

**REPORT NO.360**

**SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON  
UNFRAMED MIRRORS ORIGINATING IN OR IMPORTED FROM  
INDIA: FINAL DETERMINATION**



The International Trade Administration Commission of South Africa herewith presents its  
**Report No. 360: SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON UNFRAMED  
MIRRORS ORIGINATING IN OR IMPORTED FROM INDIA: FINAL DETERMINATION**



Siyabulela Tsengiwe  
CHIEF COMMISSIONER

PRETORIA  
11 / 02 / 2011



## **1. APPLICATION AND PROCEDURE**

- 1.1 This investigation was conducted in accordance with the International Trade Administration Act, 2002 (ITA Act), the World Trade Organization Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement) and the International Trade Administration Commission Anti-Dumping Regulations (ADR).
- 1.2 The application was lodged by PFG Building Glass (Pty) Ltd, being the only manufacturer of the subject product in the SACU.
- 1.3 On 26 June 2009, the International Trade Administration Commission of South Africa (the Commission) notified the interested parties through Notice No. 902 of 2009 in Government Gazette No. 32333, that unless a substantiated request is made indicating that the expiry of the anti-dumping duties on imports of unframed mirrors imported from India would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duties on unframed mirrors originating in or imported from India would expire on 13 December 2010.
- 1.4 The SACU manufacturer of the products listed above was informed in writing and provided with a copy of the notice. The SACU manufacturer was requested to indicate by 13 December 2010 whether it required the Commission to review the existing duties prior to the date of expiry.
- 1.5 On 02 June 2010, a substantiated request was received from PFG Building Glass (Pty) Ltd to review the anti-dumping duties on unframed mirrors originating in or imported from India.
- 1.6 A deficiency letter was sent to the Applicant on 10 June 2010 and a response was submitted on 22 June 2010. The information submitted by the Applicant was verified on 09 July 2010. A verification report was sent to the Applicant on 12 July 2010.
- 1.7 The sunset review investigation was initiated pursuant to Notice No. 805 of 2010 in



Government Gazette No. 32333, published on 20 August 2010. The due date for responses was 30 September 2010.

- 1.8 This report contains information with regard to dumping for the period 01 January 2009 to 31 December 2009, and information with regard to injury for the period 01 January 2007 to 31 December 2009 with estimates should the duties expire.
- 1.9 None of the importers and exporters responded to the Commission's sunset review questionnaire.
- 1.10 After considering all the information submitted by the Applicant, the Commission issued essential facts letters indicating that it was considering making a final determination that the expiry of the anti-dumping duties on unframed mirrors originating in or imported from India would lead to the continuation of dumping and to the recurrence of material injury.
- 1.11 Comments to "the essential facts" letters were received from the Applicant only.
- 1.12 After considering all the comments received from the Applicant to the Commission's essential facts letter, the Commission made a final determination that the expiry of the duties on unframed mirrors originating in or imported from India would lead to the continuation of dumping and to the recurrence of material injury.



## **2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES**

### **2.1 SUBJECT PRODUCT**

#### **2.1.1 Description**

The subject product is unframed mirrors, commonly identified or referred to as mirrors with a thickness of 2 mm to 6 mm.

#### **2.1.2 Tariff classification**

The subject product is classifiable as follows:

**TABLE 2.1.2**

Tariff subheading	Description	Unit of measurement	Rate of Duty				Rebate Provision
			General	EU	EFTA	SADC	
7009	Glass Mirrors, whether or not framed, Including Rear-View Mirrors:						
7009.91	= Unframed	kg	15%	3.75%	9.50%	free	none

#### **2.1.3 Production process**

The production process used in producing mirrors is cleaning of the glass by washing the top surface; spraying on the tin chloride; spraying on the palladium chloride; spraying on the silver nitrate and silver reducer in solution form; application of the passivator chemicals; drying of the glass; application of the base coat paint; drying of that coat; application of top coat paint; and baking of the final layer. The process is highly automated.

#### **2.1.4 Like product decision**

In the original investigation the Commission decided that the SACU product and the



imported products were “like products” for purposes of comparison, in terms of the Anti-Dumping Regulations.

#### 2.1.5 Other applicable duties or rebates

The following anti-dumping duties are applicable to the subject product, unframed mirrors, classifiable under tariff subheading 7009.91, originating in or imported from India:

**TABLE 2.1.5**

Item	Tariff Heading	Description	Imported from or originating in	Date imposed	Rate of Duty
213.03	7009.91	Unframed glass mirrors, of a thickness of 2mm or more but not exceeding 6mm	India	25/10/06 with retrospective effect to 14/12/05	68.74%



### **3. INDUSTRY STANDING**

#### **3.1 INDUSTRY STANDING**

The Applicant is the sole producer of unframed mirrors in SACU.

The Commission decided that the application be regarded as being made “by or behalf of the domestic industry” and, therefore, eligible for initiation under the provisions of the Anti-Dumping Regulations.



## **4. CONTINUATION OR RECURRENCE OF DUMPING**

### **4.1 DUMPING**

As no responses were received from Indian exporters, the Commission used the best information available, being that submitted by the Applicant, for purposes of its final determination.

#### **4.1.1 NORMAL VALUE**

The Applicant provided a quotation from a merchant in India on which its normal value calculation was based:

Indian domestic market price quotation for mirror – October 2009: Merchant price in Rupees			
Thickness (mm)	Price quotation per square foot: Rupees	Price per square metre (price per square foot x 10,7643)	Price per ton: Rupees
3mm	49	528.4507	70 821.38
4mm	54	581.2722	58 899.73
5mm	62	667.3866	54 440.06
6mm	80	861.144	58 742.08
Average price per ton in Rupees			60 725.81

An adjustment of 40% for gross merchant's margin was calculated on the average selling price and an adjustment for delivery and finance cost of 10% was calculated on the adjusted average selling price after deduction of the gross merchant's margin of 40%.



## ADJUSTMENTS:

The following adjustments were made, based on information provided by the Applicant:

	Adjustments	Rupees/Ton
Gross merchant's margin	40%	(24 290)
Delivery and finance cost	10%	(3 644)
<b>Total Adjustments</b>		<b>(27 934)</b>

## EX-FACTORY DOMESTIC PRICE:

	Rupees/Ton
Average selling price of merchant (VAT excluded)	60 725
Less adjustments:	(27 934)
<b>Normal Value</b>	<b>32 791</b>

The normal value for India after the deduction of above adjustments was therefore calculated to be 32 791 Rupees/Ton.

### 4.1.2 EXPORT PRICE

The Applicant stated that the export price was derived from SARS import statistics of the subject product from India during September 2009:

	Rand/Ton	Rupees/Ton
Export price: FOB per 1000 kilograms (1ton) = R3 946. To convert to a price of Rupees/ton: $3946 \times 6.5138$	3 946	25 704



**ADJUSTMENTS:**

The following adjustments were made based on information provided the Applicant:

	<b>Rupees/ton</b>
Special export packaging (Rupee 2 000)	( 2 000)
Delivery and other costs to cost to port (10% of FOB)	(2 570)
Financing cost (25 704 x12% for 75 days)	(634)
<b>Total Adjustments</b>	<b>(5 204)</b>

**NET EX-FACTORY EXPORT PRICE:**

The net-ex factory export price was calculated as follows:

	<b>Rupees/ton</b>
Export price: FOB per 1000 kilograms (1ton) = R3 946. To convert to a price of Rupees/ton: 3946 x 6.5138	25 704
Less: adjustments	(5 204)
<b>Ex-factory export price</b>	<b>20 500</b>

**4.1.3 MARGIN OF DUMPING**

The following dumping margin was calculated:

	<b>Rupees/ton</b>
Normal value	32 791
Export price	20 500
Margin of dumping	12 291
Margin of dumping expressed as a percentage of the ex-factory export price	60.0%



The margin calculated was based on the best information available, being an unverified quotation and estimates by the Applicant. The Commission therefore recommended that the current anti-dumping duty in place be maintained as it was based on verified information.

#### **4.1.4 CONCLUSION**

All comments received were taken into account and are available on the public file.

The Commission therefore, made a final determination that the expiry of the duties would likely lead to the continuation or recurrence of dumping of the subject product originating in or imported from India should the anti-dumping duties be removed.



## 5. RECURRENCE OF MATERIAL INJURY

### 5.1 MATERIAL INJURY

The Applicant claimed that the expiry of the anti-dumping duties would likely lead to the recurrence of material injury.

It submitted the following information to substantiate its claim:

	2007	2008	2009	ESTIMATE IF DUTY EXPIRES
Imports (Ton): -India	0	0	0	750
Other countries	2,167	1,271	2,026	2,026
Total imports (Ton)	2,167	1,271	2,026	2,776
Alleged dumped imports as % of total imports: -India	0%	0%	2%	27%
Sales volumes in (Tons)	100	87	84	71
Price undercutting: -India	0	0	100	39
Cost as a % of selling price	100	107	100	108
Gross profit margin	100	67	106	54
Output (Tons)	100	83	79	77
Productivity	100	94	102	77
Capacity utilisation	100	100	100	100
Margin of dumping: -India				60.0%
Net cash flow				Negative
Inventories (Tons)	100	99	69	69
Employment: Total labour units	100	87	78	100



Wages: Direct wages production (Rand)	100	101	92	110
Growth	100	87	85	71

**This table was indexed due to confidentiality using 2007 as the base year.**

## **5.2 CONCLUSION**

The Commission considered all comments regarding material injury and these comments are available on the public file.

The Commission therefore, made a final determination that the expiry of the duties would likely lead to the recurrence of material injury should the anti-dumping duties be removed.



## **6. SUMMARY OF FINDINGS**

### **6.1 Continuation or recurrence of dumping**

The Commission made a final determination that the expiry of the anti-dumping duties would likely lead to the continuation or recurrence of dumping of the subject product originating in or imported from India.

### **6.2 Recurrence of material injury**

The Commission made a final determination that the expiry of the anti-dumping duties would likely lead to the recurrence of material injury to the SACU industry manufacturing the subject product.



## **7. RECOMMENDATION**

In light of the foregoing, the Commission therefore decided to recommend to the Minister of Trade and Industry that the existing anti-dumping duties on unframed mirrors originating in or imported from India, be maintained as follows:

<b>Item</b>	<b>Tariff Heading</b>	<b>Description</b>	<b>Imported from or originating in</b>	<b>Date imposed</b>	<b>Rate of Duty</b>
213.03	7009.91	Unframed glass mirrors, of a thickness of 2mm or more but not exceeding 6mm	India	25/10/06 with retrospective effect from 14/12/05	68.74%