


REPORT NO. 365

**SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON PAPER
INSULATED LEAD COVERED ELECTRIC CABLES ORIGINATING IN
OR IMPORTED FROM INDIA: FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents
its Report No. 365: **SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON PAPER
INSULATED LEAD COVERED ELECTRIC CABLES ORIGINATING IN OR
IMPORTED FROM INDIA: FINAL DETERMINATION**



.....
Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA
14/03/2011

1. APPLICATION AND PROCEDURE

- 1.1 This investigation is conducted in accordance with the International Trade Administration Commission Act, 2002, (the ITA Act) and the International Trade Administration Commission of South Africa Anti-Dumping Regulations (ADR).
- 1.2 ITS Trade (Pty) Ltd lodged the application on behalf of the Association of Electric Cable Manufacturers of South Africa (AECMSA), the industry association of electric cables manufacturers in the SACU. The application was supported by the only two SACU manufacturers of paper insulated lead covered electric cables, namely Aberdare Cables (Pty) Ltd and CBI-electric: African Cables. The producer that provided injury information was Aberdare Cables (Pty) Ltd.
- 1.3 On 26 June 2009, the Commission notified interested parties through Notice No. 902 in *Government Gazette* No.32333 that, unless a substantiated request is made indicating that the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India would likely lead to the continuation or recurrence of dumping and continuation or recurrence of material injury, the anti-dumping duty on paper insulated lead covered electric cables would expire on 10 November 2010.
- 1.4 A response to the sunset review application questionnaire was received from the Applicant on 29 June 2010. The information submitted by the Applicant was verified on 29 July 2010 and a verification report was subsequently sent to the Applicant on 02 August 2010. A properly documented application was, however, only received on 12 October 2010.

- 1.5 The Commission initiated a sunset review investigation pursuant to Notice No. 999 of 2010 in Government Gazette No. 33654, published on 22 October 2010. All known interested parties were notified of the initiation of the investigation on 22 October 2010.
- 1.6 The submission contained information regarding dumping for the period 01 March 2009 to 28 February 2010, and information regarding injury for the period 01 March 2007 to 28 February 2010.
- 1.7 No responses to the initiation of the investigation were received from any of the interested parties by the deadline of 29 November 2010.
- 1.8 The Commission subsequently issued essential facts letters indicating that it was considering making a final determination that the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India would likely lead to the recurrence of dumping and to the recurrence of material injury.
- 1.9 No comments or responses to the essential facts letter were received from any interested parties by the deadline of 04 February 2011.
- 1.10 After considering the best information available, the Commission made a final determination that the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India would likely lead to the recurrence of dumping and to the recurrence of material injury.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

Paper insulated lead covered electric cables.

2.1.2 Tariff classification

The SACU product is classifiable under the following tariff subheading:

Tariff Sub-heading	Description
8544.60	Other electric conductors, for a voltage exceeding 1 000V
8544.60.10	Paper insulated

The Table below illustrates the tariff structure of tariff subheading 8544.60.

Tariff Sub-Heading	Description	Statistical unit	Rate of Duty			
			General	EU	EFTA	SADC
8544.60	Other electric conductors, for a voltage exceeding 1 000V					
8544.60.10	Paper insulated	kg	15%	1.95%	7.5%	free
8544.60.20	Plastic insulated	kg	15%	1.95%	7.5%	free
8544.60.30	Rubber insulated	kg	15%	1.95%	7.5%	free
8544.60.90	Other	kg	15%	1.95%	7.5%	free

The following anti-dumping duty is applicable on paper insulated lead covered electric cables classifiable under tariff subheading 8544.60, originating in or imported from India:

Tariff Sub-heading	Description	Imported from or originating in	Rate of Anti-Dumping duty
8544.60	Electric Cable (Excluding ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships and co-axial cable), insulated with paper and covered with lead, for a voltage exceeding 1 000V	India	65.47%

2.1.3 Production Process

According to the information provided by the Applicant, paper insulated lead covered electric cables are manufactured, in accordance with the SANS 97, using the following process:

- Paper tapes, made from high-grade wood-pulp, are lapped helically or spirally around the conductors to form a compact and smooth covering that serve as insulation. The thickness of the paper insulation is dependent on the cable voltage.
- The paper insulation is put in a vacuum compound to remove and dry moisture absorbed from the atmosphere. The insulation is thereafter impregnated with a stable electrical grade non-draining compound which has a drop point greater than 80°C, which means that the impregnation will not migrate under normal operating conditions or when installed on gradients.
- A lead extruder is then used to apply an extruded seamless sheath of lead or lead alloy to protect the impregnated paper insulation from contact with water during its useful life. Lead alloy E is mostly preferred to pure lead in circumstances of mechanical stress (i.e. mechanical vibration that occur on bridge crossings or near railway tracks) as it does not fail by cracking.
- A bedding of bitumen-impregnated paper and fibrous material or an extruded plastic layer is applied to the lead covering to prevent the lead from being deformed by the armouring. An armouring of steel wire or double steel tape is then applied to give the cable full mechanical protection.
- Finally, bitumised fibrous material or extruded plastic is applied over the armour.
- The complete insulated cable is moved to the testing stage.

2.1.4 Like Product Decision

In the original and previous sunset review investigations, the Commission decided that the SACU product and the imported product are “like products”, for purposes of comparison in terms of the definition of “like product” in Section 1 of the ADR.

The Commission in this investigation decided that the SACU product and the imported product from India are “like products”, for purposes of comparison in terms of the definition of ‘like product’ in Section 1 of the ADR.

3. INDUSTRY STANDING

3.1 INDUSTRY STANDING

The information submitted by the Applicant indicated that Aberdare Cables (Pty) Ltd's production volume constitutes approximately 63 percent of the total SACU production volume. The application was also supported by CBI-Electric: African Cables, holding approximately 37 percent of the remaining SACU production. The Commission therefore decided that the application can be regarded as being made "by or on behalf of the domestic industry".

4. DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION

4.1.1 Normal value

The Commission based its determination of the normal value on the best information available, which is the information submitted by the Applicant.

Calculation of normal value

The normal value was constructed using the production cost and adding a reasonable addition for selling and administration costs and profit, as previously done in the original and previous sunset review investigations.

4.1.2 Export price

The Commission based its final determination on the best information available, which is the information submitted by the Applicant.

Calculation of the export price

Since no imports of paper insulated lead covered electric cables originating in or exported from India took place subsequent to the imposition of the anti-dumping duty, the export price was therefore determined by utilising the tender price, as per the previous sunset review, and applying a percentage increase in the London Metal Exchange raw material prices.

4.1.3 Dumping margin

The dumping margin for India was calculated to be 106.11%.

4.3 SUMMARY

Based on the best information available, the Commission made a final determination that the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India would likely lead to the recurrence of dumping.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to Aberdare Cables (Pty) Ltd, which holds approximately 63% of the total domestic production of paper insulated lead covered electric cables.

The Commission made a final determination that Aberdare Cable (Pty) Ltd constitutes “a major proportion” of the total domestic production, in accordance with Section 7 of the ADR.

5.2 IMPORT VOLUMES AND EFFECT ON PRICES

Import volumes:

Country	2007/8 (Kg)	Imports as a % of total of imports	2008/9 (Kg)	Imports as a % of total of imports	2009/10 (Kg)	Imports as a % of total of imports
Imports: India	0	0 %	0	0%	0	0%
Other imports	0	0%	0	0%	24 405	100%
Total	0	0%	0	0%	24 405	100%

Effect on prices:

	2007/8	2008/9	2009/10	Estimate if duty expires 2010/11
Price depression - Applicant's selling prices in actual values (R/Kg)	100	117	103	103
Price undercutting as a % of the Applicant's selling price: - India	No undercutting	No undercutting	No undercutting	50
Cost as a % of the selling price	100	122	110	126

This table was indexed due to confidentiality.

5.3 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE INDUSTRY

Material injury indicators	2007/8	2008/9	2009/10	2010/11 Est.
Applicant's Sales Volumes in the SACU (kg'000)	100.0	80.0	54.0	37.0
Profit margin (R'mil)	100.0	85.0	46.0	20.0
Output (Kg'000)	100.0	76.0	50.0	35.0
Market share – volume: Applicant (%)	100.0	103.0	92.0	66.0
Market share other SACU (%)	100.0	93.0	116.0	83.0
*Market share of other imports (%)	No imports	No imports	0.4	0.4
Market share of alleged dumped imports: India (%)	No imports	No imports	No imports	27.0
Productivity (Kg'000)	100.0	76.0	50.0	35.0
Return on total net assets (%)	100.0	28.0	21.0	15
Capacity utilization (%)	100.0	76.0	50.0	35.0
Inventories (Kg'000)	100.0	45.0	23.0	16.0
Employment	100.0	81.0	77.0	77.0
Gross Wages per production worker (R'000)	100.0	91.0	78.0	78.0
Magnitude of the margin of dumping (%): - India			106.1%	

This table was indexed due to confidentiality.

5.4 CONCLUSION – CONTINUATION OR RECURRENCE OF MATERIAL INJURY

The Commission made a final determination that the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India, 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 recurrence of dumping.

6.2 Continuation or Recurrence of Material Injury

Based on the best 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.

7. RECOMMENDATION

The Commission made a final determination that:

- the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India would likely lead to the recurrence of dumping, and
- the expiry of the anti-dumping duty on paper insulated lead covered electric cables originating in or imported from India would likely lead to the recurrence of material injury.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the existing anti-dumping duty on paper insulated lead covered electric cables originating from India be maintained as follows:

Tariff Sub-heading	Description	Imported from or originating in	Rate of Anti-Dumping duty
8544.60	Electric Cable (Excluding ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships and co-axial cable), insulated with paper and covered with lead, for a voltage exceeding 1 000V	India	65.47%

The level of the current anti-dumping duty is adequate to protect the SACU industry from injurious dumping, as there have been no imports from India since its imposition.