

REPORT NO. 421

NEW SHIPPER REVIEW FOR ACETAMINOPHENOL ORIGINATING IN OR
IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL
DETERMINATION

The International Trade Administration Commission of South Africa herewith presents
its Report No.421: **NEW SHIPPER REVIEW FOR ACETAMINOPHENOL
ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA: FINAL DETERMINATION**



Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA

12/12/2012

1. APPLICATION AND PROCEDURE

- 1.1 This investigation was conducted in accordance with the International Trade Administration Act, 2002, and the International Trade Administration Commission of South Africa Anti-Dumping Regulations (ADR).
- 1.2 A new shipper review application was received on 16 January 2012 and a properly documented application was received on 24 April 2012, after addressing all deficiencies.
- 1.3 The applicant is Anqiu Lu'an Pharmaceutical Co. Ltd, a manufacturer and exporter of the subject product from the PRC.
- 1.4 The applicant alleged that it did not export the subject product to SACU during the period of investigation for dumping in the original investigation and it has no relationship with any of the exporters of the subject product from the PRC to which the anti-dumping duty was applied.
- 1.5 The investigation was initiated through notice number 697 of 2012 published in the Government Gazette No. 35625 on 31 August 2012. All known interested parties were notified of the initiation of the investigation.
- 1.6 On 31 August 2012, the definitive anti-dumping duty on imports of the subject product manufactured and exported by Anqiu Lu'an Pharmaceutical Co. Ltd was withdrawn and a provisional payment simultaneously imposed at the same rate as the applicable anti-dumping duty.
- 1.7 No response was received from interested parties.
- 1.8 The Commission used the manufacturer's verified sales information for the determination of dumping.
- 1.9 The Commission made a determination that dumping of the subject product by the applicant is not taking place, that the applicant did not export the subject product to SACU during the period of investigation for dumping in the original investigation

and that the applicant has no relationship with any of the exporters of the subject product from the PRC to which the anti-dumping duty was applied.

1.10 The Commission sent essential facts letters to all interested parties informing them of the essential facts that the Commission is considering in making its final determination.

1.11 No comments on the essential facts letter were received from interested parties.

1.12 The Commission made a final determination that:

- dumping of the subject product by Anqiu Lu'an Pharmaceutical Co. Ltd is not taking place;
- Anqiu Lu'an Pharmaceutical Co. Ltd did not export the subject product to SACU during the period of investigation of the original investigation; and
- Anqiu Lu'an Pharmaceutical Co. Ltd is not related to any exporter of the subject product from the PRC to which the anti-dumping duty was applied.

The Commission therefore decided to recommend to the Minister of Trade and Industry that:

- the subject product originating in or imported from the PRC, manufactured and exported by Anqiu Lu'an Pharmaceutical Co. Ltd, be exempted from the applicable anti-dumping duty.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product is described as acetaminophenol commonly referred to as paracetamol.

2.1.2 Tariff classification

The subject product is classifiable as follows:

Heading	Sub-Heading	Description	Unit of measure	Rate of Customs Duty		
				General	EU	SADC
2924.2	2924.29	Cyclic amides (including cyclic carbamates) and their derivatives; salts thereof:	kg			
	2924.29.05	Other Acetaminophenol		10%	10%	10%

The following anti-dumping duties are applicable to the subject product, originating in or imported from the PRC:

Tariff subheading	Description	Imported from or originating in	Rate of anti-dumping duties
2924.29.05	Acetaminophenol	People's Republic of China	2573c/kg

2.2 SACU PRODUCT

2.2.1 Description

The subject product is described as acetaminophenol commonly referred to as paracetamol.

3. DUMPING

3.1 Normal value

It was found that the Anqiu Lu'an Pharmaceuticals Co. Ltd produced and sold the subject product in its domestic market. The Commission determined the normal value on all sales of the subject product, excluding domestic tax, made during the period of investigation, including sales made to Weifang Import and Export Co Ltd.

Weifang Luan Import and Export Co is a legal entity that is 100 per cent owned by the applicant, and operates as an independent entity.

It was found that the manufacturer sold the subject product to its subsidiary company Weifang Luan import and export Co. The Commission made a final determination to treat the sales between the manufacturer and its subsidiary as domestic sales and include them in the determination of normal value. The reason for this determination was that it was found that the transactions between the two companies were at arm's length and in the domestic currency of the manufacturer.

3.2 Adjustments to normal value

The manufacturer claimed an adjustment for freight to the normal value, which the Commission allowed.

3.3 Export price

The manufacturer stated that it did not export the subject product to SACU during the period of investigation for dumping in the original investigation and in this period of investigation. The Commission made a final determination that the manufacturer exported the subject product only to Indonesia during the period of investigation, and therefore determined the export price based on export to Indonesia.

3.4 Adjustment to Indonesia's export price

Freight

The manufacturer claimed an adjustment for freight to the export price, which the Commission allowed.

Export rebate

The manufacturer claimed an adjustment for export rebates to the export price, which the Commission did not allow. The Commission did not allow this adjustment as it is VAT related and therefore, did not affect price comparability at the time of setting prices.

3.5 Margin of Dumping

The dumping margin was determined to be -8.3 per cent.

Based on the above, the Commission made a final determination that dumping of the subject product manufactured and exported by Anqiu Lu'an Pharmaceuticals Co. Ltd is not taking place.

4. EXPORTS TO SACU AND RELATIONSHIP WITH OTHER EXPORTERS OF THE SUBJECT PRODUCT TO SACU

The Commission found that Anqiu Lu'an Pharmaceutical Co. Ltd did not export the subject product to SACU during the period of investigation for the original investigation.

The Commission also found that Anqiu Lu'an Pharmaceutical Co. Ltd is not a subsidiary to any company which the anti-dumping duty was applied and is only a holding company for its export company Weifang Lu'an Import and Export.

Based on the above, the Commission made a final determination that Anqiu Lu'an Pharmaceuticals Co. Ltd has not exported the subject product to SACU during the period of investigation for the original investigation and that it is not and was not related to any exporter of the subject product from the PRC to which the anti-dumping duty was applied.

5. Summary of findings

5.1 Dumping

The Commission made a final determination that dumping of the subject product manufactured and exported by Anqiu Lu'an Pharmaceuticals Co. Ltd is not taking place.

5.2 Exports to SACU and relationship with other exporters of the subject product to SACU

The Commission made a final determination that Anqiu Lu'an Pharmaceuticals Co. Ltd has not exported the subject product to SACU during the period of investigation for the original investigation and that it is not and was not related to any exporter of the subject product from the PRC to which the anti-dumping duty was applied.

6. FINAL DETERMINATION

The Commission made a final determination that:

- dumping of the subject product by Anqiu Lu'an Pharmaceutical Co. Ltd is not taking place;
- Anqiu Lu'an Pharmaceutical Co. Ltd did not export the subject product to SACU during the period of investigation of the original investigation; and
- Anqiu Lu'an Pharmaceutical Co. Ltd is not related to any exporter of the subject product from the PRC to which the anti-dumping duty was applied.

The Commission therefore decided to recommend to the Minister of Trade and Industry that:

- the subject product originating in or imported from the PRC, manufactured and exported by Anqiu Lu'an Pharmaceutical Co. Ltd, be exempted from the applicable anti-dumping duty.