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GENERAL NOTICE

NOTICE 2318 OF 1998

BOARD ON TARIFFS AND TRADE

NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF SINGLE-MODE OPTICAL FIBRE CABLE ORIGINATING IN OR IMPORTED FROM SOUTH KOREA

The Board on Tariffs and Trade (the Board) received a petition alleging that single-mode optical fibre cable, originating in or imported from South Korea is being dumped into the Southern African Customs Union (SACU), causing material injury (or threat of material injury) to the SACU industry concerned.

THE PETITIONER

The petition was lodged by the Association of Electric Cable Manufacturers of South Africa (AECMSA). The SACU industry consists of two domestic producers of optical fibre cables, namely ATC (Pty) Ltd and Aberdare Cables, who are both members of AECMSA. The Petitioner alleged that an exporter from South Korea was awarded a significant portion of a tender contract to supply the subject products to Telkom SA at dumped prices. It further alleged that the domestic industry cannot compete with the dumped prices and that the products are now being imported into the SACU and are causing material injury to the domestic industry. The petitioner submitted sufficient evidence and established a prima facie case to enable the Board to arrive at a reasonable conclusion that an investigation should be initiated on the basis of dumping, material injury (or threat of material injury) and causality.

THE PRODUCT

The product allegedly being dumped is single-mode optical fibre cable incorporating up to 150 optic fibres, originating in or imported from South Korea. The above goods are classifiable under Customs and Excise tariff subheadings 8544.70 and 9001.10.

THE ALLEGATION OF DUMPING

The allegation of dumping is based on the comparison between the normal values in and the export prices from South Korea. The normal values were obtained from a schedule listing prices submitted to Korea Telecom by a number of Korean optical fibre cable producers. The export prices were the Petitioner's estimate of the prices submitted by the exporter from South Korea to Telkom SA, with an amount deducted for into-store costs to bring these prices back to f.o.b. export values. The Petitioner's estimated prices were based on pricing information obtained from Telkom SA. On this basis, the Board found that there was prima facie evidence of dumping.

THE ALLEGATION OF MATERIAL INJURY (OR THREAT OF MATERIAL INJURY) AND CAUSAL LINK

The petitioner alleges and submitted sufficient evidence to show that there will be a significant increase in the volume of allegedly dumped imports at prices that are undercutting the domestic industry's prices and that these volume and price effects are resulting and would continue to result in a loss of sales volume and revenue, production volume, production capacity utilisation rate, profit and market share for the domestic industry. It was also evident that the decreasing market share of the domestic industry would be at the expense of a corresponding increase in the market share of the allegedly dumped goods. On this basis the Board found that there was prima facie evidence of material injury (or threat of material injury) and causal link.

PERIOD OF INVESTIGATION

The period of investigation for the purpose of determining the dumping margins in the country of origin will be from October 1997 to September 1998. The period of investigation for the purpose of determining injury will be for the years ending in March 1997, 1998, and 1999. If there are subsequent events that are relevant to injury the Board may later request and consider further, more recent information.

PROCEDURAL FRAMEWORK

Having decided that there is sufficient evidence and a prima facie case to justify the initiation of an investigation, the Board has begun an investigation in terms of section 4 of the Board on Tariffs and Trade Act, 1986 (the BTT Act). The Board will conduct its investigation in accordance with the BTT Act and the World Trade Organisation Agreement on Implementation of Article VI of the GATT 1994 (the Anti-Dumping Agreement). A copy of the Anti-Dumping Agreement is available from the Board's office on request.

In order to obtain the information it deems necessary for its investigation, the Board will send non-confidential versions of the petition and questionnaires to all known importers and exporters, and known representative associations. The trade representatives of the exporting countries have also been notified. Importers, exporters and other interested parties are invited to contact the Board as soon as possible in order to determine whether they have been listed and have been sent the relevant documents. If not, they should immediately ensure that they are sent copies. The questionnaire has to be completed and any other representations must be made within the time limit set out below.

CONFIDENTIAL INFORMATION

Please note that if any information is considered to be confidential, a non-confidential version of the information must be submitted for the public file, simultaneously with the confidential version. In submitting a non-confidential version the following rules are strictly applicable. Parties must indicate -

- where confidential information has been omitted and the nature of such information;
- reasons for such confidentiality;
- a summary of the confidential information that permits a reasonable understanding of the substance of the confidential information; and
- in exceptional cases, where information is not susceptible to summary, reasons must be submitted to this effect.

ADDRESS

The response to the questionnaire and any information regarding this matter and any arguments concerning the allegation of dumping and the resulting material injury must be submitted in writing to one of the following addresses:

Physical address

The Director: Dumping Investigations
Room 1601
Fedlife Building
Corner of Church and Prinsloo Streets
PRETORIA
SOUTH AFRICA

Postal address

The Director: Dumping Investigations
Private Bag X753
PRETORIA
0001
SOUTH AFRICA

PROCEDURES AND TIME LIMITS

All responses, including non-confidential copies of the responses, should be received by the Director of Dumping Investigations not later than 30 days from the date hereof or from the date on which the letter accompanying the above-mentioned questionnaire was received. The said letter shall be deemed to have been received seven days after the day of its dispatch.

It should be noted that the investigation process is complex and the Board is subject to strict time limits within which to complete the investigation. Late submissions will therefore not be accepted except with the prior written consent of the Board. The Board will give due consideration to written requests for an extension of not more than 14 days on good cause shown (properly motivated and substantiated), if received prior to the expiry of the original 30-day period.

The information submitted by any party may need to be verified by the investigating officers in order for the Board to take such information into consideration. The Board may verify the information at the premises of the party submitting the information, within a short period after the submission of the information to the Board. Parties should therefore ensure that the information submitted will subsequently be available for verification. Parties should also ensure that all the information requested in the questionnaire is provided and in the specified detail and format. The questionnaires are designed to ensure that the Board is provided with all the information required to make a determination in accordance with the rules of Anti-Dumping Agreement. The Board may therefore refuse to verify information that is incomplete or does not comply with the format in the questionnaire, unless the Board has agreed in writing to a deviation from the required format. (Failure to submit an adequate non-confidential version of the response that complies with the rules set out above will be regarded as an incomplete submission.)

Parties that experience difficulty in furnishing the information required, or in the format required, are therefore urged to make written applications to the Board at an early stage for permission to deviate from the questionnaire or provide the information in an alternative format that can satisfy the Board's requirements. The Board will give due consideration to such a request on good cause shown.

If the required information and arguments are not received in a satisfactory form within the time limit specified above, or if verification of the information cannot take place, the Board may disregard the information submitted and make provisional or final findings on the basis of the facts available to it.

Enquiries may be directed to the investigating officers, Mr Mike Andrews at telephone (012) 310-9547 and Mr Greg Kuhn at (012) 310-9610.

[BTT Ref. T5/2/16/3/5]

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