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NOTICE 3273 OF 2000

BOARD ON TARIFFS AND TRADE

NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF ROPES AND CABLES, OF STRANDED WIRE OF IRON OR STEEL, EXCLUDING BRASS PLAITED TYRE REINFORCING CORD AND CONVEYER BELT CORD ORIGINATING IN OR IMPORTED FROM CHINA, GERMANY, INDIA, KOREA, SPAIN AND THE UNITED KINGDOM

The Board on Tariffs and Trade (the Board) received a petition alleging that ropes and cables, of stranded wire of iron or steel, excluding brass plaited tyre reinforcing cord and conveyer belt cord originating in or imported from China, Germany, India, Korea, Spain and the United Kingdom 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 Haggie Rand the domestic manufacturer of the product under investigation in the SACU. The Petitioner alleges that it cannot compete with the low prices charged by the importers and that the allegedly dumped products are causing material injury and/or a threat of material injury. The Petitioner submitted sufficient evidence and established a prima fade 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 stranded wire ropes, cables, plaited bands, slings and the like of iron or steel not electrically insulated, commonly identified or referred to as wire rope and cables, but excluding brass plaited reinforcing cord used in the manufacturing of tyres, conveyer belt cord, and single bronze bead wire, and classifiable under tariff subheadings, 73.12, 7312.10, 7312.10.15, 7312.10.20, 7312.10.25, 7312.10.40, 7312.10.90 and 7312.90, originating in or imported from China, Germany, India, Korea, Spain and the United Kingdom.

The investigation will cover the following products for the countries as specified in the table below.

| TARIFF SUBHEADING | DESCRIPTION | COUNTRIES |
|----------------------|---|--|
| 73.12 | Stranded wire, ropes, cables, plaited bands and the like, of iron or steel, not electrically insulated: | China, Germany, India, Korea, Spain and the UK |
| 7312.10 | Stranded wire, ropes and cables | China, Germany, India, Korea, Spain and the UK |
| 7312.10.16 | Stranded wire, of wire which is plated, coated or clad with tin | China, Germany, India, Korea, Spain and the UK |
| 7312.10.20 | Other stranded wire | China, Germany, India, Korea, Spain and the UK |
| 7312.10.25 | Ropes and cables, of wire which is plated, coated or clad with tin | China, Germany, India, Korea, Spain and the UK |
| 7312.10.40 | Ropes and cables, of wire which is plated, coated or clad with zinc | China, Germany, India, Korea, Spain and the UK |
| 7312.10.90 | Other | China, Germany, India, Korea, Spain and the UK |
| 7312.90 | Other | China, Germany, India, Korea, Spain and the UK |

THE ALLEGATION OF DUMPING

The allegation of dumping is based on the comparison between the normal value in and the export price from China, Germany, India, Korea, Spain and the United Kingdom. The normal values for Germany, India, Korea and the UK were based on cost build-ups for specific products calculated from international prices for materials used in these products, plus nett profits, fixed and overhead costs. The export prices were determined from

sales of like products to the first independent buyer in SACU back to the ex factory price in the country of origin or export. On this basis, the Board found that there was prima facie proof of dumping.

THE ALLEGATION OF MATERIAL INJURY (OR THREAT OF MATERIAL INJURY AND CAUSAL LINK

The Petitioner alleges and submitted sufficient evidence to show that there is price undercutting and that the imports in question are suppressing and depressing its selling prices. The Petitioner's information indicated a decline in sales, profit margins (to a loss situation), output, market share, productivity and capacity utilisation. It was also evident that the decrease in market share has been at the expense of a corresponding increase in the market share of the allegedly dumped goods. On this basis the Board found that there was prima facie proof of material injury (or threat of material injury) and causal link.

PERIOD OF INVESTIGATION

The period of investigation for purposes of determining the dumping margins in the respective exporting countries or countries of origin will be from 1 January 1999 to 31 December 1 999. The period of investigation for purposes of determining injury will be for the years 1996, 1997, 1998 and 1999 and for the periods 1 January to 31 December. If there are subsequent events that are relevant to injury the Board may later request and consider further, more recent information.

PROCEDURAL FRAMEWORK

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

In order to obtain the information H deems necessary for its investigation, the Board 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, 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 have been sent the relevant documents. 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:

- where confidential information has been omitted and the nature of such information;
- reasons for such confidentiality;
- a summary of the confidential information which permits a reasonable understanding of the substance of the confidential information; and
- 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 Board, 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 the above requirements regarding the submission of a non-confidential version of documents are not strictly adhered to, the Board might disregard the information so submitted.

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 Board 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: Dumping
Investigations
Room 1601
Fedlife Building
Corner of Church and
Prinsloo Streets
PRETORIA
SOUTH AFRICA

Postal address
The Director: Dumping
Investigations
Private Bag X753
PRETORIA
0001
SOUTH AFRICA

PROCEDURES AND TIME LIMITS

All responses, including non-confidential copies of the responses, should be received by the Director: Dumping Investigations not later than 30 days from the date hereof or from 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 day of its dispatch.

Late submissions will 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 (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 Board 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 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. 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 Board to do it within this time period or upon good cause shown, and with the prior written consent of the Board, 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 Board is provided with all the information required to make a determination in accordance with the rules of 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. (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 Board at an early stage for permission to deviate from the questionnaire or provide the information in an alternative format that can satisfy the Board's requirements. The Board will give due consideration to such a request on good cause shown.

Oral representations to the Board by any interested party may also be made on written request to the Board at least seven days prior to the expiry date of the original 30 days period to respond and by prior arrangement with the Directorate. Such oral representations must be made within the same period as the written representations, unless prior written consent of the Board has been obtained for the oral representations to be made at a later date, which shall in any event not be later than 14 days after the written representations have been submitted. 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 Board may disregard the information submitted and make provisional or final findings on the basis of the facts available to it.

Parties that have not responded or cooperated with the Board in the preliminary phase of the investigation and/or have not provided responses to the Board's questionnaires, must show good cause why the Board should consider any such responses or submissions. The Board reserves its right to disregard responses or submissions received from parties that did not cooperate during the preliminary phase of the investigation.

Enquiries may be directed to the investigating officers, Mr J Heukelman at telephone (012) 310-9817, e-mail address JanH@citi.pw.gov.za or Mr A Strydom at telephone (012) 310-9606, e-mail address AStrydom@dti.pwv.gov.za or Mr E Mogashoa at telephone (012) 310-9708, e-mail address Ephraim@dti.pwv.gov.za or Ms E Rakgole at (012) 310-9609, e-mail address ERakgole@dti.pwv.gov.za or fax at (012) 322-3279.

[BTT Ref. T5/2/151/2/6]

(22 September 2000)

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