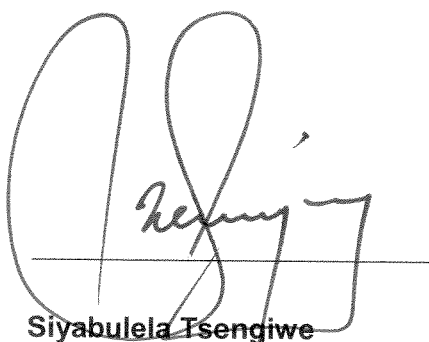


REPORT NO. 424

**APPLICATION FOR REMEDIAL ACTION AGAINST THE ALLEGED DUMPING OF
UNFRAMED MIRRORS, OF A THICKNESS OF 2MM OR MORE BUT NOT
EXCEEDING 6MM, ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S
REPUBLIC OF CHINA (PRC): PRELIMINARY DETERMINATION**

The international Trade Administration Commission of South Africa herewith presents its
**Report No. 424 APPLICATION FOR REMEDIAL ACTION AGAINST THE ALLEGED
DUMPING OF UNFRAMED MIRRORS, OF A THICKNESS OF 2MM OR MORE BUT NOT
EXCEEDING 6MM, ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA (PRC): PRELIMINARY DETERMINATION**

A large, stylized handwritten signature in black ink, appearing to read 'Siyabulela Tsengiwe', is written over a horizontal line.

Siyabulela Tsengiwe
CHIEF COMMISSIONER

21 / 02
..... / / 2013

APPLICATION FOR REMEDIAL ACTION AGAINST THE ALLEGED DUMPING OF UNFRAMED MIRRORS OF A THICKNESS OF 2MM OR MORE BUT NOT EXCEEDING 6MM, ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC): PRELIMINARY DETERMINATION

SYNOPSIS

On 02 November 2012, the International Trade Administration Commission of South Africa (the Commission) initiated an investigation into the alleged dumping of unframed mirrors, of a thickness of 2mm or more but not exceeding 6mm, originating in or imported from the PRC. Notice of initiation of the investigation was published in Notice No. 907 of Government Gazette No. 35831 dated 02 November 2012.

PFG Building Glass (Pty) Ltd, the only manufacturer of the subject product in the SACU, lodged the application.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that the subject product was being imported into the SACU at dumped prices, causing material injury to the SACU industry

Upon initiation of the investigation, the known producers/exporters of the subject product in the PRC and known importers of the subject product in the SACU were sent foreign manufacturers/exporters questionnaires and importers questionnaires respectively to complete. No responses to the Commission's exporters and importers questionnaires were received from any manufacturers/exporters of the subject product from the PRC and/or importers of the subject product in the SACU.

The Commission made a preliminary determination, based on best information available, being the information supplied by the applicant, that the subject product originating in or imported from the PRC was being imported into SACU at dumped prices, thereby causing material injury to the SACU industry. The Commission therefore made a preliminary determination based on facts available, in terms of Section 1 of the Anti-Dumping Regulation (ADR), as no responses were received.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation was conducted in accordance with the International Trade Administration Act, 2002, the International Trade Administration Commission of South Africa Anti-Dumping Regulations (ADR) and with due regard to the World Trade Organisation Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement).

1.2 APPLICANT

PFG Building Glass (Pty) Ltd, the only manufacturer of the subject product in the SACU, lodged the application.

1.3 DATE OF ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with Section 21 of the ADR on 22 October 2012. The trade representative in the PRC was advised accordingly.

1.4 THE ALLEGATION BY THE APPLICANT

The applicant alleged that imports of the subject product originating in or imported from the PRC were being dumped on the SACU market, causing material injury to the SACU industry. The basis of the allegation for dumping was that the goods were being exported to the SACU market at prices lower than the normal value in the country of origin.

The applicant alleged that as a result of dumping of the subject product from the PRC, the SACU industry was suffering material injury in the form of:

- Price undercutting;
- price suppression;
- decline in sales volumes;
- decline in sales value;
- decrease in profit;

- decline in output;
- decrease in market share;
- decrease in productivity;
- negative effects on growth; and
- negative effects on capacity utilization.

1.5 INVESTIGATION PROCESS

The Commission initiated an investigation into the alleged dumping of unframed mirrors, of a thickness of 2mm or more but not exceeding 6mm, originating in or imported from the PRC, pursuant to Notice No. 907 published in the Government Gazette no. 35831 dated 02 November 2012.

Prior to initiation of the investigation, the government representative of the country concerned was notified of the Commission's receipt of a properly documented application, in terms of Section 27.1 of the Anti-Dumping Regulations (ADR).

Upon initiation of the investigation, all known interested parties were informed and requested to respond to the questionnaires and the non-confidential version of the application. No responses were received.

1.6 INVESTIGATION PERIOD

The investigation period for dumping was from 01 May 2011 to 30 April 2012 and the injury information involves evaluation of data for the period 1 May 2009 to 30 April 2012.

1.7 PRELIMINARY DETERMINATION

The Commission made a preliminary determination that the subject product from the PRC was being imported to SACU at dumped prices, thereby causing material injury to the SACU industry, based on the facts available, in terms of section 1 of the ADR. Based on the above, the Commission decided to request the Commissioner of South African Revenue Service to impose provisional payments for a period of 26 weeks.

Comments submitted by interested parties on the preliminary determination (within a specified time period) will be considered by the Commission prior to making its final determination and recommendation to the Minister of Trade and Industry.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject products are described as unframed mirrors of a thickness of 2mm or more but not exceeding 6mm.

2.1.2 Country of origin/export

The subject product originates in or is imported from the PRC.

2.1.3 Tariff Classification

The subject product is classifiable as follows:

Table 2.1.3: Other applicable duties and rebates

Tariff subheading	Description		Customs Duty				Rebate Provision
			General	EU	EFTA	SADC	
7009	Glass mirrors, whether or not framed, including rear-view mirrors:						
7009.91	Unframed	Kg	15%	free	5.7%	free	None

Source: SARS

2.1.4 Negligibility test

The volume of dumped imports to the SACU shall be considered negligible if it accounts for less than 3 per cent of total imports of the subject during the period of investigation for dumping. The following table shows the alleged dumped imports as a percentage of the total imports:

Table 2.1.5: Import volumes

Tons	Import volumes (2011/2012)	Volume as % of total imports
Alleged dumped imports	2 179	71%
Other imports	909	29%
Total imports	3 088	100%

Imports of the subject product from the PRC constitute 71 per cent of the total imports of the subject product during the period of investigation for dumping.

The Commission made a preliminary determination that the imports from the PRC are above the negligibility level.

2.2 SACU PRODUCT

2.2.1 Description

The SACU products are described as unframed mirrors of a thickness of 2mm or more but not exceeding 6mm.

2.2.2 Tariff Classification

The subject product is classifiable under tariff subheading 7009.91.

2.2.3 Application/end use

General and for architectural, domestic and furniture applications.

Trade and mirror merchants.

2.2.4 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 the coat; application of top coat paint; and baking of the final layer. Further, depending on the specific application, the sheets as manufactured, could be further processed, e.g. Cut to smaller sizes for specific purposes such as architectural purposes, framing, and the furniture trade, drilling of mounting holes, bevelling of edges, and further polishing.

2.3 LIKE PRODUCTS ANALYSIS

In determining the likeness of products, the Commission uses the following criteria:

Table 2.3: Like product determination

	Imported product	SACU product
Raw materials	Silvering quality float glass, cleaning agent, tin chloride, palladium chloride, silver nitrate, silver reducer, passivator, base coat paint and top coat paint.	Silvering quality float glass, cleaning agent, tin chloride, palladium chloride, silver nitrate, silver reducer, passivator, base coat paint and top coat paint.
Physical characteristics and appearance	It has a reflective surface when viewed from the front and has a painted surface on the reverse (back) side. The product is supplied in a variety of standard stock sizes, cut-to-size sizes, and thickness, depending on the application.	It has a reflective surface when viewed from the front and has a painted surface on the reverse (back) side. The product is supplied in a variety of standard stock sizes, cut-to-size sizes, and thickness, depending on the application.
Tariff classification	7009.91	7009.91
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 the coat; application of top coat paint; and baking of the final layer. Further, depending on the specific application, the sheets as manufactured, could be further processed, e.g. Cut to smaller sizes for specific purposes such as architectural purposes, framing, and the furniture trade, drilling of mounting holes, bevelling of edges, and further polishing. The SACU import/export tariff description and classification are the same as there is only one tariff heading for unframed mirrors.	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 the coat; application of top coat paint; and baking of the final layer. Further, depending on the specific application, the sheets as manufactured, could be further processed, e.g. Cut to smaller sizes for specific purposes such as architectural purposes, framing, and the furniture trade, drilling of mounting holes, bevelling of edges, and further polishing.

	Imported product	SACU product
Application or end use	General and for the architectural; domestic and furniture applications. trade, mirror merchants	General trade, mirror merchants and for the architectural, domestic and furniture applications.
Substitutability	The SACU product and the imported product are fully substitutable.	The SACU product and the imported product are fully substitutable.
Any other factors proven to the satisfaction of the Commission to be relevant	N/A	N/A

After considering all the above factors, the Commission made a preliminary determination that the SACU product and the imported product are “like products”, for purposes of comparison.

3. INDUSTRY STANDING

The applicant is the only manufacturer of the subject product in the SACU.

The Commission made a preliminary determination that the application can be regarded as being made “by or on behalf of the domestic industry”.

4. DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the 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 per cent, it is regarded as *de minimis* in terms of the Anti-Dumping Regulations (ADR) and no anti-dumping duty will be imposed.

4.1 METHODOLOGY IN THIS INVESTIGATION

The Record of understanding between ITAC and the Bureau of Fair Trade for Imports and Exports (BOFT) of the Ministry of Commerce of the PRC provides that the PRC will be treated as a market economy for purposes of anti-dumping investigations. Where domestic selling price information in the PRC is not available, SACU industries are allowed to use alternative methods permitted by the WTO in determination of a normal value for the PRC. In this instance the normal value is based on sales in the domestic market of the PRC.

4.1.1 Normal Value

For purposes of the normal value determination, the Commission considered a price quotation for both stock sheets and cut to size mirrors, for all 2mm to 6mm thicknesses, obtained from a Chinese merchant company in the PRC. These prices were averaged and an average domestic selling price per ton was determined. The normal value was adjusted by 5 % for delivery cost and 5.3 % for finance cost. The ex-factory normal value was determined to be RMB 5 937.99 per ton.

4.1.2 Export price

Export price is defined in section 32(2) (a) of the International Trade Administration Act as the price actually paid or payable for goods sold for exports, net of all taxes, discounts and rebates actually granted and directly related to the sale under consideration.

For purposes of the export price determination, the Commission used the imports statistics obtained from SARS. In order to get the f.o.b export price to an ex-factory level, it was adjusted for terminal handling charge; carrier haulage service fee; container terminal order; internal local cartage; transport surcharge; transport to harbour; cargo dues; weighing and handling and finance cost to get to an ex-factory export price of RMB 3 872.04 per ton.

4.1.3 Margin of dumping

A dumping margin of 53.36%, when expressed as a percentage of ex-factory export price, was determined.

The Commission made a preliminary determination that the dumping of the subject product originating in or imported from the PRC was taking place.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to information submitted by PFG Building Glass (Pty) Ltd, the only producer of the subject product in the SACU market.

The Commission decided that this constitutes “a major proportion” of the total domestic production, in accordance with Section 7 of the Anti-Dumping Regulations.

5.2 IMPORT VOLUMES AND EFFECT ON PRICES

5.2.1 Import volumes

The following table shows the volume of the allegedly dumped imports of the subject product under tariff heading 7009.91 as obtained from the South African Revenues Service:

Tons	2009/2010	2010/2011	2011/2012
Alleged dumped imports	1 196	1 428	2 179
Other imports	1 527	1 266	909
Total imports	2 723	2 694	3 088
Alleged dumped imports %	44%	53%	71%
Other imports %	56%	47%	29%

The information in the table above indicates that the alleged dumped imports from the PRC increased from 44 per cent to 71 per cent.

5.2.2 Effect on Domestic Prices

Price undercutting

Price undercutting is the extent to which the price of the imported product is lower than the price of the like product produced by the SACU industry.

For purposes of the landed cost determination, the landed cost of R6 680 per ton was determined based on an F.O.B export price of R5 137 for the subject product. This price was adjusted by freight, insurance, terminal handling, container terminal order, cargo dues and customs clearance and applicable customs duty to arrive at a landed cost of R6 668.

Based on the above information, the price undercutting for the subject product was determined to be 2%.

The Commission made a preliminary determination that the imports of the subject product originating in or imported from the PRC undercuts the applicant's ex-factory selling prices.

Price depression

Price depression occurs when the SACU industry's ex-factory selling price decreases during the investigation period.

The table below shows the SACU industry's domestic selling prices:

R/Ton	2009/2010	2010/2011	2011/2012
Ex-factory price/unit	100	107	100

This table was indexed due to confidentiality using 2009/2010 as a base year.

The above table indicates that while the applicant's ex-factory price increased by 7 percentage points during the period from 2009/2010 to 2010/2011, and decreased by 7 percentage points during the period from 2010/2011 to 2011/2012, the applicant did not experience price depression during the period of investigation.

Price suppression

Price suppression is the extent to which increases in the cost of production of the product concerned, cannot be recovered in selling prices. It takes place when the cost-to-price ratio of SACU industry increases or when SACU industry sells at a loss during the period of investigation or part thereof.

The following table shows the applicant's costs of production and its actual selling prices for the subject product:

R/Ton	2009/2010	2010/2011	2011/2012
App's ex-factory selling price	100	107	100
Production cost	100	116	114
Cost as a percentage of selling price	100	109	115

The table was indexed due to confidentiality using 2009/2010 as a base year.

The above table indicates that the SACU industry experienced price suppression.

5.3 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE INDUSTRY

5.3.1 Actual and potential decline in sales

The following table shows the SACU sales volumes and values of the subject product for the period of investigation:

		2009/2010	2010/2011	2011/2012
SACU Sales Volumes	Tons	100	92	92
SACU Sales Values	R	100	99	93

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates that the applicant's sales volumes and sales values decreased by 8 percentage points and 7 percentage points respectively during the period of investigation.

5.3.2 Profit

The following table shows the applicant's profit situation:

		2009/2010	2010/2011	2011/2012
Applicant's units sold	Tons	100	92	92
Total Gross profit	Rand	100	82	67
Net Profit	Rand	100	76	55
Gross profit per Ton	R/Ton	100	89	72
Net Profit per Ton	R/Ton	100	82	60
Applicant's sales value	Rand	100	99	93
Gross Profit Margin	Rand	100	82	73

The table was indexed due to confidentiality using 2009/2010 as a base year.

The information in the above table indicates that the applicant's gross profit and net profit both decreased by 33 percentage points and 45 percentage points respectively during the period of investigation.

5.3.3 Output

The following table outlines the SACU industry's domestic production volume of the subject product:

Tons	2009/2010	2010/2011	2011/2012
SACU production	100	91	78
Total SACU production	100	91	78

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above shows that the applicant's production decreased by 22 percentage points during the period of investigation.

5.3.4 Market share

The following table shows the market share based on sales of the subject product:

Volumes (Tons)	2009/2010	2010/2011	2011/2012
Applicant's sales	100	92	92
Alleged dumped imports	100	119	182
Other imports	100	83	60
Total SACU market	100	94	98
Applicant share as a % of total market	100	99	95
Alleged dumped imports as a % of total market	100	127	191
Other imports as % of total market	100	87	60
Total SACU market	100	100	100

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates that the applicant's market share decreased by 5 percentage points during the period of investigation. The alleged dumped imports market share increased 91 percentage points while that of other countries decreased by 40 percentage points during the same period.

5.3.5 Productivity

The following table shows the applicant's production, employment and productivity per employee in respect of the subject product:

	2009/2010	2010/2011	2011/2012
Total production (Tons)	100	91	78
No. of employees(manufacturing)	100	100	100
Units per employee	100	91	78

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above shows that productivity decreased by 22 percentage points during the period of investigation.

5.3.6 Return on investment

Return on investment is normally regarded by the Commission as being the profit before interest and tax as a percentage of the net value of assets.

The following table shows the applicant's return on total net assets:

	2009/2010	2010/2011	2011/2012
Net profit (R)	100	76	55
Total net assets (R)	100	97	112
Return on net assets	100	78	49

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates that the applicant's return on net assets of the subject product decreased by 51 percentage points during the period of investigation.

5.3.7 Utilisation of production capacity

The following table provides the SACU industry's capacity and production for the subject product:

	2009/2010	2010/2011	2011/2012
Capacity (tons)	100	100	100
Actual production (tons)	100	91	78
Capacity utilisation %	100	88	77

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates that the applicant's capital utilisation for the subject product decreased by 23 percentage points during the period of investigation.

5.3.8 Factors affecting domestic prices

The applicant stated that there are no other known factors that could affect the domestic prices negatively.

5.3.9 The magnitude of the margin of dumping

The following margin of dumping was calculated:

Country of origin	Dumping margin as % ex-factory export price
PRC	53.36%

5.3.10 Actual and potential negative effects on cash flow

The following table reflects the SACU industry's cash flow situation:

Rands	2009/2010	2010/2011	2011/2012
Applicant's Cash flow: incoming	100	131	110
Applicant's Cash flow: outgoing	100	17	5
Applicants Net cash flow	Negative	*100	96
SACU Debtors value	100	77	96
Debtors: average days outstanding	100	86	87

The table was indexed due to confidentiality using 2009/2010 as a base year, except *.

The table above indicates that applicant's net cash flow for the subject product increased from a negative during 2009/2010. Using 2010/2011 as base year, the applicant's net cash flow decreased by 4 percentage points.

5.3.11 Inventories

The following table provides the SACU industry's inventories for the subject product:

	2009/2010	2010/2011	2011/2012
Inventory (tons)	100	84	57
Inventory (R)	100	92	65
Value per unit (R/Tons)	100	109	115

The table was indexed due to confidentiality using 2009/2010 as a base year.

The information in the table indicates that the applicant's inventory volumes and values decreased by 43 percentage points and 35 percentage points respectively during the period of investigation, and shows an increase of 15 percentage points on value per unit during the same period.

5.3.12 Employment

The following table provides the applicant's employment level:

	2009/2010	2010/2011	2011/2012
Labour units (production)	100	100	100
Labour units (SGA)	100	89	89
Total employment	100	94	94

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates that the number of employees decreased from 100 to 94 during the period of investigation. However, the number of employees directly involved in the production of the subject product remained constant over the same period.

5.3.13 Wages and Salaries

The following table provides the SACU industry's wages:

Rands	2009/2010	2010/2011	2011/2012
Total wages (Production)	100	112	104
Total wages (SGA)	100	92	100
Wages per employee (production)	100	112	104

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table shows that production wages and salaries slightly increased by 4 percentage points during the period of investigation while wages and salaries per employee increased with the same percentage during the same period.

5.3.14 Growth

The applicant provided the following information with regard to the growth of the market:

Ton's sold	2009/2010	2010/2011	2011/2012
Size of SACU market	100	94	93
Applicant's sales volumes	100	92	92
Indexed % growth from base year	100	92%	92%
Alleged dumped imports	100	119	182
Other imports	100	83	60
Indexed % growth from base year	100	83%	60%

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates that the applicant's growth rate decreased by 8 per cent while the alleged dumped imports' growth rate increased by 82 per cent during the period of investigation. The overall SACU market decreased by 7 per cent

5.3.15 Ability to raise capital or investments

The applicant provided the following information with regard to the SACU industry's ability to raise capital or investments:

Rand	2009/2010	2010/2011	2011/2012
Capital investment in subject product	100	97	112
Capital expenditure in subject product	100	754	583

The table was indexed due to confidentiality using 2009/2010 as a base year.

The table above indicates a 12 percentage points increase in the applicant's capital investment in the subject product during the period of investigation. The applicant's annual capital expenditure increased by 483 percentage points in the same period.

5.3.16 CONCLUSION - MATERIAL INJURY

In making a preliminary determination on material injury, the Commission considered that the applicant suffered material injury in the form of:

- Price undercutting;
- price suppression;
- decline in sales volumes;
- decline in sales value;
- decrease in profit;
- decline in output;
- decrease in market share;
- decrease in productivity;
- negative effects on growth; and
- negative effects on capacity utilization.

The Commission made a preliminary determination that the applicant, and therefore the SACU industry is suffering material injury.

7. CAUSAL LINK

7.1 GENERAL

In order for the Commission to impose provisional payments, it must be satisfied that there is sufficient evidence to indicate that the material injury experienced by the SACU industry is as a result of the dumping of the subject product.

7.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent of the increase of volume and the extent to which the market share of the domestic industry has decreased since the commencement of injury, with a corresponding increase in the market share of the alleged dumped product.

The following table compares the market share of the SACU industry with that of the alleged dumped imports:

Volumes -Tons	2009/2010	2010/2011	2011/2012
Total SACU market	10 526	9 887	10 304
Applicant share as a % of total market	100	99	95
Alleged dumped imports as a % of total market	11%	14%	21%
Other imports as % of total market	15%	13%	9%
Total SACU market	100%	100%	100%

The applicant's information in the table above was indexed due to confidentiality using 2009/2010 as a base year.

The following table shows the volume of imports:

Tons	2009/2010	2010/2011	2011/2012
Alleged dumped imports	1 196	1 428	2 179
Other imports	1 527	1 266	909
Total imports	2 723	2 694	3 088
Alleged dumped imports %	44%	53%	71%
Other imports %	56%	47%	29%

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects of the applicant:

Material injury indicators:

	Analysis (2009/2010 – 2011/2012)
Sales volume (tons)	decreased
Gross profit (R)	decreased
Output (tons)	decreased
Market share (alleged dumped)	increased
Market share (applicant)	decreased
Productivity (tons)	decreased
Return on investment	decreased
Utilisation of capacity	decreased
Inventories (R)	decreased
Employment(number of employees)	constant
Wages and Salaries (R)	increased
Applicant's Growth	decreased
Ability to raise capital (R)	increased

7.4 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

7.4.1 Examination of causality under Article 3.5

	Year		
	2009/2010	2010/2011	2011/2012
FOB prices of imports not sold at dumping prices (R/ton)	10 806	7 122	6 794
Volume of imports not sold at dumping priced (Tons)	1 527	1 266	909

7.4.2. Examination of causality under Section 16.5 Anti-Dumping Regulations

Contraction in demand	The applicant stated that as the world starts to emerge from the recent global recession, the SACU market has also started to increase again. The information in this submission shows that the SACU market for unframed mirrors contracted during the period of investigation.
Trade-restrictive practices of foreign and domestic producers	The Applicant stated that the application is in respect of the trade restrictive practise of dumping being practised by Chinese suppliers of mirrors to the SACU market.
Developments in technology	The applicant stated that there are none
Export performance of the domestic industry	The applicant stated that PFG is not exporting the subject product.
Productivity of the domestic industry	The Applicant stated that PFG Division's productivity is fully world competitive as evidenced by its exports of, for instance of automotive glass, nor does the mirror plant have any difficulty in competing in the SACU market with normally priced imported product. It stated that it cannot, however, reasonably be expected to compete with injuriously dumped mirror prices in the SACU or other markets.
Indicate any other factors affecting the SACU prices	None

7.5 CONCLUSION - CAUSAL LINK

The information above indicates that volumes of alleged dumped imports in the SACU market increased by 82 per cent during the period of investigation and constitutes 71 per cent of the total imports of the subject product into the SACU market during the same period; the market share of the alleged dumped imports increased during the period of investigation, whereas the applicant's market share declined during the same period; the magnitude of the margin of dumping was determined to be 53.36 per cent; and the prices and volumes of undumped imports available in the SACU market both decreased during the period of investigation.

It was also established that there are no other factors, other than the alleged dumped imports, that detracted from the causal link between dumping of the subject product and the material injury suffered by the applicant.

The Commission considered the above factors and made a preliminary determination that there is a causal link between the alleged dumped imports of the subject product originating in or imported from the PRC and the material injury suffered by the SACU industry.

8. SUMMARY OF FINDING

8.1 Dumping

The Commission found that the subject product originating in or imported from the PRC was being dumped into the SACU market at a margin of 53.36 %.

8.2 Material Injury

The Commission found that the applicant was suffering material injury in the form of:

- Price undercutting;
- price suppression;
- decline in sales volumes;
- decline in sales value;
- decrease in profit;
- decline in output;
- decrease in market share;
- decrease in productivity;
- negative effects on growth; and
- negative effects on capacity utilization.

8.3 Causal Link

The Commission found that a causal link between the alleged dumped imports of the subject product originating in or imported from the PRC and the material injury suffered by the SACU industry exists.

9. PROVISIONAL PAYMENTS

9.1 Lesser duty

The lesser duty rule means the provisional payment or anti-dumping duty is imposed at the lesser of the margin of dumping or the margin of injury, which is deemed to be sufficient to remove the injury caused by the dumping.

The Commission considered the lesser duty rule and decided not to apply it since no interested parties responded to the Commission's questionnaires.

9.2 Provisional Payments

The provisional payment for unframed mirrors was therefore determined as follows:

Table 9.1: Provisional payment

Product	Tariff subheading	Provisional payment
Unframed mirrors, of a thickness of 2mm or more but not exceeding 6mm, originating in or imported from the People's Republic of China	7009.91	40.22%

10. DETERMINATION

The Commission made a preliminary determination that:

- dumping of unframed mirrors originating in or imported from the PRC is taking place;
- the applicant and therefore the SACU industry is experiencing material injury; and
- a causal link between the dumping of the subject product originating in or imported from the PRC and the material injury suffered by the SACU industry exists.

Since no responses received by the Commission from interested parties, the Commission therefore made a preliminary determination that provisional payments against all producers and or exporters of unframed mirrors, of a thickness of 2mm or more but not exceeding 6mm in the PRC, be imposed as per table 9.1 of this report.

Interested parties will be invited to submit comments and make representations on the preliminary determination within the specified time periods, which the Commission will consider prior to making its final determination and recommendation to the Minister of Trade and Industry.