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GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE

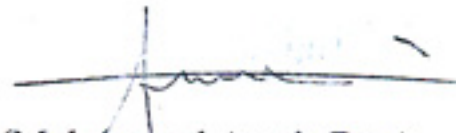
Islamabad the 11th February, 2013

Subject:- Circulation of Pamphlets on Trade Defence Laws

Enclosed please find a set of pamphlets on Trade Defence Laws for protection of domestic industry. The pamphlets will explain Trade Defence Laws available to a local manufacturer against unfair trade practices and surge in imports.

2. All Chambers of Commerce, Trade Associations of Pakistan are requested to kindly share the pamphlets with their members so that the local industry could be able to make use of WTO compliant trade defence measures through National Tariff Commission of Pakistan in case of any threat to local industry.

Encl: as above


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Section Officer (AP-III)
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1. President, Federation of Pakistan Chambers of Commerce & Industry (FPCCI)
2. Presidents, All Chambers of Commerce & Industry of Pakistan
3. Chairmen, All Trade Associations of Pakistan

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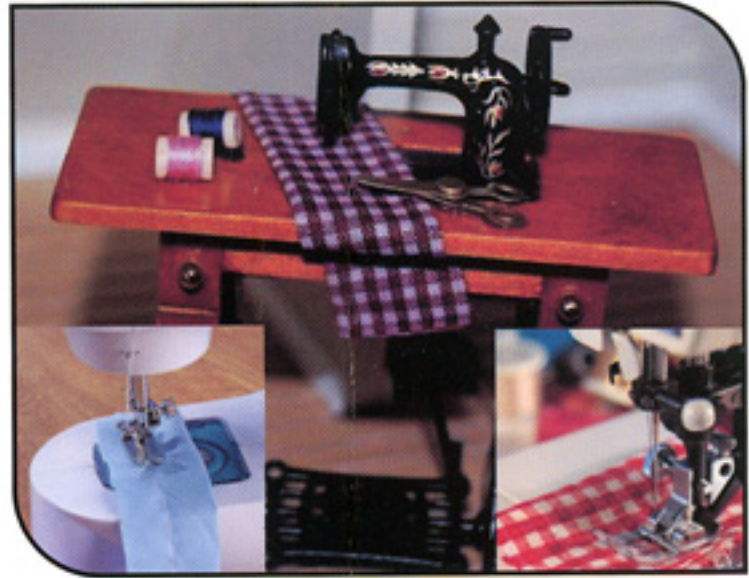
1. Secretary, Ministry of Industry, Islamabad
2. Secretary, Ministry of Production, Islamabad
3. Secretary, Ministry of Textile Industry, Islamabad
4. Secretary, National Food Security and Research Division, Islamabad
5. Chairman, Federal Board of Revenue, Islamabad
6. Secretary, Trade Development Authority of Pakistan, Karachi
7. Secretary, National Tariff Commission of Pakistan, Islamabad
8. Member (PRW), Prime Minister's Secretariat (Public), Islamabad
9. Secretary, Department of Industries, Commerce & Investment, Punjab, Lahore
10. Secretary, Department of Industries & Commerce, Sindh, Karachi
11. Secretary, Department of Industries & Commerce, Balochistan, Quetta
12. Secretary, Department of Industries, Commerce & Labour, Khyber Pakhtunkhwa, Peshawar



Government of Pakistan Ministry of Commerce



TRADE DEFENSE LAWS FOR SAFEGUARDING DOMESTIC INDUSTRY



**National Tariff Commission
Islamabad**

TRADE DEFENSE LAWS FOR SAFEGUARDING INTERESTS OF DOMESTIC INDUSTRY

The liberalization of trade as a result of multilateral agreements reached upon under aegis of World Trade Organization (WTO) as well as various regional trade agreements has not only opened up new exports opportunities for domestic industry it has also given rise to possibility of sudden rise in imports through un-fair trading practices, such as dumping of goods below their normal prices in domestic market.

2. In order to protect domestic industry from such un-fair import trade practices, Government of Pakistan, Ministry of Commerce established National Tariff Commission (NTC) and enacted following trade defense laws to provide remedies against dumping of goods in domestic market and to safeguard commercial interests of domestic industry against distortions arising out of other unfair trade practices:

- I. National Tariff Commission Act, 1990 (Act No.VI of 1990);
- II. Anti-Dumping Duties Ordinance 2000 and Anti-Dumping Duties (Amendment) Act, 2011;
- III. Countervailing Duties Ordinance, 2001; and
- IV. Safeguard Measures Ordinance, 2002.

This pamphlet will answer questions like:

What remedies under the trade defense laws are available to me as a local manufacturer against un-fair trade practices?

What remedies under the trade defense laws are available to me as a local manufacturer against the surge in imports?

3. National Tariff Commission (NTC) is mandated to enforce and implement these trade defense laws and advise Government of Pakistan, Ministry of Commerce on tariff measures or other forms of assistance for providing protection to indigenous industry, improving its competitiveness and promoting exports from Pakistan. The Commission provides assistance to Pakistani exporters facing anti-dumping, countervailing or safeguards investigations conducted by other WTO member countries. The Commission also provides guidance to businesses on law and procedures, preparing responses to

questionnaires for contesting trade related cases before foreign Trade Investigating Agencies, and preparation of comments on the report of preliminary determination / statement of Essential Facts.

NTC has processed around 480 cases of tariff protection for industries in chemicals, textiles, iron, and steel sectors.

NTC has made recommendations for removal of tariff anomalies relating to over one thousand tariff lines in Pakistan Customs Tariff.

NTC has provided assistance to Pakistani exporters in trade defense actions initiated by various importing countries like:

- Anti-dumping investigations by European Commission (EC) on PET resin in 2004 & 2009-10 and on Ethyl Alcohol in 2006;
- Safeguard measures by Turkey on Cotton Yarn (2007), on Fabrics & Garments (2009-10) and on PET resin (2010);
- Safeguard measures by India on Phthalic Anhydride (2002);
- Safeguard measures by Philippines on Float Glass (2004);
- Case against the Egypt's duties on Pakistani Match Boxes in 2004-05 under the WTO Trade Defense Agreements at the Dispute Settlement body.
- Countervailing investigation by EC on PET resin in 2009-10.

4. In order to create awareness about the Trade Defense Laws, NTC has conducted more than fifty seminars and workshops for Chambers, Sectoral Trade and Industry Associations, Academic Institutions, Lawyers and Accountants in major cities since its inception.

5. The text of the National Tariff Commission Act 1990 (Act No.VI of 1990), Anti-Dumping Duties Ordinance 2000 and its Amendment Act of 2011, Countervailing Duties Ordinance 2001, Safeguard Measures Ordinance 2002, Rules framed under these laws, answers to Frequently Asked Questions (FAQs), as well as non-confidential reports of NTC's determinations can be accessed on NTC website @ www.ntc.gov.pk.

Anti-Dumping Duties Ordinance 2000

6. Anti-Dumping Duties Ordinance defines dumping as difference between normal value (ex-factory price of a product in domestic market of the exporting country) and ex-factory export price of that product.

Question:

When can an anti-dumping investigation be initiated?

Answer:

Action under Anti-Dumping Duties Ordinance can be initiated whenever following three conditions arise:

- i) A product enters into local market at a dumped price;*
- ii) Domestic industry producing like product is injured or is threatened to be injured as a result of such imports; and*
- iii) There is a causal relationship between dumped imports and injury to the domestic industry.*

Question:

What is an un-fair trade practice?

Answer:

All such practices which artificially lower the prices of imported goods either through foreign government subsidy or market price manipulation (such as dumping) by the firms constitute un-fair trade practices.

7. Following procedure is adopted to conduct an anti-dumping investigation:

- a) NTC initiates an investigation within 45 days of the receipt of an application.
- b) Notice of initiation is published in national press and Official Gazette and copy of the notice is sent to all known interested parties (exporters, foreign producers, importers, domestic producers) and Governments of the exporting countries.
- c) Questionnaires are sent to exporters/foreign producers, importers and domestic producers to gather necessary information. The parties are required to respond the questionnaires within 37 days (Copy of Sample questionnaire is available on NTC website @ www.ntc.gov.pk).
- d) Information submitted by the applicant(s), exporters/foreign producers is verified.

- e) All interested parties are provided with an opportunity to submit views/comments on application and initiation of the investigation.
- f) NTC makes preliminary determination within two to six months of initiation of the investigation and can impose provisional anti-dumping duty, if required.
- g) On request, NTC holds a hearing in which all interested parties are invited to attend.
- h) NTC discloses Essential Facts of the investigation to all interested parties at least thirty days prior to final determination. Interested parties are allowed to comment on essential facts within fifteen days.
- i) NTC makes final determination within 180 days of the preliminary determination and if warranted can impose anti-dumping duties for a period up to five years.
- j) After completion of duty period, on request of the domestic industry, NTC conducts a review; if required, anti-dumping duty can be extended for a further period of up to five years.

8. Since 2001, NTC has carried out anti-dumping investigations in 59 complaints out of which anti-dumping duties were imposed in 40 cases and in 14 review cases it was re-imposed. At present 14 fresh anti-dumping cases and seven review cases are under investigation. Details of some important cases are provided at Annex -A.

Countervailing Duties Ordinance, 2001

9. Action under Countervailing Duties Ordinance against subsidized imports can be initiated whenever following three conditions arise:

- i) Government of exporting country is extending a subsidy on the input, production or export of a certain product;
- ii) Domestic industry producing like product is injured or is threatened to be injured as a result of subsidized import of that product; and
- iii) There is a causal relationship between subsidized imports and injury to the domestic industry.

10. NTC has not imposed any countervailing duty so far, as it did not receive any request from domestic industry for imposition of countervailing duty. However, presently, an application for imposition of countervailing duties on alleged subsidized imports of writing / printing paper from Indonesia and Thailand is under investigation. For a

countervailing (anti-subsidy) investigation, more or less the same procedure is followed as in case of an anti-dumping investigation.

11. NTC carries out the investigation process in a transparent manner in which all interested have the right to examine the public file containing non-confidential documents. The Anti-Dumping Duties Ordinance and Countervailing Duties Ordinance also provide for the right of appeal. If any interested party is not satisfied with NTC's decision on imposition or non-imposition of duty, it can approach the Appellate Tribunal presided over by a retired Superior Court Judge, whereas the Government of the exporting country can also approach the WTO Dispute Settlement Body at Geneva. It is important to note that no appeal against NTC's decisions has been made so far in the WTO Dispute Settlement Body, which speaks for high standards NTC has set for itself.

Safeguard Measures Ordinance, 2002

12. In case legal action is not justified under two aforementioned laws, yet there are grounds to believe that domestic industry is seriously injured or threatened to be injured as a result of a sudden surge in imports due to unforeseen developments, duty can be imposed in the form of safeguard duty or quantitative restrictions under the Safeguards Measures. Whenever such a situation is brought to the notice of NTC, it conducts investigations into the matter and is required to submit its recommendations for remedial measures, within 120 days, to the Ministry of Commerce.

Following procedure is adopted to conduct a safeguards investigation:

- a) Investigation is initiated within 30 days of the receipt of an application.
- b) Provisional determination is made by NTC within 45 days of initiation of investigation and the report containing recommendations on imposition of provisional safeguard measures is sent to the Ministry of Commerce.
- c) The Ministry of Commerce takes a decision whether to impose provisional measure within 15 days of the receipt of NTC's report or otherwise.
- d) Provisional measures can be imposed for 200 days.
- e) The NTC finalizes the investigation within 120 days of the initiation and sends the report with recommendations to Ministry of Commerce. Ministry of Commerce takes a decision whether to impose definitive safeguards measures or not within 30 days of the receipt of NTC's report.

Implementation of Trade Defense Laws:
Anti-Dumping Actions Taken by Pakistan

Product	Countries Involved	Initiation Date	Preliminary Determination	Final Determination/ Anti-Dumping Duties
Hydrogen Peroxide	Belgium, China, Indonesia, Korea, Taiwan, Thailand, Turkey	31-08-2009	27-09-2010	9.20% to 84.48% 06-07-2011
Phthalic Anhydride	Brazil, China, Indonesia, Korea and Taiwan	19.05.2009	25.11.2009	2.87% to 27.28% 30.09.2008
Secondary Tinplate	Belgium, France, USA, Germany, Netherlands	16.01.2009	16.07.2009	11.78% to 39.99% 16.07.2009
Polyester Staple Fibre	China	29.07.2008	0% and 10.44% 06.02.2009	0% & 10.44 % 05-06-2009
Polyester Staple Fibre	Thailand Korea, Indonesia	09.08.2006	0% to 8.33% 09.02.2007	0% to 10.26% 07.06.2007
Tiles	China	27.03.2006	0% to 21.02% 30.11.2006	14.85% to 23.65% 30-03-2007
Polyester Filament Yarn	Indonesia, Korea, Malaysia, and Thailand	12.05.2005	0% to 36.56% 12.11.2005	0% to 29.68% 17-03-2006
PVC Resin	Iran, Korea	25-06-2004	31.06%- 40.18% 26-10-2004	31.06%-40.18% 24-02-2005
Glacial Acetic Acid	Taiwan	01-09-2003	13.77% 25-2-2004	13.77% 18-6-2004
Sorbitol 70% Solution	France, Indonesia	06-03-2003	96.50% & 91.12% 19-7-2003	96.50% & 22.26% 19-11-2003
Tinplate	South Africa	26-02-2002	23.91% 22-7-2002	27.33% 26-11-2002
Writing/ Printing Paper	China, Indonesia, Japan and Thailand	14.12.2010	Terminated on withdrawal of applications by the applicant	
Formic Acid	China and Korea	23-02-2011	23-08-2011	3.48% to 44.10% 10-12-2012

Implementation of Trade Defense Laws:
Anti-Dumping Actions Taken by Pakistan

Product	Countries Involved	Initiation Date	Preliminary Determination	Anti-Dumping Duties Imposed
Hot Rolled Products of Iron & Steel	Belgium, Japan, Russia, Ukraine and USA	04-8-2009	Terminated on 25-2-2011. There was no causal link between injury and dumping.	
Caustic Soda	Kuwait, Saudi Arabia and Taiwan	27-9-2010	Terminated (the applicant withdrew application) 02-02-2011	
Seat Belt Parts / components	Korea	05-08-2008	No provision duty 03-02-2009	Terminated 26-06-2009
Soap Noodles	Malaysia	18-11.2008	Terminated (the applicant withdrew application) 07-02-2009	
Tinplate	UK,USA, Italy, Germany and France	06-12-2005	Terminated 03-06-2006	03-06-2006
Formic Acid	Finland and Germany	08-09-2005	16.49% and 6.16% 09-03-2006	13.63% and 6.25% 07.07.2006
Pthalic Anhydride	India	11-08-2005	10.94% 13-02-2006	10.94% 26-05-2006
UFMC	China	12-01-2005	4.31% to14.89% 18-07-2005	3.43% to 11.58% 19-11-2005
Acrylic Tow	Uzbekistan	16-03-2004	12.71% 13-8-2004	12.71% 10-12-2004
Glacial Acetic Acid	Taiwan	1-9-2003	13.77% 25-2-2004	13.77% 18-6-2004

PAKISTAN ANTI-DUMPING ACTIVITY
REVIEW CONCLUDED

Product	Country Involved	Conclusion Date	Result
Tinplate (Sunset Review)	South Africa	12-07-2008	Duty extended for further 5 years
Sorbitol 70% solution (Changed circumstances review)	Indonesia	02-02-2008	Terminated for non-cooperation by exporter
Ceramic Tiles (Newcomer Review)	China	14-03-2009	Terminated
PVC Resin (Sunset Review)	Korea and Iran	30-09-2010	Duty extended for further 5 years
Polyester Filament Yarn (Newcomer Review)	Korea	12-10-2011	Determined individual dumping margin
Phthalic Anhydride (Sunset Review)	India	10-12-2011	Duty extended for further 5 years
Polyester Filament Yarn (Sunset Review)	Indonesia, Korea, Malaysia and Thailand	17-01-2012	Duty extended for further 3 years
Formic Acid (Sunset Review)	Finland and Germany	17-02-2012	Duty extended for further 5 years
Polyester Staple Fibre	Korea, Indonesia, Thailand	Under process	

Pakistan Anti-Dumping Activity
Cases under Investigation

Product	Date of Initiation	Countries Involved
Writing Printing Paper	10-11-2011	China, Indonesia, Japan and Thailand
Soda Ash	26-09-2011	Kenya
BOPP Film	23-04-2012	China, Oman, Saudi Arabia and UAE
Coated Duplex Board	11-01-2012	China, Indonesia, Korea and Taiwan
Polyester Staple Fibre	26-06-2012	China



National Tariff Commission
Ministry of Commerce

For further information and assistance, please contact:

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