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GENERAL NOTICE

NOTICE 606 OF 1998

BOARD ON TARIFFS AND TRADE

NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF BLANKETS OF ACRYLIC FIBRE OR BLANKETS PARTIALLY CONTAINING ACRYLIC FIBRE ORIGINATING IN AND/OR IMPORTED FROM CHINA, HONG KONG, INDIA, KOREA AND TURKEY

The Board on Tariffs and Trade received a petition alleging that blankets of acrylic fibre or blankets partially containing acrylic fibre, originating in and/or imported from China, Hong Kong, India, Korea and Turkey, are being dumped on the Southern African Customs Union (SACU) market, causing material injury or threat of material injury to the SACU industry concerned.

The petitioner

The petition was lodged by the Textile Federation on behalf of Aranda Textiles, Waverley Blankets and Acrytex. The petitioner alleges that it cannot compete with the low prices charged by the importers and that the imports are causing it material injury or are threatening to cause material injury. 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 blankets of acrylic fibre or blankets partially containing acrylic fibre, classifiable under tariff subheadings 6301.40 and 6301.90, originating in and/or imported from China, Hong Kong, India, Korea and Turkey.

The allegation of dumping

The allegation of dumping is based on the comparison between the normal values in and the export price from the respective countries.

The export price was based on the f.o.b. price of the imported blankets, as calculated from the import statistics of each country respectively. The normal values were determined as follows:

China

As China is regarded as a non-market economy, Turkey was used as a surrogate as it was alleged that Turkey has an industry at a similar level of development as that of China.

Hong Kong

Normal value was determined according to Werner International Inc's "Spinning and Weaving Labour costs comparisons: Spring 1996".

India

Normal value was constructed by using a report by the International Textile Manufacturers Federation (ITMF) named International Production Cost Comparison 1997.

Korea

Normal value was constructed by using a report by the International Textile Manufacturers Federation (ITMF) named International Production Cost Comparison 1997.

Turkey

Normal value was constructed by using a report by the International Textile Manufacturers Federation (ITMF) named International Production Cost Comparison 1997.

The allegation of material injury/threat of material injury

With regard to material injury or threat thereof, the petitioner alleges and has submitted sufficient evidence to show that the imports in question are suppressing and depressing its selling prices, and are gaining market share at the expense of the SACU industry. It further alleges that the prices at which these imports are sold in South Africa significantly undercut the already suppressed prices of the South African producers, resulting in lower profit margins and/or losses being incurred.

Procedure

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). In order to obtain the information it deems necessary for its investigation, the Board will send questionnaires to all known importers and exporters, and known representative associations. The trade representatives of the exporting countries have 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 sent a questionnaire. If not, they should request a copy of the questionnaire as soon as possible. The questionnaire has to be completed and any other representations must be made within the time limit set out below.

For the purpose of this investigation China will be regarded as a non-market economy. Please note that a separate questionnaire in this regard is available for exporters from China.

The Board will conduct its investigation in accordance with the BTT Act and the World Trade Organisation Agreement on Implementation of Article VI of GATT 1994 (the Anti-Dumping Agreement). A copy of the Anti-Dumping Agreement is available from the Board's offices on request.

Time limit

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 the following address:

Physical address

The Director: Dumping Investigations
Room 1601
Fedlife Building
Cnr Church and Prinsloo Streets
Pretoria

Postal address

The Director: Dumping Investigations
Private Bag X753
Pretoria
0001

All responses should be received by the Director of Dumping Investigations not later than 30 days following the date of publication of this notice or, in the case of parties known to be interested, 30 days following 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 date 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, 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 the 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. 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 alternate 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 make provisional or final findings on the basis of the facts available to it.

Enquiries may be directed to the investigating officers, Ms Selma Takács, at telephone (012) 310-9827 or Mr Theuns Botha, at telephone (012) 310-9618.

[BTT Ref. T5/2/11/10/1]
