was sufficient evidence of dumping of CR Coils/ Sheets into

Pakistan from the Exporting Countries and consequent material injury to the domestic industry. Therefore, the Commission decided to initiate an investigation in this case on February 23, 2021.

9.2 The Commission issued a notice of initiation in accordance with Section 27 of the Act, which was published in the Official Gazette¹ of Pakistan and in two widely circulated national newspapers² (one in English language and one in Urdu Language) on February 25, 2021. Investigation concerning alleged dumped imports of CR Coils/ Sheets into Pakistan originating in and/or exported from the Exporting Countries was thus initiated on February 25, 2021 in accordance with Section 27(2) of the Act.

9.3 In pursuance of Section 27 of the Act, the Commission notified Diplomatic Missions of the Exporting Countries in Islamabad of initiation of the investigation (by sending a copy of the notice of initiation) on February 25, 2021 with a request to forward it to all exporters/ producers involved in production, sales and export of CR Coils/Sheets in the Exporting Countries. Copy of the notice of initiation was also sent to exporters/ producers directly (whose addresses were available with the Commission), Pakistani importers, the Applicants and other domestic producers on February 25, 2021.

9.4 In accordance with Section 28 of the Act copies of full text of the written application (non-confidential version) were sent on February 25, 2021 to all exporters/ producers, whose complete addresses were available with the Commission and to the Diplomatic Missions of the Exporting Countries in Islamabad with a request to forward it to their respective exporters/ producers involved in production, sale and/or export of CR Coils/ Sheets.

10. Period of Investigation

The POI for the purposes of this investigation for dumping and injury are, as follows:

For determination of dumping: From October 01, 2019 to September 30, 2020
For determination of injury: From October 01, 2017 to September 30, 2020

11. Public File

The Commission, in accordance with Rule 7 of the Rules, has established and maintained a public file in this Investigation at its office. This file remains available to the interested parties for review and copying from Monday to Thursday between 1100 hours to 1300 hours throughout the investigation. This file contains non-confidential versions of the application, submissions, notices, correspondence and other documents for disclosure to the interested parties.

¹ The official Gazette of Pakistan (Extraordinary) dated February 25, 2021.

² The daily 'Nation' and 'Express' of February 25, 2021 issues.

12. Views, Comments and Hearing

12.1 All interested parties were invited to make their views/comments known to the Commission and to submit information and documents (if any) with regard to this investigation. After initiation of this investigation and after preliminary determination, the Commission received written submissions/ comments from the following parties which were mainly related to the scope of the investigated product, volume, prices of the investigated and domestic like products and injury to the domestic industry due to dumped imports:

- a. European Commission, Directorate-General for Trade, Brussels
- b. POSCO, South Korea
- c. Siddique Sons Tin Plate Ltd. Pakistan
- d. Pirani Engineering Pvt. Ltd. Pakistan
- e. Pakistan Electronics Manufacturers Association, Pakistan
- f. MGA Industries Pvt. Ltd.
- g. Indus Motor Company Pvt. Ltd.
- h. Agri Auto Stamping Company Ltd.
- i. PAK Suzuki Motor Company Ltd.
- j. Hyundai Steel Company, South Korea
- k. Pakistan Iron and Steel Merchant Association, Pakistan
- l. Karachi Iron and Steel Merchant Association, Pakistan
- m. Dawood Engineering Pvt. Ltd
- n. Pakistan Automotive Manufacturers Association. Pakistan
- o. Pakistan Association of Automotive Parts and Accessories Manufacturers Association, Pakistan.
- p. Stamco Steel Corporation

12.2 The Commission has carefully reviewed all issues raised by the interested parties and has reached on these essential facts after consideration of all information, evidence, views and comments.

12.3 In response to notice of preliminary determination dated August 23, 2021, the interested parties requested for a hearing in this investigation in accordance with Rule 14 of the Rules. A virtual hearing via Zoom Application was held in the Commission on September 27, 2021 to obtain the views/comments of the interested parties. The information submitted by the participants during the hearing and record note of the hearing prepared by the Commission are available in the public file for review and copy of the interested parties.

13. Investigated Product, Domestic Like Product and Like Product

13.1 The Investigated Product

13.1.1 The investigated product as defined in notice of initiation is flat-rolled products of iron or non-alloy steel of a width of 600mm or more, cold- rolled (cold- reduced), not clad, plated or coated ("CR Coils/Sheets"), of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm in rolls or slit to length sheets, excluding

CR Coils/ Sheets used in auto skin/ grade (the “investigated product”). The investigated product is classified under Pakistan Customs Tariff¹ (“PCT”) Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

13.1.2 The Investigated product is generally used in production of automotive parts, sub-assembly/inner body parts, fabrication of goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc etc.

13.1.3 CR Coils/Sheets that meet technical requirements, which are specified in the standards, are categorized as prime quality product and which do not meet technical requirements and specified criteria of the standards are termed as non-prime or secondary quality product, such as variation in specifications, chemical composition, deviation in mechanical properties i.e. tensile strength, yield strength, hardness surface imperfections, scratches, dents, cross break marks, rust, oxidation marks, wrinkles, metal sticking, damaged/torn/bent edges etc. Therefore, secondary quality CR Coils/Sheets are generated during production, slitting as well as sales of the product.

13.1.4 After the initiation of the investigation, M/S Siddiq Sons Tin Plate, a manufacturer of tinsplate approached the Commission and submitted that the Applicants do not possess capability to produce Tin Mill Black Plate (“TMBP”) which is used in production of tinsplate. The issue was discussed with the Applicants during the on-spot verification visit. The Applicants submitted that they have the capability to produce TMBP on its production facility and during the POI they had sold the CRC to Siddiq Sons Tinsplate meant to use for production of Tinsplate. To verify this, the Commission obtained record of sales made to Siddiq Sons Tinsplate Ltd. by the Applicants during the POI. Details of the Applicants’ sales to M/s Siddiq Sons Tinsplate Ltd. are reported in on-the-spot investigations reports, which were made available to interested parties including M/s Siddiq Sons Tinsplate Ltd. by placing the same on the public file. Further, Shamim Tin Merchant Pvt. Ltd and M/S Stamco Steel Corporation, also approached to the Commission and submitted that TMBP is different from CRC in all aspects. There are two types of TMBP i.e. SPCC and MR. Domestic industry is producing only SPCC grade which is not suitable for food packaging whereas only MR type of TMBP is feasible for food packaging. Therefore, MR type TMBP should be excluded from the scope of the investigation.

13.1.5 In order to ascertain whether the domestic industry is producing the Tin Mill Black Plate (“TMBP”) which is used for production of tinsplate, the Commission requested the Engineering Development Board, Ministry of Industries and production (“EDB”) to carry out a technical assessment. Accordingly, the EDB constituted a technical committee consisting officers from EDB, NTC, Customs, Pakistan Council of Scientific and Industrial Research (PCSIR) and Pakistan Industrial Development Corporation (PIDC) for assessment of capability of the domestic industry to

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

manufacture TMBP. The team visited the manufacturing facilities of International Steel Limited and Aisha Steel Limited on October 7-8, 2021 and carried out a analysis of the production facilities of the domestic industry. Consequently, the Committee gave a non-consensus report and referred to documents shown by the industry domestic during the visit. Copies of many documents are still to be requisitioned and report is to be shared with the interested parties for their views/comments. NTC will take a decision after reviewing all related evidence and feedback from the interested parties.

13.1.6 During the course of the investigation, different automotive manufacturers, OEMs, the Pakistan Auto parts Manufacturers Association (“PAMA”) and Pakistan Association of Automotive Parts and Accessories Manufacturers (“PAAPAM”) and POSCO, Korea submitted that apart from the CR Coils/Sheets meant for automotive outer skin/ outer body , which are already excluded from the purview of this investigation, several grades of CR Coils/Sheets that are used in automobiles are also not being produced by the domestic industry. During the on-spot verification visit, the Applicants were asked to provide list of grades that they produced and sold to the automotive sector during POI. In response, the Applicants submitted that CRC used in auto parts is of various grades and they produce and supply CRC to auto parts manufacturers. However, CRC used in outer skin parts, structures and other high-end applications such as trunk boot, door panels, pillars etc. in four wheeler vehicles is high grade high tensile material which is not produced by the domestic industry during the POI. To validate this, the Commission obtained sales records of the Applicants to the auto parts manufacturers in the domestic industry. This fact as well as details of the Applicants’ sales to Automotive Sector are reported in on-the-spot investigations reports, which were made available to interested parties by placing the same on the public file. However, no contradictory comments from any interested party has been received so far.

13.1.7 Currently, the domestic industry is producing different automotive grades of CRC which includes SPCC, SPCD, SPCE and SPCG. However, the following auto grades of CRC have not been produced by the domestic industry during POI:

**Table-III
Auto Grades not Produced Locally**

S.No	Grade Description
i.	JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-45
ii.	SPCO-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
iii.	JSC26OGN-2 (SPCX), JAH59ORN 45/45
iv.	SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
v.	SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
vi.	HFS 429M, HFS 436L, HSS 441
vii.	SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
viii.	MSM-CC-DZC-90/90
ix.	SAE1050, SAE1070, SAE1078, JS-SK60, JS-SK85

13.1.8 Accordingly, the above mentioned grades have been excluded from the scope of the investigated product. Further, during on-the-spot investigations at

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Applicants premises the Commission also found that the domestic industry can only produce CR Coils/ Sheets of a thickness of 0.15 to 03 mm and of a width up to 1250 mm. Therefore, the Commission has revisited the scope of the investigated product and has defined the investigated product as: flat-rolled products of iron or non-alloy steel of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250mm, cold- rolled (cold- reduced), not clad, plated or coated, of prime and secondary quality (“CR Coils/Sheets”), of in rolls or slit to length sheets, excluding CR Coils/ Sheets used in automotive outer skins of four wheeler vehicles and following auto grades (the “investigated product”) imported from the Exporting Countries:

S.No Grade

- a. JAC, JSC & SPC, JEH – 270, 34OPN, 44OWN, 59ORN, SCGA 270-45, SCGA590DU-4
- b. SPCD-S, SECC-0/20, SPCC Deep Drawing Quality, SPCEN, SEHC-0/20,
- c. JSC26OGN-2 (SPCX), JAH59ORN 45/45
- d. SPC, SPFC, SPH & SPRC – 440, SCGA 440-45, SHGA 440-45 V, SCGA 340
- e. SUS 304, SUS 409LT-E/ SUH 409L/HFS 409L, SUS 429M, SUS 432T / SUS 436J1L, SUS 436L/ SUS 436MT, SUS 439MT
- f. HFS 429M, HFS 436L, HSS 441
- g. SA1C-80, SA1D-80 -CZ/ SA1D 40/40 CZ, SACE-120, SA1E-80
- h. MSM-CC-DZC-90/90
- i. SAE1050, SAE1070, SAE1078, JS-SK60, JS-SK85

12.1.9 The investigated product is classified under Pakistan Customs Tariff Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

13.1.10 Following table shows customs tariff structure of 2020-21 applicable on imports of Cold Rolled Coils/Sheets:

Table-IV
Tariff Structure of Cold Rolled Coils/Sheets (%)

PCT Heading	Description	Customs + Add. Duty	RD	FTAs/PTAs	Concession under SROs
Chapter 72	Iron and Steel				
72.09	Flat- rolled products of iron or non- alloy steel, of a width of 600mm or more, cold-rolled (cold-reduced), not clad, plated or coated.				
	- In coils, not further worked than cold-rolled (cold-reduced)				
	- - Of a thickness exceeding 1mm but less than 3mm				
7209.1510	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1590	- - - Others	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(I)/2006 for Auto Sector
7209.1610	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5;	---

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				LK_FTA Conc. = 100%	
7209.1690	- - - Others	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(l)/2006 for Auto Sector
	- - Of a thickness of 0.5mm or more but not exceeding 1mm				
7209.1710	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1790	- - - Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(l)/2006 for Auto Sector
	- - Of a thickness of less than 0.5mm				
7209.1810	- - - Of secondary quality	20+7	5	CN_12.8; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1891	--- Tin mill black plate of thickness 0.33 mm or less	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.1899	- - - Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(l)/2006 for Auto Sector
	- Not in coils, not further worked than cold- rolled (cold-reduced)				
	- - Of a thickness exceeding 1mm but less than 3mm				
7209.2610	- - - Of secondary quality	20+7	5	CN_16; MY=10; LK_FTA Conc. = 100%	---
7209.2690	- - - Other	11+2	5	CN_5; MY=10; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(l)/2006 for Auto Sector
	- - Of a thickness exceeding 0.5mm but not exceeding 1mm				
7209.2710	- - - Of secondary quality	20+7	5	CN_16; MY=10; LK_FTA Conc. = 100%	
7209.2790	- - - Other	11+2	5	CN_5; MY=10; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(l)/2006 for Auto Sector
	- - Of a thickness of less than 0.5 mm				
7209.2810	- - - Of secondary quality	20+7	5	CN_16; MY=10; SAFTA=5; LK_FTA Conc. = 100%	---
7209.2890	- - - Other	11+2	5	CN_5; MY=10; SAFTA=5; LK_FTA Conc. = 100%	CD 1% and RD 0% under SRO 655(l)/2006 for Auto Sector

13.2 Domestic Like Product

13.2.1 Domestic like product means the like product that is produced by the domestic industry. The domestically produced product is flat-rolled products of iron or non-alloy steel, cold-rolled (cold-reduced), not clad, plated or coated, of prime and secondary quality, of a thickness ranging from 0.15 mm to 3.00 mm and a width up to 1250 mm, in rolls or slit to length sheets, excluding CR Coils/ Sheets used in automotive skins of four wheelers and auto grades mentioned at Table-III supra. The domestic like product

is classified under Pakistan Customs Tariff¹ ("PCT") Heading Nos. 7209.1510, 7209.1590, 7209.1610, 7209.1690, 7209.1710, 7209.1790, 7209.1810, 7209.1891, 7209.1899, 7209.2510, 7209.2590, 7209.2610, 7209.2690, 7209.2710, 7209.2790, 7209.2810 and 7209.2890.

13.2.2 The domestic like product is also used for used in production of automotive parts, sub-assembly/inner body parts, fabrication of goods like doors/cabinets, pipes, tubes, refrigerators, washing machines, geysers, ovens etc.

13.3 Like Products:

13.3.1 In terms of Section 2(m) of the Act, like product means a product, which is alike to an investigated product in all respects or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product.

13.3.2 For the purposes of determination of dumping of the investigated product the like product is CR coils/sheets produced and sold by the exporters/producers of the Exporting Countries in their domestic market as well as exported to the countries other than Pakistan. For the purposes of determination of injury to the domestic industry the like product is the investigated product and the CR Coils/Sheets imported into Pakistan from countries other than the Exporting Countries.

13.3.3 There is no difference between the investigated product, the domestic like product and the CR coils/sheets imported from sources other than the Exporting Countries as all the three products are:

- i. produced with same/similar inputs and manufacturing process;
- ii. have same/similar appearance;
- iii. are substitutable in use and application.

13.3.4 Therefore, the Commission is satisfied that the investigated product, domestic like product and CR coils/sheets imported from sources other than the Exporting Countries are like products.

14. Exporters/ Producers of CR Coils/Sheets from the Exporting Countries

In application, the Applicants have identified 43 exporters/producers involved in dumping of the investigated product from the Exporting Countries. The Applicants have also stated that there may be other exporters/producers of CR Coils/ Sheet in the Exporting Countries, which are not known to them. Therefore, the Applicants have requested for imposition of antidumping duties on all imports of CR Coils/Sheets originating in and/or exported from the Exporting Countries

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

15. Information/Data Gathering

15.1 The Commission sent questionnaires on February 25, 2021 to the known exporters/ producers of CR Coils/Sheets from the Exporting Countries, asking them to respond within 37 days of the dispatch of the questionnaires. The Commission also sent a copy of the Questionnaire to the Diplomatic Missions of the Exporting Countries in Pakistan on February 25, 2021 with a request to forward it to all known exporters/ producers of Cold Rolled Coils/Sheets in the Exporting Countries.

15.2 The deadline for the submission of the data/information on the prescribed Exporter's Questionnaire was April 03, 2021. No response from any exporter/ foreign producer was received within the prescribed time period. Therefore, reminders were issued to the exporters/foreign producers on April 29, 2021 explaining them in case of no response of the questionnaire, the Commission will be constrained to make determination of dumping of the investigated product on the basis of "Best Information Available" including those contained in the application submitted by the domestic industry. In response only one exporter/trader namely COFID Stahl-Handelsgesellschaft mbH from Germany provided very limited information in response to the questionnaire, which was not sufficient to determine individual dumping margin. Therefore, deficiencies were communicated to the exporter/trader, however it did not provide the requisite data/information. Thus, none of the exporters/ producers from the Exporting Countries has responded to the Commission's questionnaire and did not provide requisite information necessary for determination of dumping margins.

15.3 Questionnaires were also sent to known importers of the investigated product on February 25, 2021, followed by the reminder on April 29, 2021. In response to the Questionnaire, Agriauto Stamping Company Ltd., Dawood Engineering Pvt Ltd. and Pakistan Electronics Manufacturers Association have provided certain information relating to their imports of the investigated product, which is taken into account by the Commission in this investigation.

15.4 On February 25, 2021 and May 25, 2021 questionnaire was also sent to the other domestic producer i.e. AHN Steel Pvt., Ltd and Hadeed Pakistan Pvt. Ltd. for necessary information. AHN Steel Pvt., Ltd. and Hadeed Pakistan Ltd. have provided information for their capacities and production for the POI of dumping only.

15.5 The Commission has access to the import statistics of Pakistan Revenue Automation Limited ("PRAL"), the data processing arm of the Federal Board of Revenue, Government of Pakistan. For the purpose of this investigation, the Commission has also used import data obtained PRAL/Pakistan Customs in addition to the information provided by the Applicants in the application and the other parties. In addition to this, the Commission has also obtained certain information from publicly available sources, which, *inter-alia*, includes articles published in different journals and International Trade Centre database etc.

15.6 Thus, the Commission has sought from all available sources the relevant data and information deemed necessary for the purposes of this investigation. Further, in terms of Rule 12 of the Rules, during the course of this investigation, the Commission

also satisfied itself as to the accuracy of information supplied by the interested parties to the extent possible.

16. Confidentiality

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

16.2 The Applicants and the other interested parties who have provided information have requested to keep confidential the information, which is by nature confidential in terms of Section 31 of the Act. This information includes data relating to sales, sale prices, cost to make and sell, inventories, production, profit/(loss), return on investment, investment, salaries & wages, number of employees etc. In addition to this, the Applicant has also provided certain other information on confidential basis under Section 31(2)(c), as such information, e.g. export or import price and import volume etc., which may lead to the disclosure of the by nature confidential information by way of reverse calculations. However, the parties have submitted non-confidential summaries of the confidential information in accordance with the Section 31(5) of the Act. Non-confidential summaries permit a reasonable understanding of the information submitted in the confidence.

16.3 Pursuant to requests made by the Applicants and other interested parties to treat certain information as confidential, the Commission has determined the confidentiality in light of Section 31 of the Act, and for the reasons that disclosure of such information may be of significant competitive advantage to a competitor, or because its disclosure would have a significant adverse effect upon the interested parties providing such information. However, in terms of Sub-Section (5) of Section 31, non-confidential summaries of all confidential information, which provide reasonable understanding of the substance, have been placed in non-confidential file (public file).

17. Verification of the Information

17.1 In order to verify the information/data provided by the Applicants and to obtain further information (if any), officers of the Commission conducted on-the-spot investigations from 24 to 26 May, 2021 at M/s Aisha Steel Mills Limited's office/plant and from 27-29 May, 2021 at International Steel Limited's office/plant.

17.2 The reports of on-the-spot investigation/verification conducted at premises of the Applicants were provided in full to the Applicants. Non-confidential version of the on-the-spot investigation/verification reports are made available to other interested parties by placing the same on the public.

18. Preliminary Determination

18.1 The Commission made preliminary determination in this investigation on August 23, 2021 in terms of Section 37 of the Act and imposed following provisional

antidumping duties on dumped imports of CR Coils/Sheets from the Exporting Countries, for a period of four months effective from August 23, 2021;

Table-V
Provisional Anti-dumping Duty Rates

Country Name	Duty Rate (%of C&F price)
Chinese Taipei	6.18
European Union	6.50
South Korea	13.24
Vietnam	17.25

18.2 The Commission issued a notice of preliminary determination, which was published on August 23, 2021 in Official Gazette of Pakistan and in two widely circulated national newspapers (the "Express Tribune" and "Daily Nawa-i-Waqt") notifying the preliminary determination.

18.3 On August 23, 2021 the Commission also sent copy of the notice of preliminary determination to the Diplomatic Missions of the Exporting Countries in Islamabad, the exporters, the importers, and the Applicants in accordance with the requirements of Section 37(4) of the Act. A detailed report (non-confidential version) of the preliminary determination is placed at the public file and is also posted on Commission's website www.ntc.gov.pk.

19. Determination of dumping

19.1 As stated earlier (paragraph 15 supra) the Commission did not receive information in response to the questionnaire from any of the exporter/ foreign producer of the investigated product in this investigation, therefore, dumping (normal value, export price and dumping margin) of the investigated product in this investigation will be determined on the basis of best information available in accordance with Section 32 of the Act.

19.2 The export price of the investigated will be established on the basis of the information obtained from PRAL on imports of the investigated product during the POI. Normal value for the investigated product will be determined, which may include but not limited, information obtained from different online resources such as MEPS International limited ("MEPS"), ITC trademap, comtrade, or will be constructed on the basis of cost to make and sell in the Exporting Countries by using domestic industry's cost to make and sell, or any other relevant information.

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

20.1 In terms of Section 41(3) of the Act, dumping margin shall be considered to be negligible if it is less than two percent, expressed as a percentage of the export price. Dumping margins, set out in preliminary determination report of the Commission are above the *de minimis* level.

20.2 As regards the volume of dumped imports, Section 41(3) of the Act provides that the dumped imports shall normally be regarded as negligible if the volume of dumped imports of an investigated product is found to account for less than three percent of total imports of a like product unless imports of the investigated product from all countries under investigation which individually account for less than three percent of the total imports of a like product, collectively account for more than seven per cent of the imports of like product. The information/data on dumped imports of the investigated product and other imports of CR Coils/Sheets has been obtained from PRAL. Volume of dumped imports of the investigated product and the CR Coils/ Sheets imported from other sources during the POI (October 01, 2019 to September 30, 2020) is given in the table below:

**Table-VI
Volume of Imports of CR Coils/Sheets (MT)**

Year	Sources of Imports:			Total
	Dumped	Other Dumped*	Other Sources	
2017-18	66,783	100,066	28,458	195,307
2018-19	59,825	47,999	15,897	123,721
2019-20	83,911	6,816	23,614	114,341

* Canada, Russia, China and Ukraine.

Source: PRAL

21. Determination of Injury to the Domestic Industry

21.1 The Commission will take in to account all factors provided in Sections 15 and 17 of the Act in order to determine whether domestic industry suffered material injury during the POI. Material injury to the domestic industry will be analyzed in accordance with Part VI of the Act.

21.2 Dumping margins determined in preliminary determination for each Exporting Country is more than the negligible amount (i.e. less than 2 percent of export price) and the volume of dumped imports during the POI from each Exporting Country individually is also well above the negligible quantity (i.e. less than 3 percent of total imports of CR Coils/Sheets). Further, information obtained from PRAL showed that, during the POI, landed cost of the investigated product from the Exporting Countries was in the same range. Therefore, there was a competition between dumped imports of the investigated product. Thus, effects of dumped imports on the domestic industry will be cumulatively assessed.

22. Domestic Industry's Capacity, Production Sales and Inventories

Information on domestic industry's installed capacity, production, sales and inventories of the domestic like product for the POI is provided in the following table:

Table- VII
Capacity, Production, Sales and Inventories

Year	Installed Capacity	Production	Sales			Opening inventory	Closing Inventory
			Domestic	Exports	Total		
Oct 17-Sep 18	100.0	80.0	74.7	0.2	74.9	4.9	9.9
Oct 18-Sep 19	188.2	82.5	78.7	2.3	81.0	10.0	11.5
Oct 19- Sep 20	216.0	67.4	67.1	7.7	74.8	12.3	4.0

Sources: the Applicants

Note: To maintain confidentiality, actual figures have been indexed w.r.t the installed capacity figures during year 2017-18 by taking it equal to 100

23. Price, Cost to Make & Sell of the Domestic Like Product and Landed Cost of the Investigated Product

Ex-factory price and cost to make and sell of the domestic like product and landed cost of the imported CR Coils/Sheets from the Exporting Countries during the POI is provided in the following table:

Table-VIII
Price, Cost to Make & Sell and Landed Cost

Year	Domestic like product's		Landed cost of the investigated product
	Cost to make & sell	Ex-factory Price	
Oct 17-Sep 18	100.0	112.3	119.4
Oct 18-Sep 19	123.0	125.1	144.1
Oct 19- Sep 20	132.8	137.5	148.6

Sources: The Applicants and PRAL

Note: Actual figures have been indexed for confidentiality reasons with respect to domestic like product's cost to make and sell of year 2017-18 by taking it equal to 100

24. Profits/Loss, Cash Flows and Return on Investment

Applicant's profits/(loss) of CR Coils/Sheets and their cash flows and return on investment ("ROI") for entire operations during the POI is provided in the following table:

Table-IX
Profit/(Loss), Cash Flows and ROI

Year	Profit/(Loss)*	Cash Flows*	ROI
Oct 17-Sep 18	100.00	(100.00)	24.64%
Oct 18-Sep 19	17.23	(3.81)	9.42%
Oct 19- Sep 20	16.76	123.30	7.65%

Source: the Applicants

*: Actual figures have been indexed for confidentiality reasons with respect to profits/(loss) and cash flows of year 2017-18 by taking them equal to 100

25. Employment, Productivity and Wages

Information on employment, productivity and wages of the domestic industry during the POI is provided in the following table:

**Table-X
Employment, Wages and Productivity**

Year	Employee	Salaries & wages	Productivity
Oct 17-Sep 18	100.0	100.0	100.0
Oct 18-Sep 19	110.3	91.5	93.6
Oct 19- Sep 20	100.7	86.8	83.7

Source: the Applicants

Note: Actual figures have been indexed for confidentiality reasons with respect to the Corresponding figures of year 2017-18 by taking it equal to 100

27. Other Factors

27.1 In accordance with Section 18(2) of the Act, the Commission will also examine the factors other than dumped imports of the investigated product, which could have at the same time caused material injury to the domestic industry, in order to ensure that possible injury caused by other factors is not attributed to the dumped imports. Facts on other factors are provided in following paragraphs.

27.2 Volume of Imports of CR Coils/Sheets from Other Sources:

Following table shows volume of imports of the investigated product, CR Coils/Sheets imported from other sources, domestic industry's sales and total domestic market:

**Table-XI
Volume of Imports from Other Sources**

Year	Domestic industry's sales	Sources of Imports:			Total domestic market
		Dumped Sources	Other Dumped Sources*	Others	
Oct 17-Sep 18	65.98	11.63	17.43	4.96	100.00
Oct 18-Sep 19	69.49	10.42	8.36	2.77	91.04
Oct 19-Sep 20	59.26	14.62	1.19	4.11	79.18

Sources: PRAL & the Applicants

* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed , however, there are no imports from Ukraine.

Note: To keep confidentiality, the actual figures have been indexed w.r.t total domestic market figures during year 2017-18 by taking it equal to 100

27.3 Prices of Imports of CR Coils/Sheets from Other Sources

Following table shows prices (weighted average landed cost) of imports of the investigated product, CR Coils/Sheets imported from different sources and domestic like product's price:

**Table-XII
Landed cost of imports and Domestic Industry's Price (per MT)**

Year	Landed Cost of imports from			Domestic Industry's price
	Dumped sources	*Other Dumped sources	Others	
Oct 17-Sep 18	106.30	102.65	94.72	100.00
Oct 18-Sep 19	128.32	115.49	131.82	111.39
Oct 19-Sep 20	132.29	136.79	132.71	122.45

Landed cost = C&F value+CD+ACD+RD+ADD+Incidentals

Sources: PRAL and the Applicants

* "Other dumped" are Canada, Russia, China and Ukraine where antidumping duties are imposed , however, there are no imports from Ukraine

Note: To keep confidentiality, the actual figures have been indexed w.r.t domestic industry's price figures during year 2017-18 by taking it equal to 100

27.4 Trade restrictive practices of and competition between foreign and domestic producers

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

27.5 Developments in Technology

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

27.6 Export Performance of Domestic Industry

Following table shows exports of the domestic like product during the POI:

**Table-XVI
Exports of the Domestic Like Product**

Year	Exports (volume)
Oct 17-Sep 18	100
Oct 18-Sep 19	1,299
Oct 19-Sep 20	4,344

Source: the Applicants

Note: To keep confidentiality, the actual figures have been indexed w.r.t export figures during year 2017-18 by taking it equal to 100

27.7 Increase in Policy (interest) Rate in 2018-19

The State Bank of Pakistan (SBP) increased policy rate as high as 13.25% in early 2019-20 to contain inflation. This situation impacted adversely to the domestic economy including the steel industry. However, to cope with COVID 19 the SBP responded to the crisis by cutting the policy rate by a cumulative 6.25 basis points to 7.0 percent since March 2020. The reduction of policy rate has impacted positively and the GDP growth rate is expected by 4 percent.

27.8 Exchange Rate Depreciation

Exchange rate depreciated considerably 2018-19, however, during 2019-20 the Pak Rs. US\$ parity remained stable FY2020 which is providing a base for sustainable decisions by the business community. Further, some positive results of the Government's macro-economic reforms, particularly in the Current Account Deficit, which narrowed 77.9 percent to \$2.97 billion in July-June FY2020 from \$13.43 billion in the previous year, are also contributing stability of the economy.

27.9 Changes in raw material (HRC) prices

The raw material for CR Coils/Sheets mainly consists of Hot Rolled Coils (HRC). As no production of HRC is being done in the country, therefore, entire demand of HRC is met through imports. The international steel industry, like others, went through a tough patch. The demand fluctuated and the prices with it. The HRC price, in July 2019 was around US\$ 500 per ton FOB China, came down to around US\$400 in September, then rising back to around US\$ 500 in January 2020. The COVID-19 related slowdown caused the prices to fall back again to US\$ 400 levels. The prices, lately, have started to recover on account of gradual opening up of business in China and Europe and is now around US\$ 500 per ton. As the economy re-opens, it is expected that adverse impact of COVID-19 will be bottoming out. The local market is witnessing 'V' shaped growth as the steps taken and gradual decline in COVID-19 related cases has substantially improved business environment. The revival of two and three wheelers is well underway. The car, truck and bus industry is also picking up and a sharp turnaround is expected in the upcoming quarters. Therefore, adverse impacts of prices on domestic industry are likely to be over in near future.

27.10 Fire incidence at Aisha Steel Ltd.'s (ASL) plant in January 2020

Investigation of the Commission has revealed that a the fire incidence took place at old plant of ASL in January 2020. At that timey, its new plat was fully operational, however, it was not operating at full capacity due to lower demand of domestic like product. Further, skin passing facility was restored within 30 days. Therefore, fire incidence did not effect on ASL's production of CRC. Furthermore, the plant was insured and the ASL has claimed its value from the insurance company, which is still due. In this situation ASL has decapitalized the value of that plant from its assets till the time it is restored, therefore, there is no impact of these assets in depreciation cost of the company.
