REPORT NO. 593

SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON UNFRAMED GLASS MIRRORS ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (CHINA): FINAL DETERMINATION

The International Trade Administration Commission of South Africa hereby presents its **Report No. 593**: **SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON UNFRAMED GLASS MIRRORS ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (CHINA): FINAL DETERMINATION**

Nzimande

Meluleki Nzimande
CHIEF COMMISSIONER

PRETORIA
30/11 **2018**

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON UNFRAMED GLASS MIRRORS OF A THICKNESS OF 2 MM OR MORE BUT NOT EXCEEDING 6 MM ORIGINATING IN OR IMPORTED FROM CHINA: FINAL DETERMINATION

SYNOPSIS

On 21 July 2017, the International Trade Administration Commission of South Africa (the Commission) notified interested parties through Notice No. 546 of 2017 in *Government Gazette* No. 40998, that unless a substantiated request is made indicating that the expiry of the anti-dumping duty against imports of unframed glass mirrors originating in or imported from China would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duty on unframed glass mirrors originating in or imported from China will expire on 25 July 2018.

A detailed response was received on 24 January 2018 from PFG Building Glass, a division of PG Group (Pty) Ltd, (the Applicant), being the only producer of the subject product in the Southern African Customs Union (SACU).

On 18 May 2018, the Commission initiated a sunset review investigation of the anti-dumping duty on unframed glass mirrors originating in or imported from China pursuant to Notice No. 253, in the *Government Gazette* No. 41632.

The investigation was initiated after the Commission considered that the expiry of the anti-dumping duty on imports of unframed glass mirrors originating in or imported from China would likely lead to the continuation or recurrence of dumping and the recurrence of material injury.

Subsequent to initiation of the investigation, all producers/exporters of the subject product in China were sent foreign manufacturers/exporters questionnaires to complete. Importers of the subject product were also sent questionnaires to complete. The deadline for comments was 27 June 2018. No properly documented responses were received from any manufacturer/exporter or importer by 27 June 2018.

On 13 August 2018, the Commission sent out "Essential facts" letters to all interested parties. The deadline to submit responses was 27 August 2018. A response to the Commission's essential facts letter was only received from the Applicant, requesting the Commission to increase the current anti-dumping duty from 40.22% to 155.30%, as there were no properly documented responses received from any exporter/manufacturer in China, and that this is based on the available facts in its application.

After considering all interested parties' comments, the Commission made a final determination that the expiry of the anti-dumping duty on unframed glass mirrors originating in or imported from China would likely lead to the continuation or recurrence of dumping and the recurrence of material injury.

The Commission made a final determination not to recommend an increase in the anti-dumping duty given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate.

The Commission therefore made a final determination to recommend to the Minister of Trade and Industry that the current anti-dumping duty of 40.22% be maintained.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation was conducted in accordance with the International Trade Administration Act, 2002 (ITA Act), and the International Trade Administration Commission Anti-Dumping Regulations (ADR), read with the World Trade Organization Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (ADA).

1.2 APPLICANT

The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd, being the only producer of the subject product in the SACU.

1.3 INVESTIGATION PROCESS

On 21 July 2017, the International Trade Administration Commission of South Africa (the Commission) notified interested parties through Notice No. 546 of 2017 in *Government Gazette* No. 40998, that unless a substantiated request is made indicating that the expiry of the anti-dumping duty against imports of unframed glass mirrors originating in or imported from China would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duty on unframed glass mirrors originating in or imported from China will expire on 25 July 2018.

A detailed response was received on 24 January 2018 from PFG Building Glass, a division of PG Group (Pty) Ltd, (the Applicant), being the only producer for the subject product in the Southern African Customs Union (SACU). After all deficiencies were identified and addressed, an updated final application was received on 28 February 2018.

The information submitted by the Applicant was verified on 12 March 2018. A verification report was sent on 13 March 2018, and comments to the report were received on 22 March 2018. The Application was accepted as properly documented on 26 April 2018. A notice of initiation of the investigation was published in the *Government Gazette* on 18 May 2018, and the deadline for comments was 27 June 2018. Essential facts letters were sent to interested parties on 13 August 2018 for comments and the deadline for responses was 27 August 2018. A response to the Commission's essential facts letter was only received from the Applicant.

1.4 INVESTIGATION PERIOD

The investigation period for dumping was from 01 July 2016 to 30 June 2017, and the injury investigation involved evaluation of data for the period of 1 July 2015 to 30 June 2017, as well as an estimate should the duty expire.

1.5 PARTIES CONCERNED

1.5.1 SACU industry

The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd, being the only producer of the subject product in the SACU.

The Commission decided that the application can be regarded as being made "by or on behalf of the domestic industry" under the provisions of the Anti-Dumping Regulations.

1.5.2 Foreign Manufacturers/Exporters

No properly documented responses were received from any manufacturer/exporter in China.

1.5.3 Importers

No properly documented responses were received from any importer in the SACU.

1.6 Comments

After considering all the information available, the Commission issued essential facts letters that it was considering making a final determination that the expiry of the anti-dumping duty on unframed glass mirrors originating in or dumping and the recurrence of material injury. A response to the Commission's essential facts letter was only received from the Applicant.

1.7 FINAL DETERMINATION

The Commission made a final determination that the expiry of the anti-dumping duty on unframed glass mirrors originating in or imported from China would likely lead to the continuation or recurrence of dumping and the recurrence of material injury. The Commission however decided not to recommend an increase in the anti-dumping duty given the low volume of imports during the period of investigation and as the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend to the Minister of Trade and Industry that the current anti-dumping duty of 40.22% be maintained.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 Product

2.1.1 Description

The subject of this application is unframed glass mirrors, of a thickness of 2mm or more but not exceeding 6mm.

2.1.2 Like product

In the original investigation the Commission found that the SACU product and the imported product are "like products" for purposes of comparison in terms of Article 2.6 of the Anti-dumping Agreement.

2.1.3 Tariff classification

The subject product is classifiable as follows:

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty			
				General	EU	EFTA	SADC
7009		**Glass mirrors, whether or not framed, including rear-view mirrors:**					
	7009.10	- Rear-view mirrors for vehicles					
	7009.9	- Other					
	7009.91	- Unframed	kg	15%	free	free	free

2.1.4 Other applicable duties

The following anti-dumping duties are applicable:

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
213.03	7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm	India	68,74%

213.03	7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm (excluding that manufactured by PT Matahari Silverindo Jaya)	Indonesia	6,61%
213.03	7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm	China	40,22%

Comment by the Applicant to the Commission's Essential facts letter

The Applicant stated that it noted the Commission's intention of maintaining the current anti-dumping duty of 40.22%. However, it stated that as there was no exporter/manufacturer in China that responded in the investigation, the Commission should consider making a final determination by imposing a higher anti-dumping duty of 155.30%, as this is based on the available facts in its application.

The Commission decided not to recommend an increase in the anti-dumping duty given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend that the current anti-dumping duty of 40.22% be maintained.

3. INDUSTRY STANDING

3.1 The Application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd, being the only producer of the subject product in the SACU.

The Commission made a final determination that the application can be regarded as being made "by or on behalf of the domestic industry" in terms of Section 7 of the Anti-Dumping Regulations.

4. CONTINUATION OR RECURRENCE OF DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all adjustments have been made). The margin is then expressed as a percentage of the f.o.b. export price. If the margin is less than two percent, it is regarded as *de minimis* in terms of ADR 12.3 and no anti-dumping duty will be imposed.

4.1 METHODOLOGY IN THIS INVESTIGATION FOR CHINA

4.1.1 Normal Value

As no properly documented responses were received from any exporters/manufacturers in China, the Commission made a final determination to use the best information available, being that provided by the Applicant for purposes of determining the normal value. The normal value was therefore calculated based on a price quotation submitted from a manufacturer in China.

4.1.2 Export Price

As no properly documented responses were received from manufacturers in China, the Commission made a final determination to use the best information available, being that provided by the Applicant for purposes of determining the export price. The export selling price was therefore calculated based on the import statistics obtained from the South African Revenue Services (SARS) for the dumping period.

4.2 Margin of Dumping

The dumping margin for China was calculated as follows:

Country	Margin of dumping
China	155.30%

4.3 FINAL DETERMINATION: DUMPING

The Commission made a final determination that the expiry of the anti-dumping duty on unframed glass mirrors originating in or imported from China would likely lead to the continuation or recurrence of dumping. The Commission however made a final determination not to recommend an increase in the anti-dumping duty given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend to the Minister of Trade and Industry that the current anti-dumping duty of 40.22% be maintained.

5. RECURRENCE OF MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to PFG Building Glass, a division of PG Group (Pty) Ltd. As their production volume represents 100 per cent of the total SACU production, the Commission decided that this constitutes "a major proportion" of the total domestic production, in accordance with the Anti-Dumping Regulations.

5.2 IMPORT VOLUMES AND THE EFFECT ON PRICES

5.2.1 Import volumes

The following table shows the volume of allegedly dumped imports of the subject product obtained from SARS:

Table 5.2.1: Import volumes

(kg)	2015	2016	2017	2018 Estimates if duty expires
China	871 247	827 500	647 970	2 185 891
Other imports	980 123	464 252	504 503	504 503
Total	1 851 369	1 291 752	1 152 474	2 690 394

The information in the table indicates that the import volumes over the investigation period declined.

The Applicant stated that even though the imports from China in 2017 decreased by 26 per cent when compared with the 2015 volumes; it still captured 56 per cent of the import market share in 2017.

In substantiating the estimates for 2018, the Applicant stated that as the import volumes from China in 2011/2012 prior to the imposition of the anti-dumping duty were 2 185 891 kg, and represented 63 per cent of the SACU market share, it is expected that should the current anti-dumping measure be revoked, the dumped imports would again surge the SACU market to the 2011/2012 level, thereby leading to the recurrence of material injury.

5.2.2 Effect on Domestic Prices

5.2.2.1 Price undercutting

The following table shows the domestic industry's price undercutting information for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.2.1: Price undercutting

R/kg	2015	2016	2017	2018 Estimate if duty expires
SACU selling price	100	108	115	131
Landed cost of Chinese imports)	12.47	18.17	18.05	13.54
Undercutting per kg	-	-	-	-
Undercutting as a percentage of selling price	-	-	-	-

Table indexed due to confidentiality using 2015 as base year

The information in the table reflects that there was no price undercutting over the investigation period, and this is as a result of the current anti-dumping duty that is place. The Applicant stated that if the export price from China is compared with its unsuppressed selling in 2018, this provides a clear indication that it would suffer material injury should the anti-dumping duty be revoked.

5.2.2.2 Price depression

The following table shows the domestic industry's selling price for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.2.2: Price depression

R/kg	2015	2016	2017	2018 Estimate if duty expires
SACU selling price	100	108	115	131

Table indexed due to confidentiality using 2015 as base year

The Applicant stated that it did not experience price depression for the years over the investigation period. It also indicated that if the anti-dumping duty expires, it will not be able to depress its selling prices, as it has to retain the profit margin in order to re-invest and maintain the plant.

5.2.2.3 Price suppression

The following table shows the Applicant's cost of production and its selling prices for the subject product for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.2.3: Price suppression

R/kg	2015	2016	2017	2018 Estimate if duty expires
SACU selling price	100	108	115	131
Cost (production)	100	111	132	151

Table indexed for confidentiality using 2015 as base year

The information in the table reflects that price suppression occurred over the investigation period. The Applicant stated that this was a result of the decline in its profit levels. It also stated that it is estimated this will continue in 2018 should the anti-dumping duty be revoked.

The Applicant also indicated that it would not be able to pass on the cost increases in 2018 to the market, and this is due to the presence of dumped imports, and should it increase its selling prices to the unsuppressed level, it will lose sales to the dumped Chinese products. It also maintained that should it decide to reduce its selling price to the same estimated level to that of Chinese imports; it will experience substantial price suppression, causing it to suffer material injury.

5.2.3. Economic factors and indices having a bearing on the state of the industry

5.2.3.1 Actual and potential decline in sales volumes and values

The following table shows the Applicant's sales volumes of unframed glass mirrors in 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.1 (a): Sales volumes

Kg	2015	2016	2017	2018 Estimate if duty expires
	100	89	81	55

Table indexed due to confidentiality using 2015 as base year

The above table indicates that the SACU's sales volumes of the subject product decreased over the period of investigation, and should the duty be revoked, there will be further decline in 2018 and closure of mirror manufacturing plant.

The Applicant stated that as the import volumes from China in 2012 prior to the imposition of the anti-dumping duty was 2 185 891kg, it is estimated that if the anti-dumping duty is revoked, the dumped imports would again surge the SACU market to the 2011/2012 level, thereby leading to the decline in sales volumes and the recurrence of material injury.

Table 5.2.3.1 (b): Sales values

Rands (R)	2015	2016	2017	2018 Estimate if duty expires
	100	96	93	73

Table indexed due to confidentiality using 2015 as base year

The above table illustrates that the Applicant's total sales values for the subject product decreased between 2015 and 2017. The Applicant explained that notwithstanding increasing prices to counter price suppression, its sales values will decline if the duty is revoked, resulting in the material injury.

5.2.3.2 Profit

The following table shows the Applicant's profit before interest and tax for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.2: Profit

R/kg	2015	2016	2017	2018 Estimate if duty expires
Gross profit margin (%)	100	101	82	80
Gross profit per kg	100	108	95	105
Kg sold: Local	100	89	81	55
Gross profit (R)	100	96	76	58
Net profit margin (%)	100	94	69	68
Net profit per kg	100	101	79	90
Net profit (R)	100	89	63	50

Table indexed due to confidentiality using 2015 as base year

The table shows that gross profit levels decreased over the period 2015 to 2017. The Applicant indicated that if the anti-dumping duty against China is revoked, it is estimated that the imports will re-enter the SACU market at dumped prices. It stated that it will lose sales and reduce production to keep the inventory at reasonable levels. It further indicated that it will need to increase its selling price to maintain the same profit levels as in 2017 in order to prevent it from suffering substantial injury.

5.2.3.3 Output

The following table outlines the Applicant's domestic production volume of the subject product for the years 2015 to 2017, and estimate in the event the duty expires:

Table 5.2.3.3: Output

Kg	2015	2016	2017	2018 Estimate if duty expires
	100	90	88	65

Table indexed due to confidentiality using 2015 as base year

The information in the above table indicates that there was a decline in the Applicant's output over the period 2015 to 2017. The Applicant stated that if the anti-dumping duty on Chinese unframed glass mirrors is revoked, it is estimated that its sales volume will decline, thereby forcing it to cut back production in order to reduce inventory levels. It also indicated that this would result in it experiencing material injury and closing of the mirror manufacturing plant.

5.2.3.4 Market share

The following table shows the market share for the subject product for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.4: Market share (Volumes)

Kg	2015	2016	2017	2018 Estimate if duty expires
Market share in volume (kg)				
Applicant's sales volumes	100	89	81	55
Alleged dumped imports (kg)	100	111	96	353
Market share of other imports (kg)	100	55	67	72
Total market share	100	82	81	204
Total SACU market	100	85	77	71

Table indexed due to confidentiality using 2015 as base year

The information in the table indicates that the Applicant's market share decreased over the periods 2015 to 2017. Should the duty be withdrawn, its share of the market will decline further.

The table also shows that there was a decline in the market share of imports from China and other countries over the period 2015 and 2017. The Applicant stated that should the duty be revoked, importers will revert to the dumped China imports and both the sales and values will decline. It further pointed out that as a result of the declining sales volumes and increased imports from China, its share of the market will decline further in 2018.

Investigators' comment:
It is clear from the information submitted that should the current anti-dumping duty be revoked, there is a likelihood that imports from China will increase substantially, thereby making it difficult for the SACU industry to compete and sell its product on the domestic market, thus leading to the recurrence of material injury.

5.2.3.5 Productivity

The following table shows the Applicant's productivity for the subject product for the years 2015 to 2017, and an estimate in the event of the expiry of the duty:

Table 5.2.3.5: Productivity

Kg	2015	2016	2017	2018 Estimate if duty expires
Total production volume (kg)	100	90	88	65
Number of employees (manufacturing only)	100	100	100	83
Kg per employee	100	90	88	78

Table indexed due to confidentiality using 2015 as base year

The above table indicates that productivity declined over the period 2015 to 2017, and should the anti-dumping duty be revoked, the production and employment levels will also decline.

The Applicant stated that as the import volume from China in 2011/2012 prior to the imposition of the duty was 2,186 tons, it can reasonably be expected that if the anti-dumping duty is revoked, the dumped imports would at least surge again to the same volume as in 2011/2012, resulting in the decline in production volume in order to prevent inventory increases.

5.2.3.6 Return on investment

The following table shows the Applicant's return on investment on earnings before interest and tax for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.6: Return on investment

Rands (R)	2015	2016	2017	2018 Estimate if duty expires
Net profit (product concerned)	100	90	64	50
Sales volume to SACU (kg)	100	89	81	55
Net assets (product concerned)	100	99	113	113
Return on net assets (%)	100	90	57	44

Table indexed due to confidentiality using 2015 as base year

The information in the table indicates that the Applicant's return on net assets over the period 2015 to 2017 decreased. The Applicant stated that should the anti-dumping duty be revoked, it is estimated that the return on net assets will decrease further as result of declining sales volumes, values and profit from higher volume of dumped imports from China entering the SACU market.

5.2.3.7 Utilization of production capacity

The following table provides the Applicant's capacity and production for the subject products for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.7: Utilization of production capacity

Kg	2015	2016	2017	2018 Estimate if duty
Your capacity (kg)	100	100	100	100
Actual production (kg)	100	90	88	65
Capacity utilisation %	100	90	88	65

Table indexed due to confidentiality using 2015 as base year

The information in the above table shows that the Applicant's capacity utilization decreased over the investigation period, and should the duty be withdrawn, it will decline further in 2018.

The Applicant pointed out that as capacity utilization is at a low level, the potential loss of production volume to the dumped imports from China would have an additional negative impact, resulting in material injury.

The Applicant stated that since the import volume from China in 2011/2012 prior to the imposition of the duty was 2,186 tons, it can reasonably be expected that if the anti-dumping duty is revoked that the dumped imports would at least surge again to the same volume as in 2011/2012. Therefore, as its sales volumes are estimated to decline, production will also be reduced. As a result capacity utilisation will decrease, to the lowest level over the period 2015 to 2018, causing PFG Building Glass to suffer material injury.

5.2.3.8 Actual and potential negative effects on cash flow

The following table provides the Applicant`s cash flow for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.8: Cash flow

Rands (R)	2015	2016	2017	2018 Estimate if duty expires
Cash flow: incoming	100	96	69	60
Cash flow: outgoing	100	64	62	99
Net cash flow	100	102	70	52

Table indexed due to confidentiality using 2015 as base year

The above table indicates that there was a decline in cash flow over the period 2015 to 2017 as a result of the reduced sales values over the period of investigation. The Applicant stated that it is estimated that based on reduced sales values, if the anti-dumping duty is revoked, the net cash flow will decline even further in 2018, resulting in the SACU industry suffering material injury.

5.2.3.9 Inventories

The Applicant provided the following inventory levels for 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.9: Inventories

Volume (kg)	2015	2016	2017	2018 Estimate if duty expires
	100	127	130	130

Table indexed due to confidentiality using 2015 as base year

The information in the above table shows that the Applicant's inventories increased over the investigation period. The Applicant stated that as its sales volumes are estimated to decline; production will also be reduced to retain the same inventory level as in 2017.

5.2.3.10 Employment

The following table shows the Applicant's employment levels for the years 2015 to 2017 and an estimate in the event the duty expires:

Table 5.2.3.10: Employment

No. of employees	2015	2016	2017	2018 Estimate if duty expires
Direct labour (units)	100	100	100	83
Indirect labour (units): production	100	25	75	75
Total labour (units): production	100	100	90	80

Table indexed due to confidentiality using 2015 as base year

The Applicant stated that as the product is capital intensive, a small number of employees are involved. It also pointed out that the number of people estimated in 2018 will be the minimum people required to operate the production line, and in order to maintain the 2017 productivity levels at least one employee must be retrenched. Lost production capacity will prevent any further capital investment and the closure of the plant in due course which put all the direct jobs at risk.

It indicated that should the duty be revoked, it is estimated that one job will be lost in order to retain the productivity rate similar to the one in 2017.

5.2.3.11 Wages

Using the production wages and employment figures sourced from the Applicant, its production wages per employee in respect of the subject product is as follows:

Table 5.2.3.11: Wages

Rands (R)	2015	2016	2017	2017 Estimate if duty expires
Direct Wages: Production	100	129	133	111
Indirect Wages: Production	100	66	51	51
Total wages: Production	100	81	70	65

Table indexed due to confidentiality using 2015 as base year

The Applicant stated that as the manufacturing of the product is capital intensive, there is not a huge number of employees directly involved and remuneration is not a meaningful indicator of material injury. It indicated that if one direct production job is lost, wages will decrease in 2018, and further reductions in volumes will prevent any further capital investment and the closure of the plant, which will put all the direct jobs at risk.

5.2.3.12 Growth

The following table provides the Applicant's growth information for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.12: Growth

Kg	2015	2016	2017	2018 Estimate if duty expires
Size of the SACU market	100	85	77	71
% growth from previous year	-	100	64	55
Sales volume (kg)	100	89	81	55
Growth %	-	100	82	280

Table indexed due to confidentiality using 2015 as base year

The table above shows that growth of the SACU market declined over the investigation period as a result of the Chinese dumped imports in the SACU market. The Applicant stated that as the import volumes from China in 2011/2012 prior to the imposition of the duty was 2 186 tons, it is estimated that if the duty is revoked, the dumped imports would surge again to the same level as 2011/2012. It also pointed out that sales volumes would be expected to decline, and significant negative growth will occur, resulting in it experiencing material injury.

5.2.3.13 Ability to raise capital or investments

The following table shows the Applicant's ability to raise capital and investment for the years 2015 to 2017, and an estimate in the event the duty expires:

Table 5.2.3.13: Ability to raise capital or investment

Rands (R)	2015	2016	2017	2018 Estimate if duty expires
Total capital/investment in the subject product	100	99	113	113
Capital expenditure during year on subject product	100	19	298	298

Table indexed due to confidentiality using 2015 as base year

The Applicant stated that it has no difficulty in raising capital or increasing investment to expand production where such investment can be shown to be viable. It indicated further that if the anti-dumping duty is revoked while it is clear that there would be a continuation of dumping, the SACU industry would suffer material injury. It is estimated that it is unlikely that capital will be forthcoming for additional investment in the SACU industry as the return on investment would not warrant investment in SACU, making the industry less competitive. The Applicant stated further that it has large unutilized capacity and thus there is no need to expand capacity at this stage.

5.3 CONCLUSION – RECURRENCE OF MATERIAL INJURY

After considering all the information available, the Commission made a final determination that the expiry of the anti-dumping duty would likely lead to the recurrence of material injury to the SACU industry.

6. SUMMARY OF FINDINGS

6.1 Continuation or recurrence of dumping

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

6.2 Recurrence of material injury

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

7. RECOMMENDATION

The Commission made a final determination that:

- the expiry of the duty would likely lead to the continuation or recurrence of dumping; and
- the expiry of the duty would likely lead to the recurrence of material injury.

The Commission made a final determination not to recommend an increase in the anti-dumping duty given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the anti-dumping duty on unframed glass mirrors originating in or imported from China be maintained as follows:

Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm	China	40.22%