IMPOSITION OF ANTI-DUMPING DUTIES ON COTTON YARN ORIGINATING IN PAKISTAN

Communication from Japan

The following communication was received on 18 August 1995 from the Permanent Mission of Japan.

1. On 1 August 1995, the Government of Japan (hereinafter referred to as "the Government") made the following decisions on the imposition of anti-dumping duties on cotton yarn of 20-21 count originating in Pakistan. These decisions are based upon the results of the anti-dumping investigation conducted in accordance with the relevant provisions of the Customs Tariff Law, initiated on 18 February 1994 and concluded on 1 August 1995.

(a) Since the Government found that the cotton yarn of 20-21 count originating in Pakistan was being dumped and the domestic industry of Japan suffered from material injury by reason of the dumped imports originating in Pakistan, the Government decided to impose anti-dumping duties on the imported products originating in Pakistan.

- Among those cotton yarn producers which were inquired, 17 producers replied to the questionnaire sent by the authorities of Japan.

- The anti-dumping duties ranging from 2.1 per cent to 7.9 per cent are imposed on the imports from nine cotton yarn producers, with regard to which the Government found the dumping margin above the de minimis level.

- The imports from the other eight producers, with regard to which the Government did not find the fact of dumping (six producers) or found the dumping margin within the de minimis level (two producers) are exempted from the imposition of anti-dumping duties.

(b) The Government imposes anti-dumping duties at the rate of 9.9 per cent on the imports from the producers which did not reply to the questionnaire sent by the authorities of Japan. In this case, the rate of the duties was determined to ensure that the producers which replied to the questionnaire would not be treated less favourably than those which did not reply.

1 The Cabinet Order Concerning the Imposition of the Anti-Dumping Duties on Cotton Yarn of 20-21 Count defines the cotton yarn of 20-21 count as "the yarn which is classified as HS 5205.12, measuring less than 302.84 decitex but not less than 274.67 decitex, consisting wholly of cotton, unbleached and not mercerized".
(c) The imposition period of the anti-dumping duties described above begins on 4 August 1995 and expires on 31 July 2000.

2. The Cabinet Order Concerning the Imposition of the Anti-Dumping Duties on Cotton Yarn of 20-21 Count was approved by the Cabinet on 1 August 1995 and this Order took effect as from the date of its promulgation, 4 August 1995. (For further details, see the attached table.)
RESULTS OF THE INVESTIGATION

<table>
<thead>
<tr>
<th>Producers</th>
<th>Dumping</th>
<th>Anti-Dumping Duties</th>
<th>Injury</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 producers which replied to the questionnaire.</td>
<td>No dumping or <em>de minimis</em> dumping (8 producers). (See Annex 1)</td>
<td>Anti-dumping duties are not imposed.</td>
<td>The injury</td>
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<tr>
<td></td>
<td>Dumping (9 producers). (See Annex 2)</td>
<td>Anti-dumping duties are imposed. [2.1% to 7.9%]</td>
<td></td>
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<tr>
<td>259 producers which did not reply to the questionnaire.</td>
<td>Dumping (259 producers).</td>
<td>Anti-dumping duties are imposed. [9.9%]</td>
<td>The sales of domestic producers in FY 1993 declined by half compared with FY 1991. The financial losses to domestic producers were continuously recorded from FY 1991 to FY 1993. The causal link between the dumped imports and the injury</td>
</tr>
</tbody>
</table>

1. The share of the dumped imports increased from 60% (FY 1991) to 64% (FY 1993) in the domestic market of Japan. At the level where the product is sold to industrial users, the sale price of the dumped imports was lower than the sale price of the domestic products. 2. Due consideration was given to the other factors such as the fluctuation of the exchange rate, the decrease of domestic demand. Nevertheless, the dumped imports were found to have caused the injury.
ANNEX 1

Eight producers with regard to which the Government did not find the fact of dumping or found the dumping margin within the *de minimis* level

- Appollo Textile Mills Ltd
- Quetta Textile Mills Ltd
- Sapphire Textile Mills Ltd
- Sheikhupura Textile Mills Ltd
- Chiniot Textile Mills Ltd
- Pioneer Spinning Mills Ltd
- Hajra Textile Mills Ltd
- Mahmood Textile Mills Ltd
ANNEX 2

Nine producers, with regard to which the Government found the dumping margin above the *de minimus* level:

- Azam Textile Mills Ltd: 5.9%
- Ittefaq Textile Mills Ltd: 3.9%
- Elite Textile Mills Ltd: 3.8%
- The Crescent Textile Mills Ltd: 7.0%
- Saritow Spinning Mills Ltd: 3.6%
- Salman Noman Enterprises Ltd: 2.1%
- Suraj Cotton Mills Ltd: 7.9%
- Sohail Textile Mills Ltd: 3.3%
- Mehr Dastgir Textile Mills Ltd: 2.4%