

Report No. 372

**TERMINATION OF THE ANTI-DUMPING DUTIES ON LYSINE
ORIGINATING IN OR IMPORTED FROM THE UNITED STATES OF
AMERICA**

The International Trade Administration Commission of South Africa herewith presents its Report No.372: **TERMINATION OF THE ANTI-DUMPING DUTIES ON LYSINE ORIGINATING IN OR IMPORTED FROM THE UNITED STATES OF AMERICA**



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CHIEF COMMISSIONER

PRETORIA
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REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA

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1. SA Bioproducts (Pty) Ltd has been the sole producer of lysine, an animal feed supplement, in the SACU market since 1993. According to SA Bioproducts (Pty) Ltd in its original application, the market for lysine is cyclical as demand is dependent on the demand for agricultural products such as maize, soya meal and sunflower oil cake. The applicant stated that the SACU market is also a target for low- priced imports of lysine from abroad.
2. On 25 January 2002, following an investigation by ITAC, anti-dumping duties on lysine originating in or imported from the USA were imposed, with retrospective effect from 30 July 2001. On 25 April 2008, the anti-dumping duties were re-imposed following a sunset review investigation by ITAC. The anti-dumping duties applicable are as follows:

Item	Tariff Heading	Code	C D	Description	Imported from or originating in	Rate of duty
206.02				ORGANIC CHEMICALS		
	2922.41	01.06	61	Lysine imported from Archer Daniels Midland Company (ADM)	United States of America	33.5%
	2922.41	02.06	66	Lysine (excluding that imported from Archer Daniels Midland Company (ADM))	United States of America	48%

3. On 8 April 2011, a request was received from SA Bioproducts to terminate the anti-dumping duties applicable on lysine originating in or imported from the United States of America with immediate effect.
4. The applicant stated that the non-renewal of the contract between SA Bioproducts and the South African Sugar Association for the delivery of sugar at competitive prices (sugar is an important input in the manufacture of lysine) has resulted in SA Bioproducts being uncompetitive in the SACU and the global market. The applicant stated that it is unable to compete and remain profitable due to the inability to negotiate an alternative acceptable supply contract with the SACU sugar producers resulting in the new pricing structure set by the SACU raw material producers. As a result of the high costs of feedstock in the SACU, SA Bioproducts is discontinuing the production of lysine in SACU.

RECOMMENDATION

5. In the light of the foregoing the Commission decided to recommend to the Minister of Trade and Industry that the anti-dumping duties on lysine originating in or imported from the USA, be terminated.