



**GOVERNMENT OF BANGLADESH  
MINISTRY OF COMMERCE  
BANGLADESH TARIFF COMMISSION**

# **APPLICATION**

**FOR**

# **COUNTERVAILING DUTIES**

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**Note:**

***Applicant must ensure that:***

- ***The confidential is marked as such.***
- ***non-confidential summaries of the confidential information may be provided to place it in the public file.***
- ***the information given meets the requirement of the questionnaire. In case any information could not be provided, the efforts made to obtain such information may be mentioned.***
- ***the declaration is completed & signed.***

## **Introduction:**

In accordance with the S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996, in consonance with sub-section 7 of section 18(A) and sub-section 2 of section 18(C) of the Customs Act, 1969 (IV of 1969), the Government of Bangladesh aims at providing relief to the domestic industry from material injury caused by subsidized imports. The objectives of the S.R.O. is to bring the associated legal provisions in Bangladesh in conformity with the Article XVI of GATT 1994. The Article and the S.R.O. both stipulate the information and a number of steps to be taken before levy of Countervailing Duty. Therefore, to facilitate the local industry in providing information, a questionnaire has been designed on which the industry can apply. However, the applicant is expected to be familiar with provisions of Article XVI and the S.R.O.

## **What is subsidization?**

A subsidy is deemed to exist if:

- a) there is financial contribution by a government, that is, where:
  - i) a government practice involves a direct transfer of funds including grants, loans and equity infusion or, potential direct transfer of funds or liabilities, or both;
  - ii) government revenue that is otherwise due is foregone or not collected including fiscal incentives such as tax credits;
  - iii) a government provides goods or services other than general infrastructure or purchases goods;
  - iv) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions specified in items (i), (ii) and (iii) above which would normally be vested in the government and the practice in, no real sense, differs from practices normally followed by governments; or
- b) there is any form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade, 1994; and
- c) a benefit is thereby conferred.

## **Who may apply?**

Any domestic producer, producers or an association of producers of like product may apply for the imposition of countervailing duty under the provisions of S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996.

According to sub-section 3 of section 6 of the S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996, it is essential that an application be made by or on behalf of the domestic industry. The application is considered to be made by or on behalf of domestic industry if:

- a) Support of domestic producers whose collective output is more than 50% of the total production expressing either support for or opposition to the application exists, and

- b) Domestic producers supporting the application account for more than twenty five percent of total production of the domestic like product produced by domestic industry.

**Information Required:**

The application is required to be made on this Countervailing Applicant Questionnaire, and signed.

The application must be complete at the time of its filing/submission and must contain all relevant information that is reasonably available to the applicant. The Commission recognizes that there may be circumstances where an applicant does not have detailed information or supporting documents as required by this questionnaire. In such cases, the applicant must demonstrate that reasonable efforts have been made to obtain the information. A statement showing the steps taken to obtain the information, and/or reasons why the information could not be obtained must be submitted with the application.

**Disclosure of Information:**

Information is to be clearly marked either ‘confidential’ or ‘non-confidential’. Applicant is requested to provide a non-confidential summary of any confidential information supplied to the Commission. The non-confidential summary must be in sufficient detail to permit a reasonable understanding of the confidential information. Failure to provide a non-confidential summary may result in the information being disregarded by the Commission.

The non-confidential version of the application will be placed on a public file and will be made available by the Commission to the interested parties.

**Lodgment/ Submission of Application:**

The application is required to be submitted to:

The Chairman  
Bangladesh Tariff Commission  
Ministry of Commerce  
Government of Bangladesh  
1<sup>st</sup> 12 Storied Government Office Building (9<sup>th</sup> floor)  
Segunbagicha, Dhaka-1000.

# DECLARATION

I/ We hereby request the Commission to initiate an investigation in accordance with Section 6 of the S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996, in respect of the product identified at section 3.2 of the questionnaire for imposition of Countervailing duty.

In support of this application I attach evidence of

- i) a subsidy, and
- ii) injury to the domestic industry,

The evidence submitted includes all that is available to me/ us in relation to the matters referred to in section 6 of the of the S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996.

This application shall be considered to have been made “by or on behalf of the domestic industry” if it is supported by those domestic producers whose collective output constitutes more than 50 per cent of the total production of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than 25 percent of total production of the like product produced by the domestic industry.

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

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

Application made by or on behalf of:

Signature: \_\_\_\_\_

Applicant Name(s): \_\_\_\_\_

Title/ Position: \_\_\_\_\_

Address(s): \_\_\_\_\_

Date: \_\_\_\_\_

## **1) APPLICANT'S IDENTIFICATION**

- 1.1 Your application is from
- i) A single company  
or
  - ii) Association  
or
  - iii) Jointly from the whole industry

*Note: If the answer to (ii) or (iii) is affirmative, the information required in this questionnaire regarding domestic industry needs to be provided in respect of each member of the association or each unit of the joint applicants of the whole industry, as appropriate.*

- 1.2 a) Identification of the applicant
- i) Name:
  - ii) Address:
  - iii) Telephone no:
  - iv) Fax no:
  - v) E-mail address:

b) Name(s) of the applicant's authorized officer or legal representative to deal with the case

- i) Name:
- ii) Designation:
- iii) Telephone no:
- iv) Fax no:
- v) E-mail address:

- 1.3 Mention your accounting year (e.g. July1999-June2000).  
*(Please provide balance sheets of last three years and list of directors)*

## **2) INDUSTRY IDENTIFICATION**

Domestic industry means the domestic producers as a whole of the domestic like product or those of them whose collective output of that product constitutes a major proportion of the total domestic production of that product except that when any such domestic producers are related to exporters or importers or are themselves importers of the allegedly subsidized product. In such a situation, the term 'domestic industry' may be interpreted as referring to the rest of the domestic producer. For this purpose, producers shall be deemed to be related to exporters or importers if:

- a) one of them directly or indirectly controls the other or,
- b) both of them are directly or indirectly controlled by the same third person, or
- c) together they directly or indirectly control a third person

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

S.No	Name	Tel&Fax	Authorized officer	Quantity of the like product (during last one year)		Sales Value in Tk. (000)	Share in domestic production		Supporting/ Opposing/ Indifferent
				Produced	Sold		Quantity	%age	

- 2.2 Provide details of an industry association (if any) including producers of the domestic like product.
- 2.3 Describe any known relationship the interested party(s) to this application may have with the foreign exporter or producer, or with a Bangladeshi importer of the product under consideration.

### **3) PRODUCT IDENTIFICATION**

The investigation under of the S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996 can be initiated only if the domestic product is a like product to the imported product.

*(Like Product: It is a product which is alike in all respects to the investigated product or, in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the investigated product.)*

The applicant is expected to describe both the domestic product as well as imported product in sufficient detail for proper comparison and understanding of the products.

#### **3.1 Domestic Product:**

- i) Complete description of the product:
- ii) Bangladesh Customs Tariff classification:
- iii) Specific grade/ type/ model:
- iv) Major uses:
- v) Any other information that will assist Bangladesh Tariff Commission in understanding the nature of the domestic like product.

#### **3.2 Imported Product:**

- i) Complete description of the product:
- ii) Bangladesh Customs Tariff classification:
- iii) Specific grade/ type/ model:
- iv) Major uses:
- v) Is the imported product exactly the same as the domestic product?
- vi) If there are any differences between the imported product and domestic product, please describe them in detail.

- vii) Any comments about information given above that will assist Bangladesh Tariff Commission in understanding the nature of the imported product and differences between the imported product and domestic like product.

#### **4) IDENTIFICATION OF PRODUCER (S)**

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

Name	Country	Address	Tel & Fax No	E-mail

#### **5) IDENTIFICATION OF EXPORTER(S) IF DIFFERENT FROM PRODUCER(S)**

- 5.1 Please give details of all exporters of the imported product in the following format:

Name	Country	Address	Tel & Fax No	E-mail

#### **6) IDENTIFICATION OF IMPORTER (S)**

- 6.1 Give details of importers of subsidized product in the following format:

Name	Address	Tel & Fax No	E-mail

#### **7) SPECIFICITY**

The subsidy mentioned in section 11 of the S.R.O. No. 164-Law/96/1682/Customs dated 17-09-1996 may be countervailable only if it is "specific": Specificity may be established when the following conditions exist.

- (a) Access to the subsidy is explicitly limited to particular enterprise, or enterprises carrying on business within a designated geographical region which is within the jurisdiction of the subsidizing authority, or the subsidy is contingent on export performance; or the subsidy is contingent on the use of domestically produced or manufactured product in preference to imported product
- (b) Notwithstanding the appearance of non-specificity due to the absence of the conditions of (a),
- A limited number of certain enterprises use a subsidy programme;
  - Certain enterprises are the predominant user or users of a subsidy programme;
  - Disproportionate amounts of a subsidy are given to certain enterprises.

- The manner in which discretion has been exercised by the granting authority in the decision to grant a subsidy.

The applicant has to give details of the alleged subsidy. A countervailing duty offsets the amount of subsidy. The Commission uses this information in consultations with the foreign government concerned. The information supplied by the applicant must be sufficiently detailed and documented in order to allow for meaningful consultations and for examination of the amount of the subsidy. Documentary material and other publications may be extracted from the government of exporting country. Title, nature of the scheme, manner, amount of payment and the recipients should be shown in the documents submitted.

7.1 If you believe that a subsidy exists in the country of export or origin then provide, along with supporting documentary material, the following:

- i) Nature and title of the alleged subsidy scheme/ programme;
- ii) The statutory body or authority under which the subsidy is provided;
- iii) The manner in which the subsidy is paid; and
- iv) The amount of the subsidy when received and used by producers or sellers of the goods. Provide the information separately for each country exporting the allegedly subsidized product in the format given in Appendix No. 1.

*Note: Where estimates are given of the value of the subsidy received by the producers or sellers of the goods, the applicant should show how these estimates have been made.*

7.2 Any comments about the information given above which may assist Bangladesh Tariff Commission in understanding the nature of subsidy.

## **8) SUBSIDIZED IMPORTS**

8.1 Provide data of total imports from all sources and from allegedly subsidized sources in the format given in Appendix No. 2

## **9) INJURY**

Injury means material injury to domestic industry or threat of material injury to a domestic industry or material retardation of the establishment of a domestic industry by subsidized imports.

The applicant is expected to establish the injurious effects on the domestic industry on the basis of subsidized imports in terms of parameters given in this section. The applicant can use tabulations of his own choice for establishing the effects of subsidization.

### **9.1 Injury Commencement:**

Specify the date when the allegedly subsidized imports began causing or threatening to cause injury.

### **9.2 Volume of Imports:**

Provide details of imports of the allegedly subsidized product by volume as per appendix 3. (Where the application involves products from more than one country, please provide the above information for each country)

### **9.3 Sales & Output:**

- i) Provide information for the last three years, on a quarterly basis showing sales volume of your industry and its share in the domestic market for the most recent three years.
- ii) Provide evidence of the size of the domestic market for the most recent three years.
- iii) Compare the market share of local industry in the domestic market, with the shares of imports of the allegedly subsidized product and imports from other countries for the three years as in (i) above.

*Note: Provide the information in appendix 4*

- iv) Provide details of inventory and sales changes as per appendix 5.

*Note: The applicant may provide more details along with documentary evidence in support of his claims*

*Price depression: It is reduction in selling prices*

*Price suppression: It is the industry's inability to raise prices to compensate for cost increases (i.e., the margin between cost & prices is reduced)*

### **9.4 Price Effects:**

Information on price effects should be provided for each product, model or type subject to investigation as per appendix 6.

*Note: Provide supporting evidence e.g. price lists, invoices, decline in average unit ex-factory prices.*

### **9.5 Profit & Loss:**

- i) Provide explanation of how the industry's gross and net profits on domestic sales have been affected due to subsidized imports. Such an explanation should relate to and be consistent with, changes in gross and net profit shown in appendix 7.

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

### **9.6 Utilization of Production Capacity:**

- i) What is the industry's production capacity for the last three years 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 tonnes, meters, liters etc.
- ii) What has been the industry's capacity utilization rate for the periods specified above?

### **9.7 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 flow
- Inventories

- Employment
- Wages
- Growth
- Ability to raise capital
- Investments

ii) Comment on any other factors affecting domestic prices.

## **10) CAUSAL LINK**

The applicant has to show that the injury to the domestic industry is caused by subsidized imports.

10.1 Outline your arguments in support of a causal link between subsidization & injury explaining how the sales of imported subsidized products have affected Bangladesh's producers.

**APPENDIX NO 1**

**DETAILS OF SUBSIDY**

Name of exporting country: \_\_\_\_\_

	Name of Subsidy Scheme/ Programme	Amount of Subsidy (indicate working separately)	Amount of Subsidy as percentage of			
			Import value	C & F Price	FOB value	Ex-Factory
<b>Specific Subsidy</b>						
1)						
2)						
3)						
<b>Non-Specific Subsidy</b>						
1)						
2)						
3)						

**APPENDIX NO 2**

**QUANTITIES OF SUBSIDIZED PRODUCT EXPORTED BY EACH EXPORTER TO BANGLADESH**

Name of exporter: \_\_\_\_\_

S. No	Name of Importer	Quantities exported			Gross weight	Net weight	C&F price in respect of each consignment		Date at which consignment cleared by Customs Authority
		Grade/Type/Model	Accounting Unit	Quantity invoiced			US \$	Tk	

**APPENDIX NO 3**

**INDICATE THE EFFECT OF SUBSIDIZED PRODUCTS ON VOLUME OF TOTAL IMPORTS**

PERIOD	Total import from all Sources				Imports from subsidized sources (separate for each country)				Imports from each individual exporter of subsidized product				
	Source (Specify name)	Quantity	Increase/ decrease in imports over previous quarter		Country name	Quantity	Increase/ decrease in imports over previous quarter		Exporter Name	Country	Quantity	Increase/ decrease in imports over previous quarter	
			Qty	%			Qty	%				Qty	%
Data on quarterly basis for two years before start of subsidization													
Up to date data on quarterly basis from start of subsidization													

**APPENDIX NO 4****EFFECT OF SUBSIDIZED IMPORTS ON SHARE OF LOCAL INDUSTRY IN THE DOMESTIC MARKET**

<b>Period</b>	<b>Share of Local Industry in the Domestic Market</b>	<b>Share of Imports From Subsidized Sources in Domestic Market (Quantity)</b>	<b>Share of Imports in Domestic Market From Other Sources (Quantity)</b>	<b>Total Domestic Market</b>
<b>Data on quarterly basis for two years before start of subsidization</b>				
<b>Up to date data on quarterly basis after start of subsidization</b>				

**APPENDIX NO 5****CHANGES IN INVENTORY & SALES ON QUARTERLY BASIS BY EACH INDUSTRIAL UNIT/ ENTITY**

Name of industrial unit: \_\_\_\_\_

(tones, litres, kgs, etc.)

<b>Period</b>	<b>Opening inventory (Quantity)</b>	<b>Production (Quantity)</b>	<b>Sales (Quantity)</b>	<b>Closing inventory (Quantity)</b>	<b>Changes in inventory (Quantity)</b>
<b>Data on quarterly basis for two years before start of subsidization</b>					
<b>Up to date data on quarterly basis after start of subsidization</b>					

**APPENDIX NO 6**

**EFFECT ON PRICES ON QUARTERLY BASIS**

Production	Average Cost of Domestic Production (Tk)	Average Price of Domestic Product (Tk)	Average C & F price (Tk)			Average landed cost (Tk)			Average exchange rate of currency of exporting country
			For total imports	For subsidized imports	For Imports From Each Individual Exporter of subsidized Product	For total imports	For subsidized imports	For imports from each individual exporter of subsidized product	
Data on quarterly basis for two years before start of subsidization									
Up to date data on quarterly basis after start of subsidization									

**APPENDIX NO 7**

**EFFECT ON GROSS & NET PROFITS OF DOMESTIC INDUSTRY**

Name of industrial unit: \_\_\_\_\_

Product Name: \_\_\_\_\_

Grade/ Type/ Model: \_\_\_\_\_

Mention period to which the information pertains as per footnote 4 (e.g. 1999-2000)

	<u>Domestic Sales</u>			<u>Export Sales</u>		
	Quantity (Units)	Value Tk.	Unit (Value) Tk.	Quantity (Units)	Value Tk.	Unit (Value) Tk.
1. SALES (excluding internal transfers) Your company's domestic sales of its locally produced product						
1.1 to any subsidiary companies						
1.2 to all other domestic customers						
1.3 your company's export sales of its locally produced product						
1.4 Total Sales						
2. COST OF GOODS SOLD						
2.1 Your company's production						
Variable Expenses						
i) Raw & Packing material – local						

- ii) Raw & Packing material – imported
- iii) Direct labour
- iv) Overheads
- Sub-total
- 2.2 Your companies fixed expenses included in cost of production
  - i) Depreciation
  - ii) Fixed overheads
- Sub-Total
- 2.3 Total Cost of Production (2.1+2.2)
- Plus: Opening Stock
- 2.4 Variable for sales
- Less: Closing Stock
- 2.5 Your company's cost of goods sold
  
- 3. GROSS PROFIT ON SALES (1.4-2.5)
- 4. SELLING AND ADMINISTRATIVE EXPENSES
  - Administrative expenses
    - 4.1 Variable
    - 4.2 Fixed
    - 4.3 Total Administrative Expenses
  
  - Selling & Distribution Expenses
    - 4.4 Variable
    - 4.5 Fixed
    - 4.6 Total Selling & Distribution Expenses
    - 4.7 Variable
    - 4.8 Fixed
    - 4.9 Total Financial Expenses

- 4.10 TOTAL SELLING,  
ADIMINISTRATIVE &  
FINANCIAL EXPENSES  
(4.3+4.6+4.9)
- 5. TOTAL COST TO MAKE AND  
SELL( 2.5+4.10)
- 6. NET PROFIT ON SALES (3-4.10)

*Note:*

- 1. *1.1 plus 1.2 must equal your company's total domestic sales of its locally produced product. If internal transfers are critical to your injury claims, address this issue separately.*
- 2. *The information in this form is preferably to be certified by practicing cost accountant/ chartered accountants.*
- 3. *All items of income & expenditure should preferably be reconcilable with Annual Audited Accountants*
- 4. *Date as per above Pro forma is to be given for last two years and for current year up to date separately (clearly indicating the date of Commencement of injury)*