

NOTICE 1473 OF 2004
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

NOTICE OF INITIATION OF A SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON NUTS OF IRON OR STEEL ORIGINATING IN OR IMPORTED FROM CHINESE TAIPEI AND THE PEOPLE'S REPUBLIC OF CHINA (PRC) AND BOLTS OF IRON OR STEEL ORIGINATING IN OR IMPORTED FROM THE PRC

In accordance with the provisions in Article 11.3 of the Anti-Dumping Agreement and the International Trade Administration Commission (the Commission) Anti-Dumping Regulations (ADR) 53.1 and 53.2, any definitive anti-dumping duty shall be terminated on a date not later than five years from the date of imposition, unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury.

On 30 May 2003, the Commission notified all interested parties through Notice No. 1560 of Government Gazette No. 24893, that unless a request is made by or on behalf of the domestic industry for the duty to be reviewed prior to the expiry thereof, the anti-dumping duties on nuts of iron or steel originating in or imported from Chinese Taipei and the People's Republic of China (PRC) and the anti-dumping duties on bolts of iron or steel originating in or imported from the PRC, will expire on 6 August 2004.

A duly completed Petition Review Questionnaire was submitted to the Commission on 07 June 2004.

THE APPLICANT

The Application was lodged by the South African Fasteners Manufacturers Association (SAFMA). The Applicant alleges that the expiry of the duty would be likely to lead to the continuation or recurrence of dumping and injury. The Applicant

submitted sufficient evidence and established a *prima facie* case to enable the Commission to arrive at a reasonable conclusion that a review investigation should be initiated.

THE PRODUCT

The products under investigation are described as hexagon nuts of iron and steel (excluding dome nuts, nuts with non-metallic inserts, nuts of stainless steel, nuts identifiable for use solely or principally on aircraft and collared nuts) of a thread or diameter of 6 mm or more but not exceeding 36 mm (excluding self-locking nuts of a thread or diameter exceeding 10 mm), classifiable under tariff subheading 7318.16, originating in or imported from Chinese Taipei and the PRC, and bolts, of iron or steel, with hexagon heads (excluding bolts of stainless steel and bolts identifiable for use solely or principally on aircraft), of a width of 6mm or more but not exceeding 36mm and a length of 10 mm or more but not exceeding 400 mm, whether or not with their nuts and washers classifiable under tariff subheading 7318.15, originating in or imported from the PRC .

THE ALLEGATION OF THE CONTINUATION OR RECURRENCE OF DUMPING

The allegation of continuation or recurrence of dumping is based on the comparison between the normal values in and the export prices from Chinese Taipei and the PRC. The normal value for the PRC was based on the normal value determined for Chinese Taipei. Chinese Taipei was nominated as the surrogate country for the PRC. The selling price for Chinese Taipei was determined by obtaining selling prices in Chinese Taipei. The export prices were determined based on the official import statistics obtained from the South African Revenue Service. On this basis, the Commission found that there was *prima facie* proof of the likely recurrence or continuation of dumping if the duties expire.

THE ALLEGATION OF THE RECURRENCE OF MATERIAL INJURY

The Applicant alleges and submitted sufficient evidence to show that despite the imposition of the duty in 1999 the imports of the subject products continued, there is still price undercutting and that the imports in question would suppress its selling prices should the duty expire. The Applicant's information indicated that it would experience a decline in sales, profit margins, output, market share, productivity, capacity utilisation, market share, employment and return on investment should the duty expire. It further indicated that there is a negative effect on cash flow and growth.

On this basis the Commission found that there was *prima facie* proof of the likely continuation and/or recurrence of material injury if the duties expire.

PERIOD OF INVESTIGATION

The period of investigation for purposes of determining the continuation or recurrence of dumping from the exporting countries of origin will be 1 July 2003 to 30 June 2004. The period of investigation for purposes of determining continuation or recurrence of injury will be from 1 July 2000 to 30 June 2004. An estimate of what the situation will be, should the duty should expire will also be considered by the Commission.

PROCEDURAL FRAMEWORK

Having decided that there is sufficient evidence and a *prima facie* case to justify the initiation of an investigation, the Commission has begun an investigation in terms of section 16 of the International Trade Administration Act, 2002 (the ITA Act). The Commission will conduct its investigation in accordance with the relevant sections of the ITA Act, the World Trade Organisation Agreement on Implementation of Article VI of the GATT 1994 (the Anti-Dumping Agreement) and the Anti-Dumping Regulations of the International Trade Administration Commission of South Africa.

(ADR). Both the ITA Act and the ADR are available on the Commission's website (www.itac.org.za) or from the Trade Remedies section, on request.

In order to obtain the information it deems necessary for its investigation, the Commission will send non-confidential versions of the petition and questionnaires to all known importers and exporters, and known representative associations. The trade representatives of the exporting countries have also been notified. Importers and other interested parties are invited to contact the Commission as soon as possible in order to determine whether they have been listed and were furnished with the relevant documentation. If not, they should immediately ensure that they are sent copies. The questionnaire has to be completed and any other representations must be made within the time limit set out below.

CONFIDENTIAL INFORMATION

Please note that if any information is considered to be confidential then a non-confidential version of the information must be submitted for the public file, simultaneously with the confidential version. In submitting a non-confidential version the following rules are strictly applicable and parties must indicate:

- X where confidential information has been omitted and the nature of such information;
- X reasons for such confidentiality;
- X a summary of the confidential information which permits a reasonable understanding of the substance of the confidential information; and
- X in exceptional cases, where information is not susceptible to summary, reasons must be submitted to this effect.

This rule applies to all parties and to all correspondence with and submissions to the Commission, which unless indicated to be confidential and filed together with a non-confidential version, will be placed on the public file and be made available to other interested parties.

If a party considers that any document of another party, on which that party is submitting representations, does not comply with the above rules and that such deficiency affects that party's ability to make meaningful representations, the details of the deficiency and the reasons why that party's rights are so affected must be submitted to the Commission in writing forthwith (and at the latest 14 days prior to the date on which that party's submission is due). Failure to do so timeously, will seriously hamper the proper administration of the investigation, and such party will not be able to subsequently claim an inability to make meaningful representations on the basis of the failure of such other party to meet the requirements.

ADDRESS

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: Trade Remedies I
International Trade Administration Commission
Block A - Room 405A
SABS Building
1 Dr Lategan Road
GROENKLOOF
PRETORIA
SOUTH AFRICA

Postal address

The Director: Trade Remedies
Private Bag X753
PRETORIA
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SOUTH AFRICA

PROCEDURES AND TIME LIMITS

All responses, including non-confidential copies of the responses, should be received by the Director: Trade Remedies I, not later than 30 days from the date hereof, or from the date on which the letter accompanying the abovementioned questionnaire was received. The said letter shall be deemed to have been received seven days after the day of its dispatch.

Late submissions will not be accepted except with the prior written consent of the Commission. The Commission will give due consideration to written requests for an extension of not more than 7 days on good cause shown (properly motivated and substantiated), if received prior to the expiry of the original 30-day period. Merely citing insufficient time is not an acceptable reason for extension. Please note that the Commission will not consider requests for extension by Embassies on behalf of exporters.

The information submitted by any party may need to be verified by the Investigating Officers in order for the Commission to take such information into consideration. The Commission 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 Commission. Parties should therefore ensure that the information submitted would subsequently be available for verification. It is planned to do the verification of the information submitted by the exporters within three to five weeks subsequent to submission of the information. This period will only be extended if it is not feasible for the Commission to do it within this time period or upon good cause shown, and with the prior written consent of the Commission, which should be requested at the time of the submission. It should be noted that unavailability of, or inconvenience to consultants will not be considered to be good cause. Parties should also ensure when they engage consultants that they will be available at the requisite times, to ensure compliance with the above time frames. Parties should also ensure that all the information requested in the applicable questionnaire is provided in the specified detail and format. The questionnaires are designed to ensure that the Commission is provided with all the information required to make a determination in accordance with the rules of Anti-Dumping Agreement. The Commission may therefore refuse to verify information that is incomplete or does not comply with the format in the questionnaire, unless the Commission has agreed in writing to a deviation from the required format. A failure to submit an adequate non-confidential version of the response that complies with the rules set out above under the heading "Confidential Information" will be regarded as an incomplete submission.

Parties who experience difficulty in furnishing the information required, or submitting in the format required, are therefore urged to make written applications to the Commission at an early stage for permission to deviate from the questionnaire or provide the information in an alternative format that can satisfy the Commission's requirements. The Commission will give due consideration to such a request on good cause shown.

Any interested party may request an oral hearing at any stage of the investigation in accordance with Section 5 of the ADR, provided that the party indicates reasons for not relying on written submission only. The Commission may refuse an oral hearing if granting such hearing will unduly delay the finalisation of a determination. Parties requesting an oral hearing shall provide the Commission with a detailed agenda for, and a detailed version, including a non-confidential version, of the information to be discussed at the oral hearing at the time of the request. Oral representations will be limited to one hour for SACU manufacturers and exporters and thirty minutes for importers.

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 Commission may disregard the information submitted and make a finding on the basis of the facts available to it.

Enquiries may be directed to the investigating officers, Mr Ephraim Mogashoa at telephone (012) 428-7734 and Mrs Selma Takács at (012) 428-7731.