

## **Report No. 154**

# **Investigation into the alleged dumping of polyethylene terephthalate (PET) originating in or imported from the People's Republic of China, India, Indonesia, South Korea, Chinese Taipei and Thailand: Final determination**

The International Trade Administration Commission herewith presents its **Report No. 154: INVESTIGATION INTO THE ALLEGED DUMPING OF POLYETHYLENE TEREPHTHALATE (PET) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, INDIA, INDONESIA, SOUTH KOREA, CHINESE TAIPEI AND THAILAND: FINAL DETERMINATION**



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**Ms Nomonde Maimela**  
**CHIEF COMMISSIONER**

**PRETORIA**

09/02/ 2006

# **INVESTIGATION INTO THE ALLEGED DUMPING OF POLYETHYLENE TEREPHTHALATE (PET) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, INDIA, INDONESIA, SOUTH KOREA, CHINESE TAIPEI AND THAILAND: FINAL DETERMINATION**

## **SYNOPSIS**

On 8 April 2005, the International Trade Administration Commission (the Commission) formally initiated an investigation into the alleged dumping of polyethylene terephthalate (PET) originating in or imported from the People's Republic of China (PRC), India, Indonesia, South Korea, Chinese Taipei and Thailand. Notice of the initiation of the investigation was published in Notice No. 490 of *Government Gazette* No. 27434, on 8 April 2005. The application was lodged on behalf of the Southern African Customs Union (SACU) industry by SANS Fibres (Pty) Ltd and Horsaf Fibres, who claimed that the alleged dumped imports were causing them material injury and/or a threat of material injury. The application was supported by more than 50 per cent of the SACU industry.

The investigation was initiated after the Commission considered that there was sufficient evidence to show that the subject product was being imported at dumped prices, causing material injury and/ or a threat of material injury to the SACU industry.

On initiation of the investigation, known producers and exporters of the subject product in the PRC, India, Indonesia, South Korea, Chinese Taipei and Thailand were sent foreign manufacturers/exporters questionnaires to complete. Importers of the subject product were also sent questionnaires to complete.

The Commission made a preliminary determination that the subject product originating in or imported from the PRC, India, Indonesia (with the exception of PT SK Keris), South Korea, Chinese Taipei and Thailand, was being dumped on the SACU market, thereby causing material injury and a threat of material injury to the SACU industry. The Commission, however, also found that the volumes of allegedly dumped imports from the PRC, Thailand and Indonesia were negligible and therefore made a preliminary determination to recommend that the investigation against these countries be

terminated. The Commission also decided to request the Commissioner for South African Revenue Service (SARS) to impose provisional payments on imports of the subject product originating in or imported from India, South Korea and Chinese Taipei, in order to prevent further injury to the SACU industry during the finalisation of the investigation. The provisional payments were imposed pursuant to Notice No. R. 993 which was published in Government Gazette No. 28114 on 7 October 2005. The Commission's detailed reasons for its decision were set out in the Commission's Preliminary Report No. 134.

After considering all parties' comments and representations in respect of the preliminary report, the Commission made a final determination to confirm its preliminary findings.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the investigation against the PRC, Thailand and Indonesia be terminated and that the following definitive anti-dumping duties be imposed:

<b>Country</b>	<b>Rate of final anti-dumping duty</b>
India	54.1%
South Korea	19.7%
Chinese Taipei	75%

## **1. APPLICATION AND PROCEDURE**

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### **1.1 LEGAL FRAMEWORK**

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

### **1.2 APPLICANT**

The application was lodged by International Trade Services on behalf of SANS Fibres (Pty) Ltd and Horsaf Fibres (hereafter referred to as the Applicant), being the only manufacturers of the subject product in the SACU.

### **1.3 ALLEGATIONS BY THE APPLICANT**

The Applicant alleged that imports of the subject product, originating in or imported from the PRC, India, Indonesia, South Korea, Chinese Taipei and Thailand are being dumped on the SACU market, thereby causing material injury to the SACU industry. The basis of the alleged dumping is that the goods are being exported to the SACU at prices less than the normal value in the countries of origin.

The Applicant alleged that as a result of the dumping of the subject product from the PRC, India, Indonesia, South Korea, Chinese Taipei and Thailand, the SACU industry is suffering material injury in the form of:

- price undercutting;
- price depression;
- price suppression;
- decline in profit margins;

decline in return on investment;  
negative effect on cash flow;  
negative effect on growth;  
decline in capacity utilization; and  
employment.

The Applicant also provided information regarding a threat of injury.

#### **1.4 INVESTIGATION PROCESS**

The information submitted by the Applicant was verified from 1 to 4 February 2005.

The application was accepted by the Commission as being properly documented in accordance with Article 5.2 of the Anti-Dumping Agreement, on 23 March 2005. The trade representatives of the respective countries were advised accordingly.

Notice of initiation of the investigation was published in Government Gazette No. 27434, by Notice No.490 of 8 April 2005.

The responding importers' information was verified on 23, 24 and 27 June 2005 and 19 July 2005.

The only responding exporter's information was verified in the week of 4 July 2005.

#### **1.5 INVESTIGATION PERIOD**

The investigation period for the alleged dumping is 1 January to 31 December 2004. The injury investigation involved the evaluation of data for the period 1 January 2001 to 31 August 2004. The information for the period 1 January 2004 to 31 August 2004 was extrapolated for the full year up to 31 December 2004.

## **1.6 PARTIES CONCERNED**

### **1.6.1 SACU industry**

The SACU industry consists of two producers of the subject product, namely, SANS Fibres (Pty) Ltd and Hosaf Fibres (Pty) Ltd (the Applicant) who submitted the information contained in this submission.

### **1.6.2 Exporters/Foreign Manufacturers**

The following exporters/manufacturers were identified and sent exporter's questionnaires:

- (a) Reliance Industries Ltd, India;
- (b) Aspet, India;
- (c) Futura Polymers Ltd, India;
- (d) Elque Polymers, India;
- (e) Indorama, Indonesia;
- (f) Sinpoec Yizheng Chemical Fibre, the PRC;
- (g) Changzhou Worldbest Radici, the PRC;
- (h) Asia Pet Ltd ,Thailand;
- (i) Indorama, Thailand;
- (j) Tuntex Ltd, Thailand
- (k) Shinkonk Synthetic Fibres, Chinese Taipei;
- (l) SK Chemicals, Korea;
- (m) Kihap, Korea; and
- (n) Huvis, Korea.

The only exporter to respond in full to the questionnaire was PT SK Keris of Indonesia.

### **1.6.3 Importers**

The following SACU importers were identified and sent importer's questionnaires:

- (a) OPED
- (b) Amalgamated Beverage Ind;
- (c) Thermopac;
- (d) Boxmore Plastics Int;
- (e) Nampak Liquid; and
- (f) Polyoak.

Responses to the importer's questionnaire were received from:

- (a) Bakers Attorneys on behalf of Amalgamated Beverage Ind;
- (b) Thermopac;
- (c) Polyoak;
- (d) Nampak Liquid;
- (e) Zactics and
- (f) Webber Wentzel Bowens (WWB) on behalf of the Plastic Converters Association of which (b), (c), (d) and (e) are members.



## 2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

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### 2.1 IMPORTED PRODUCTS

#### 2.1.1 Description

The product subject to this investigation is polyethylene terephthalate (PET), bottle-grade resin having an intrinsic viscosity (IV) of greater than 0.68 decilitres per gram.

- <i>Scientific name</i>	Polyethylene Terephthalate.
- <i>Common name and</i>	PET chip/resin.

#### 2.1.2 Country of origin/export

The subject product is exported from the PRC, India, Indonesia, South Korea, Chinese Taipei and Thailand.

#### 2.1.3 Application/end use

The imported subject product is used in the manufacturing of a variety of containers for products such as soft drinks, cordials, energy drinks, cooking oils, cosmetics, detergents, bottled water and biscuits. It is also used as sheet for cakes, domes, fruit and vegetable packaging and convenience items.

#### 2.1.4 Tariff classification

The subject product is classifiable as follows:

Table 2.1.4

Tariff	Description	Duty		
		Gen	EU	SADC
3907	<b>Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms</b>			
3907.60	Poly (ethylene terephthalate)			
3907.60.10	- Liquids and pastes	Free	Free	Free
<b>3907.60.90</b>	- <b>Other</b>	<b>10%</b>	<b>10%</b>	<b>Free</b>

The general rate of duty applicable on imports is 10 per cent. No customs duty is applicable on imports of the product from the Southern Africa Developing Community (SADC).

The current World Trade Organisation (WTO) binding rate of the products concerned is 15 per cent. The existing customs duty is below the binding rate.

### 2.1.7 Production process

The products are manufactured using polymerisation followed by a secondary process called solid state polymerisation (SSP).

### 2.1.8 Import Statistics

The import statistics, as contained in paragraph 5.3.1 of this report, indicate the volume of the dumped imports. The imports from the PRC accounted for 1.9 per cent of total imports, India 48.0 per cent, Indonesia 24.7 per cent, South Korea 4.4 per cent, Chinese Taipei 10.6 per cent and Thailand 3.3 per cent.

## **2.2 SACU PRODUCT**

### **2.2.1 Description**

The product subject to this investigation is polyethylene terephthalate (PET), bottle-grade resin having an intrinsic viscosity (IV) of greater than 0.68 decilitres per gram.

- |                          |                             |
|--------------------------|-----------------------------|
| - <i>Scientific name</i> | Polyethylene Terephthalate. |
| - <i>Common name and</i> | PET chip/resin.             |

### **2.2.2 Application/end use**

The SACU PET is used in the manufacturing of a variety of containers for products such as soft drinks, cordials, energy drinks, cooking oils, cosmetics, detergents, bottled water and biscuits. It is also used as sheet for cakes, domes, fruit and vegetable packaging and convenience items.

### **2.2.3 Tariff classification**

The SACU product is classifiable under tariff subheading 3907.60.90.

### **2.2.4 Production process**

The SACU products are manufactured using polymerisation followed by a secondary process called solid state polymerisation (SSP).

## **2.3 LIKE PRODUCTS**

### **2.3.1 General**

In order to establish the existence and extent of injury to the SACU industry, it is necessary to determine whether the products produced by the SACU industry are like products to those originating in or imported from the PRC,

India, Indonesia, South Korea, Chinese Taipei and Thailand.

### **2.3.2 Analysis**

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

- (a) raw material used;
- (b) physical appearance and characteristics;
- (c) tariff classification;
- (d) method of manufacturing; and
- (e) customer demand and end use.

#### **(a) Raw material**

The raw materials for both the imported and the SACU product are the same. The raw materials are:

- Mono Ethylene Glycol (MEG) and
- Pure terephthalic acid (PTA).

#### **(b) Physical appearance and characteristics**

The imported product is the same in appearance as the SACU product (white plastic chip).

#### **(c) Tariff classification**

As indicated above, the products produced in the SACU and those imported, are classifiable under the same tariff subheading, namely tariff subheading 3907.60.90.

#### **(d) Method of manufacturing**

As stated above, the imported and the SACU products are

manufactured using the same method. Base polymerisation followed by a secondary process called solid state polymerisation (SSP).

**(e) Customer demand and end-use**

Both the SACU product and the imported product are used by the packaging industry to make PET bottles and other containers.

The Commission considered all comments that were submitted by interested parties regarding “like product”. These comments are available in the public file.

Taking the above into consideration, the Commission found that the SACU product and the imported products are “like products”, for purposes of comparison in this investigation, in terms of Article 2.6 of the Anti-Dumping Agreement.

### 3. SACU INDUSTRY

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#### 3.1 INDUSTRY STANDING

<b>Industry Standing</b> (Total domestic production of like goods for the 12 months proceeding the lodging of the application)			
Producer	Production volume- Support application	Production volume- Oppose application	Production volume- Neutral
Hosaf	30.5%*		
SANS	69.5%*		
Other producers	0	0	0
Total SACU	100%		

**\* The 2004 figures for 8 months for total production of Hosaf and SANS respectively were extrapolated.**

The Applicants are the only manufacturers of the product in the SACU. The application is therefore supported by 100 per cent of the SACU industry.

The Commission found that the application was made “by or on behalf of the domestic industry” under the relevant provisions of the Anti-Dumping Agreement.

## **4. DUMPING**

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### **4.1 METHODOLOGY IN THIS INVESTIGATION FOR THE PRC**

#### **4.1.1 Type of economy**

The Applicant provided a normal value for the PRC based on a published price (normal value) in the PRC, as well as a normal value for the PRC based on a published price in a third country.

The Applicant obtained the price from an international publication (Reed Business Information Ltd, ICIS-LOR). As no response was received from any exporter, the published price for the PRC was the best information available.

#### **4.1.2 The normal value based on the published price**

The Commission decided during the preliminary determination that the normal value to be used is the published price provided in the PRC. The Applicant obtained the price from an international publication (Reed Business Information Ltd, ICIS-LOR). As no response was received from any exporter, this was the best information available.

The normal value before adjustments was CNY 10.40/kg.

#### **Adjustments to normal values**

The normal value was adjusted with the domestic delivery costs of CNY 0.21/kg.

#### **Ex-factory domestic price**

An ex-factory price using the normal value in the PRC of CNY 10.19/kg

was calculated.

#### **4.1.3 Export price**

The export price was calculated using the import statistics obtained from the South African Revenue Services (SARS). The export price was calculated at CNY 7.79/kg.

#### **Adjustments to the export price**

The export price was adjusted with the transport and harbour fees, which was calculated to be CNY 0.08/kg.

#### **Ex-factory export price**

An ex-factory export price of CNY 7.71/kg was calculated.

#### **4.1.4 Margin of dumping**

The following dumping margin was calculated for the PRC:

**Table 4.1.4**

Normal value PRC (CNY/kg)	10.40
Less adjustment (delivery costs)	0.21
Adjusted normal value	10.19
Adjusted Export price	7.71
Margin of dumping	2.48
Margin of dumping expressed as a percentage of the invoiced or constructed export price	31.8%



## **4.2 METHODOLOGY IN THIS INVESTIGATION FOR INDIA**

### **4.2.1 Type of economy**

India is considered to be a country with a free market economy and therefore the definition of section 32 (2) (b) (i) of the ITA Act applies.

Paragraph 23.2 of the Anti-dumping Regulations states *“For purposes of subsection 1 an invoice indicating the price, quotes for domestic sales of like product, price lists, international publications or any other reasonable proof of such domestic price shall be considered”*.

### **4.2.2 Normal value based on published prices**

The price (normal value) was obtained from an international publication by Reed Business Information Ltd, ICISLOR. As no response was received from any exporter, this was the best information available.

The normal value before adjustments was Rupee 60.40/kg.

#### **Adjustments to normal value**

The normal value was adjusted with the domestic delivery cost and the adjustment was Rupee 0.60/kg.

#### **Ex-factory domestic price**

An ex-factory price of Indian Rupees 59.81/kg was calculated.

### **4.2.3 Export price**

The export price was calculated using the import statistics obtained from the South African Revenue Services (SARS). This information was supported by import documentation received from an importer. The weighted average

export price was Rupees 39.07/kg.

#### **Adjustments to the export price**

The export price was adjusted by the transport and harbour fees, which was calculated to be Rupees 0.39/kg.

#### **Ex-factory export price**

An ex factory export price of Indian Rupees 38.68/kg was calculated.

#### **4.2.4 Margin of dumping**

The following dumping margin for India was calculated:

**Table 4.2.4 India**

Normal value (Indian Rupee per kilogram)	60.41
Less adjustments	0.60
Adjusted normal value	59.81
Adjusted Export price	38.68
Margin of dumping	21.13
Margin of dumping expressed as a percentage of the invoiced or constructed export price	54.08%

### **4.3 METHODOLOGY IN THIS INVESTIGATION FOR INDONESIA**

#### **4.3.1 Type of economy**

Indonesia is considered to be a country with a free market economy and therefore the definition of section 32 (2) (b) (i) of the ITA Act applies.

PT SK Keris of Indonesia, was the only exporter to respond to the questionnaire.

#### **4.3.2 Normal value PT SK Keris Indonesia**

The normal value was calculated as a weighted average price from the domestic sales for the equivalent grades exported to SACU, during the year 2004.

##### **Adjustments to the normal value of PT SK Keris**

##### **Transport cost PT SK Keris**

The transport cost/kg was calculated by dividing the total cost paid to contractors for delivering PET to specific clients in Indonesia, by the total domestic sales volume of PET.

##### **Credit cost PT SK Keris**

The credit terms were calculated on PT SK Keris's short term interest rate paid. The total interest was divided by the total domestic sales volume to obtain a unit cost.

##### **Packing cost PT SK Keris**

An adjustment for packing was made which was the same for the export price since the same packing was used.

##### **Normal value of PT SK Keris after adjustments**

The normal value for PT SK Keris after adjustments was calculated.

#### **4.3.3 Export price of PT SK Keris**

The weighted average export price to SACU before adjustments was calculated.

## **Adjustments to the export price of PT SK Keris**

### **Delivery cost and wharfage**

The delivery and wharfage cost per unit was calculated by dividing the total cost paid by the total export sales volume of PET.

### **Packing costs**

An adjustment for packing was made which was the same for the normal value since the same packing was used.

### **Credit expenses**

The cost of credit was calculated on PT SK Keris's short term interest paid. The total interest was divided by the total export sales volume to obtain a unit cost.

### **Commission**

The total commission paid to PT SK Keris's SACU agent, SALINK, was subtracted from the total value of the exports.

### **Export price of after adjustments**

The export price for PT SK Keris after adjustments was calculated.

#### **4.3.4 Dumping margin calculated for PT SK Keris Indonesia**

The dumping margin was calculated by subtracting the adjusted export price from the adjusted normal value and the difference expressed as a percentage of the f.o.b. export price. The margin of dumping in respect of the subject product exported by PT SK Keris was found to be minus 6.3 per cent.

#### **4.4 Residual duty for the remaining exporters from Indonesia**

##### **4.4.1 Normal value**

There are three other known producers of PET in Indonesia. The normal value was obtained from an international publication by Reed Business Information Ltd, ICIS-LOR. The price obtained was Indonesian Rupiah 9 063.46/kg.

##### **Adjustment to normal values**

The normal value was adjusted with the domestic delivery cost and was calculated at Indonesian Rupiah 181.27/kg.

##### **Ex-factory Domestic Prices**

An ex-factory price of Indonesian Rupiah 8 882.19/kg was calculated.

##### **4.4.2 Export prices**

The export price was calculated from a weighted average price from export sales to SACU using the import statistics obtained from South African Revenue Services (SARS). The price obtained was Indonesian Rupiah 7 791/kg.

##### **Adjustments to the export price**

An adjustment was made to the export price for transport and harbour fees. This adjustment came to Indonesian Rupiah 78/kg.

##### **Ex-factory export price**

An ex-factory export price of Indonesian Rupiah 7 713/kg was calculated.

#### **4.4.3 Margin of dumping**

The following dumping margin for the rest of Indonesia was calculated:

**Table 4.4.3 Indonesia**

Normal value (Indonesian Rupiah per kilogram)	9 063
Less adjustments	181
Adjusted normal value	8 882
Adjusted Export price	7 713
Margin of dumping	1 169
Margin of dumping expressed as a percentage of the invoiced or constructed export price	15%

#### **4.5 METHODOLOGY IN THIS INVESTIGATION FOR SOUTH KOREA**

##### **4.5.1 Type of economy**

South Korea is considered to be a country with a free market economy and therefore the definition of section 32 (2) (b) (i) of the ITA Act applies.

##### **4.5.2 Normal value**

The price was obtained from an international publication by Reed Business Information Ltd, ICIS-LOR. As no response was received from any exporter, this was the best information available.

##### **Adjustments to normal value**

The normal value was adjusted with the domestic delivery cost.

##### **Ex-factory domestic price**

An ex-factory price of South Korean Won 1 154.5/ kg was calculated.

### **4.5.3 Export prices**

The export price was calculated using the import statistics obtained from South African Revenue Services (SARS). The export price came to South Korean Won 972/kg.

#### **Adjustments to the export price**

An adjustment was made to the export price for transport and harbour fees, which was calculated to be South Korean Won 9/kg.

#### **Ex-factory export price**

An ex-factory export price of South Korean Won 963/kg was calculated.

### **4.5.4 Margin of dumping**

The following dumping margin for South Korea was calculated:

Table 4.5.4 South Korea

Normal value (South Korean Won per kilogram)	1 178.15
Less adjustments	23.56
Adjusted normal value	1 154.59
Adjusted Export price	963
Margin of dumping	191.59
Margin of dumping expressed as a percentage of the invoiced or constructed export price	19.7%

## **4.6 METHODOLOGY IN THIS INVESTIGATION FOR CHINESE TAIPEI**

### **4.6.1 Type of economy**

Chinese Taipei is considered to be a country with a free market economy and therefore the definition of section 32 (2) (b) (i) of the ITA Act applies.

### **4.6.2 Normal value**

The normal value was obtained from an international publication by Reed Business Information Ltd, ICIS-LOR. As no response was received from any exporter, this was the best information available.

#### **Adjustments to normal values**

The normal value was adjusted with the domestic delivery cost of TWD 1.07.

#### **Ex-factory normal value**

An ex-factory price of TWD 52.29/kg was calculated.

### **4.6.3 Export prices**

The export price was calculated using the import statistics obtained from South African Revenue Services (SARS). The export price was TWD 30/kg.

#### **Adjustments to the export price**

An adjustment was made for transport and harbour fees. The adjustment was TWD 0.30.

#### **Ex-factory export price**

An ex-factory export price of TWD 29.70/kg was calculated.



#### **4.6.4 Margin of dumping**

The following dumping margin for Chinese Taipei was calculated:

**Table 4.6.4 Chinese Taipei**

Normal value (TWD per kilogram)	53.36
Less adjustments	1.07
Adjusted normal value	52.29
Adjusted Export price	29.70
Margin of dumping	22.59
Margin of dumping expressed as a percentage of the invoiced or constructed export price	75%

### **4.7 METHODOLOGY IN THIS INVESTIGATION FOR THAILAND**

#### **4.7.1 Type of economy**

Thailand is considered to be a country with a free market economy and therefore the definition of section 32 (2) (b) (i) of the ITA Act applies.

#### **4.7.2 Normal value**

The normal value was obtained from an international PCI publication. As no response was received from any exporter, this was the best information available.

##### **Adjustments to normal values**

The normal value was adjusted with the domestic delivery cost. This adjustment was calculated to be Thai Baht 0.78/kg

##### **Ex-factory normal value**

An ex-factory price of Thai Baht 38.21/kg was calculated.

#### **4.7.3 Export price**

The export price was calculated using the import statistics obtained from South African Revenue Services (SARS). The export price was calculated to be Thai Baht 34.61/kg.

#### **Adjustments to the export price**

An adjustment was made for transport and harbour fees. This was calculated to be Thai Baht 0.35/kg.

#### **Ex-factory export price**

An ex factory export price of Thai Baht 34.26/kg was calculated.

#### **4.7.4 Margin of dumping**

The following dumping margin for Thailand was calculated:

**Table 4.7.4 Thailand**

Normal value (Thai Baht per kilogram)	38.99
Less adjustments	0.78
Adjusted normal value	38.21
Adjusted Export price	34.26
Margin of dumping	3.95
Margin of dumping expressed as a percentage of the invoiced or constructed export price	11.41%

#### **4.10 SUMMARY - DUMPING**

The Commission considered all comments that were submitted by interested parties regarding dumping. These comments are available in the public file.

Based on the information provided, the Commission made a final determination that dumping of the subject product originating in or imported from the PRC, India, Indonesia (excluding PT SK Keris), South Korea, Thailand and Chinese Taipei was taking place.

## **5. MATERIAL INJURY**

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### **5.1 DOMESTIC INDUSTRY FOR THE PURPOSE OF DETERMINATION OF INJURY**

The application was brought by ITS on behalf of 100 per cent of the SACU industry.

### **5.2 GENERAL**

The Applicant stated that it experienced price undercutting, price depression and price suppression due to low priced imports, which have affected its profitability.

It also stated that the SACU industry is under enormous threat of injury due to remedial action taken by the EU (on 29/11/2000), the USA (07/06/2004) and Turkey (during 2004) against dumping of PET against India, Indonesia, South Korea, Malaysia, Chinese Taipei and Thailand.

The following injury analysis relates to SANS (70 per cent) and Horsaf (30 per cent), who together constitute 100 per cent of the total domestic production of the subject product. This constitutes "a major proportion" of the total domestic production, in accordance with Article 4.1 of the Anti-Dumping Agreement.

### **5.3 IMPORT VOLUMES AND EFFECT ON PRICES**

#### **5.3.1 Import volumes**

In any dumping investigation, the Commission normally uses audited import statistics from SARS to determine the volume of the subject product entering the SACU from the countries under investigation and other countries. It

considers these statistics to be the most reliable.

The following table shows the volume of the allegedly dumped imports of the subject product since 2001:

**Table 5.3.1**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Alleged dumped imports</b>	<b>Volume kilogram</b>	<b>Volume kilogram</b>	<b>Volume kilogram</b>	<b>Volume kilogram</b>
PRC	2			210 000
India	580 199	420 224	140 075	5 422 000
Indonesia	580 000	700 000	1 735 800	2 790 000
- PT SK Keris	0	0	0	2 700 000
- Other Indonesian	0	0	0	90 000
South Korea	2 496 430	3 303 694	3 034 600	491 500
Chinese Taipei	4000	453 300	1 557 411	1 195 000
Thailand	0	180 000	588 000	374 000
Total for countries above	3 662 631	5 057 218	7 055 886	10 482 500
Imports from other countries	2 377 839	2 316 612	2 112 385	814 171
Total imports	6 040 470	7 373 830	9 168 271	11 296 671
Imports from the PRC as % of total imports	0	0	0	1.90
Imports from India as % of total imports	9.6	5.7	1.6	48.00
<b>Imports from Indonesia as % of total imports</b>	<b>9.6</b>	<b>9.5</b>	<b>18.9</b>	<b>24.70</b>
<b>Imports from PT SK Keris as % of total imports</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23.90</b>
<b>Imports from rest of Indonesia as % of total imports</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.80</b>
Imports from South Korea as % of total imports	41.4	44.8	33.1	4.35
Imports from Chinese Taipei as % of total imports	0.1	6.2	17.0	10.60
Imports from Thailand as % of total imports	0	2.4	6.4	3.30
Imports from other countries	39.4	31.4	23.0	7.20

The alleged dumped imports as a percentage of total imports increased from

60.6 per cent in 2001 to 92.8 per cent in 2004 (a 186 percentage increase). Article 5.8 of the Anti-dumping Agreement states that “ the volume of **dumped imports** shall be regarded as negligible if the volume of dumped imports from a particular country is found to account for less than 3 per cent of imports of the like product in the importing country.” In the preliminary submission the official import statistics showed Thailand as negligible, however from the latest audited statistics, it is just over the negligible cut off point at 3.3 per cent. The imports from the PRC, as well as the imports from the rest of Indonesia are clearly negligible. Even if the un-dumped volumes are taken out of the calculation the volumes are still negligible.

The Commission found that since the latest audited statistics show imports from Thailand to be 3.3 per cent of total imports, which is only marginally above the negligible cut off of 3 per cent, to regard these imports as negligible.

## **5.3.2 Effect on Domestic Prices**

### **5.3.2.1 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, as measured at the appropriate point of comparison.

The Applicant's weighted average selling price for PET compared to the f.o.b. price of the subject product as reflected by the import statistics shows that there was undercutting by the following margins:

**Table 5.3.2.1**

<b>Country</b>	<b>Margin of undercutting</b>
India	5.1%
Indonesia	(15.7%)
Chinese Taipei	5.7%
South Korea	11.7%
The PRC	(1.6%)
Thailand	8.0%

Information, which was submitted by importers and verified, provided the landed cost of the subject product from India, Indonesia and the PRC. Inadequate responses were received regarding the imports from Chinese Taipei, South Korea and Thailand and consequently the landed cost for these countries is based on best information available, as provided by the Applicant.

The above table indicates that the products from India, Chinese Taipei, South Korea and Thailand are undercutting the selling prices of the Applicant.

The margin of undercutting is in some instances not substantial, or negative, due to the fact that the Applicant's price is depressed. This is due to the fact that the Applicant endeavors to maintain market share by competing on price.

### **5.3.2.2 Price depression**

Price depression takes place where the SACU industry's ex-factory selling price decreases during the investigation period.

The table below shows the domestic industry's domestic selling price:

**Table 5.3.2.2**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Ex-factory price per Kg SANS	100	116	100	96

**This table was indexed due to confidentiality using 2001 as the base year**

The table indicates that Applicant's prices were depressed over the period 2002 to 2004. It is also evident that in 2004 compared to 2002 the selling price declined by 20 index points.

#### **5.3.2.3 Price suppression**

Price suppression takes place where the cost-to-price-ratio of the SACU industry increases, or where the SACU industry sells at a loss during the investigation period or part thereof.

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

**Table 5.3.2.3**

<b>Rand/KG</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Cost of production	100	116	108	109
Variance from base year	-	16	8	9
Selling price	100	116	100	96
Variance from base year	-	16	-	-4
COP as % selling price	100	100	108	113

**This table was indexed due to confidentiality using 2001 as the base year**

The above table indicates that price suppression is taking place as a result of the alleged dumped imports. Unit costs increased at a higher rate than unit selling prices and it is clear that the Applicant could not recover the increased costs in its selling prices.

#### **5.3.2.4 Price elasticity**

The Commission considered price elasticity for PET during the investigation period. Price elasticity measures the responsiveness of quantity to change in price, with all other factors held constant. The Commission found that PET was highly price elastic and therefore very sensitive to price fluctuations.



### 5.3.3 Consequent Impact of the dumped imports on the Industry

#### 5.3.3.1 Actual and potential decline in sales

The following table shows the Applicant's SACU sales volume of the subject product:

**Table 5.3.3.1**

<b>Sales volume</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 (Jan – Aug)</b>	<b>2004 extrapolated</b>
Total volume sales by SACU producers	100	120	137	102	153

**This table was indexed due to confidentiality using 2001 as the base year**

The SACU industry has managed to maintain and grow sales volume in a rapidly growing market by aggressively competing on price, which is reflected in its price suppression and depression.

#### 5.3.3.2 Profit

SANS suffered a 46 per cent decline in net profit from 2001 to 2004.

#### 5.3.3.3 Output

The following table outlines the Applicant's production volumes of PET:

**Table 5.3.3.3**

<b>Tons</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 (Jan – Aug)</b>	<b>2004 Extrapolated</b>
Total production	100	107	113	95	143

**This table was indexed due to confidentiality using 2001 as the base year**

It is evident from the above table that the output of the SACU industry increased over the period 2001 to 2003 by 13 index points.

#### 5.3.3.4 Market share

The following table shows the market share for the subject product:

**Table 5.3.3.4**

	2001	2002	2003	2004 (Jan - Aug)	2004 Extrapolated
Total SACU producers' market share	89%	89%	88%	91%	86%
Market share of alleged dumped imports by country					
-India	1.1%	0.7%	0.2%	4.5%	6.6%
-Indonesia	1.1%	1.1%	2.3%	2.6%	3.5%
-Chinese Taipei	0.0%	0.7%	2.1%	0.7%	1.4%
-South Korea	4.6%	5.1%	4.1%	0.1%	0.8%
-PRC	0.0%	0.0%	0.0%	0.4%	0.3%
-Thailand	0.0%	0.3%	0.8%	0.1%	0.1%
Total market share of alleged dumped imports	6.8%	7.8%	9.5%	8.5%	12.7%
Market share of other imports	4.2%	3.2%	2.5%	0.5%	1.3%
Total Market	100%	100%	100%	100%	100%

Table 5.3.3.4 indicates that the alleged dumped imports from the PRC, India, Indonesia, Chinese Taipei, Thailand and South Korea gained market share in the SACU market, from 6.8 per cent in 2001 to 9.5 per cent in 2003. In the period January 2004 to August 2004 the alleged dumped import market share was already 8.5 per cent and extrapolated to a year (Jan – August), it will be 12.7 per cent. It is also clear from the table that the imports from other countries market share declined from 4.2 per cent in 2001 to 0.5 per cent in the period January to August 2004. The Applicant's market share in 2001 and 2002 was 89 per cent and in 2004 extrapolated, it declined to 86 per cent.

#### 5.3.3.5 Productivity

Using the production and employment figures sourced from the Applicant, its productivity in respect of the subject product is as follows:

**Table 5.3.3.5**

<b>SANS</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 Extrapolated</b>
Total production volume (Kg 000's)	100	110	112	121
Number of employees (manufacturing only)	100	100	104	93
Kg (000's) per employee	100	110	108	131

**This table was indexed due to confidentiality using 2001 as the base year**

By addressing the alleged dumped imports in the SACU market the Applicant has also focused on enhancing its productivity and has managed to increase its productivity by 31 index points from 2001 to 2004.

#### **5.3.3.6 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 provides the Applicant's profit before interest and tax expressed as a percentage of its net value of assets:

**Table 5.3.3.6**

<b>SANS</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 Extrapolated</b>
Return on net assets (total)	100	82	41	48

**This table was indexed due to confidentiality using 2001 as the base year**

It is clear from the table that the return on net assets declined over the investigation period.

#### **5.3.3.7 Utilisation of production capacity**

The following table provides the Applicant's capacity and production for the subject product based on 3 shifts per day in a 7 day week:

**Table 5.3.3.7**

<b>Tons</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 Extrapolated</b>
SACU Capacity	100	100	106	83
SACU Actual production	100	107	113	95
SACU Capacity utilisation %	100	107	107	115

**This table was indexed due to confidentiality using 2001 as the base year**

From the above table it is evident that the SACU capacity and capacity utilisation increased in a growing market.

#### **5.3.3.8 Other factors affecting domestic prices**

There are no other known factors that could have affected the domestic prices negatively.

#### **5.3.3.9 The magnitude of the margin of dumping**

In Chapter 4 of this submission, it was found that the subject product was imported at alleged dumped prices into the SACU during the investigation period at the following margin:

**Table 5.3.3.9**

<b>Country</b>	<b>PRC</b>	<b>India</b>	<b>Indonesia</b>		<b>South Korea</b>	<b>Chinese Taipei</b>	<b>Thailand</b>
			<b>PT SK Keris</b>	<b>Rest of Indonesia</b>			
Margin of dumping expressed as a % export price	31.8%	54.08%	-6.3%	15.00%	19.7%	75%	11.41%

PT SK Keris was the only exporter to respond in full to the Commission's exporter questionnaire. The other alleged dumping margins calculated appear to be substantial for a commodity product such as PET.

### 5.3.3.10 Actual and potential negative effects on cash flow

The following table reflects the Applicant's cash flow situation:

Table 5.3.3.10

R000	2001	2002	2003	2004 Extrapolated
<b><u>SANS</u></b>				
<b>Product specific</b>				
Net cash flow	100	151	97	60
Debtors (value)	100	164	223	231
Debtors: average days outstanding	100	128	176	276

This table was indexed due to confidentiality using 2001 as the base year

The table clearly indicates a downward trend with regard to the net cash flow. It is also clear that the average debtor days increased by 176 index points from 2001 to 2004.

### 5.3.3.11 Inventories

The Applicant provided the following inventory levels:

Table 5.3.3.11

Tons	2001 Dec 31	2002 Dec 31	2003 Dec 31	2004 Aug 31
- Volume	100	133	108	77
- Value	100	173	119	89

This table was indexed due to confidentiality using 2001 as the base year

The Applicant stated that inventories remain fairly stable as they manage to ensure that inventories do not increase to unmanageable levels. If they did not sell at low prices in order to retain market share, the inventories would have increased.

### 5.3.3.12 Employment

The following table shows SANS's employment levels:

**Table 5.3.3.12**

<b>SANS</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Total labour units: production	100	100	96	93

**This table was indexed due to confidentiality using 2001 as the base year**

The employment levels at SANS decreased by 7 index points between 2001 and 2004.

### **5.3.3.13 Wages**

The following table provides SANS's wages per employee:

**Table 5.3.3.13**

<b>SANS</b>	<b>2001 (Jan-Dec)</b>	<b>2002 (Jan-Dec)</b>	<b>2003 (Jan-Dec)</b>	<b>2004 (Jan – Aug)</b>
Wages/employee; production	100	110	113	87

**This table was indexed due to confidentiality using 2001 as the base year**

The wages are determined through negotiations with the trade unions. The table shows an increasing trend in wages.

### **5.3.3.14 Growth**

The following table indicates the growth of the SACU market as provided by the Applicant:

**Table 5.3.3.14**

<b>Tons</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004 (Jan –Aug)</b>
Size of the SACU market	100	120	138	100
SACU Industry	100	120	137	102

**This table was indexed due to confidentiality using 2001 as the base year**

It is clear from the above table that the total SACU market grew at a slightly higher rate than the SACU industry in 2003. The SACU industry had to reduce

prices to enable it to achieve this growth.

#### **5.3.3.15 Ability to raise capital or investments**

The Applicants stated that with the low level of returns on the subject product, it is extremely difficult to motivate further capital expenditure for increased capacity. By also continually selling at low profit levels the SACU industry is not in a position to reinvest in the SACU market. Over the long term the SACU industry will be forced to close the production lines, as it will not be competitive against any imports as a result of the inability of reinvesting in technology.

### **5.4 SUMMARY - MATERIAL INJURY**

The Commission considered all comments that were submitted by interested parties regarding material injury. These comments are available in the public file.

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

## **5.5 THREAT OF MATERIAL INJURY**

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### **5.5.1 Increase in imports**

On 29 November 2000 the EU (Commission Decision 2000/745/EC) instituted anti-dumping duties against India, Indonesia, Malaysia, South Korea, Chinese Taipei and Thailand. On 17 June 2004 the USA instituted anti-dumping duties (published in USITC 3694) against India, Indonesia, Chinese Taipei and Thailand. Turkey (2004) is presently busy with an anti-dumping investigation against Far Eastern countries.

The combined import volumes from the PRC, India, Indonesia, Chinese Taipei, Thailand and South Korea, as a percentage of total imports into the SACU market, increased from 60.6 per cent in 2001 to 94.1 per cent in 2004. However, in 2004, there was a decrease in import volumes from South Korea, Chinese Taipei and Thailand.

### **5.5.2 Increase in capacity**

In the last couple of years the PRC has created new capacity in anticipation of the growth in the PET market. Two of the new PRC PET production plants are:

Yizheng Chemical of the PRC is the 5th largest polyester manufacturer in the world. Yizheng Chemical has a present capacity of 1,000,000 tons per year in PET products.

Jiangyin XingYe Plastic Co. Ltd, is a joint venture subordinated to Jiangsu San FangXiang Group Co. Ltd, which was established at the end of 1999 with enormous production scale of mainly bottle-grade PET. The fibre-making polyester chip production lines each have a capacity of 120,000 tons per year.



An Indian integrated producer of PET has just started up a new plant with a capacity of 220 000 tons per year.

PCI Consulting Group's publication on world capacity expansion for the period 2004 to 2007 shows that from 2005 to 2007 the estimated expansion of PET capacity in the Asia Pacific will be in the region of 1,666,000 tons per year. This clearly substantiates that available and growing capacity of the Asian Pacific countries are causing a threat to the SACU market as major markets such as Europe and the USA are protected against the dumped imports from the Far Eastern countries. Turkey has also initiated remedial action against alleged dumping.

### **5.5.3 Prices**

According to the Applicant, it is evident from an electronic message in their possession, sent by an exporter in the PRC to a major importer in the SACU, that the customers use the alleged dumped import prices as a negotiation instrument. If the SACU industry cannot meet the low prices, the customers will import. The importation of the 110 tons from India in March 2004 at a price of R5.80/kg f.o.b. is an example that the alleged dumped imports will continue to flow into the SACU market causing material injury to the SACU industry. According to the ICIS-LOR July 2004 publication a new plant commissioned in India is offering PET at below USD0.95/kg.

As indicated under prices in paragraphs 5.3.2.2 and 5.3.2.3, the SACU industry is experiencing price depression and price suppression, which negatively effects overall profitability.

The Applicant's ex-factory prices are in line with those of Europe and the USA.

### **5.5.4 Inventories of the subject product**

The SACU industry is not aware of the exact inventory levels of the exporters.

However, as the EC and USA have implemented remedial action against India, Indonesia, Thailand, Chinese Taipei and South Korea, the Applicant assumes that there must be substantial inventories available and that these countries will now divert their exports to the rest of the world.

The Applicant stated that according to the June 2004 ICIS-LOR publication, South Korea exporters, due to high inventories, were offering PET at USD 0.92/kg to USD 0.93/kg.

**5.5.5 State of the economy of the country of origin/export and its influence on the operations of the manufacturers/exporters.**

In 2005 the realisable capacity in exceeding demand is estimated to be 2,200,000 tons per year.

**5.5.6 Give any other information relevant to your allegation that the infliction of material injury is imminent.**

Since the subject product is produced through a continuous process, stock levels can easily get out of hand. Manufacturers might therefore be prepared to sell their surpluses at below cost.

**5.6 SUMMARY ON THREAT OF MATERIAL INJURY**

The Commission considered all comments that were submitted by interested parties regarding threat of material injury. These comments are available in the public file.

The Commission made a final determination that the Applicant and therefore the SACU industry is experiencing a threat of material injury.

## **6. CAUSAL LINK**

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### **6.1 GENERAL**

In order for the Commission to impose final anti-dumping duties, 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 products.

### **6.2 VOLUME OF IMPORTS AND MARKET SHARE**

In a growing market, the dumped import's market share grew from 6.8 per cent in 2001 to 9.5 per cent in 2003 and then to 12.7 per cent in 2004 (extrapolated). The market share of other imports declined from 4.2 per cent in 2001 to 1.3 per cent in 2004. The Applicant's market share decreased from 89 per cent in 2001 to 86 per cent in 2004 (extrapolated).

### **6.3 EFFECT OF DUMPED IMPORTS ON PRICES**

It has already been shown in Section 5 of this report that there was price undercutting, price suppression and price depression which is claimed by the Applicant to be the direct effect of the dumped imports of the subject product from the PRC, India, Indonesia, South Korea, Thailand and Chinese Taipei.

Although the Applicant's sales increased, the dumped import volumes increased at a higher rate. As previously stated, the Applicant's clients use the prices of the imported subject products to force the SACU manufacturers to supply them at the same price level. If it is not possible to supply at the dumped price levels the clients import the products.

According to the Applicant, its list prices are an indication of where "unsuppressed, ex-works prices" would have been. These likewise represent the relative movement in the market price, and the international cost base.

As a result of price depression and suppression the profit margin of the Applicant decreased steadily. If the imports continue to be imported at dumped prices the profit will decline even further.

#### **6.4 CONSEQUENT IMPACT OF DUMPED IMPORTS**

With a substantial capital investment and low marginal profits, the Applicant stated that it cannot further invest in extending and upgrading the present production facilities, thereby impacting negatively in producing at economies of scale.

#### **6.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY**

##### **6.5.1 The volume and price of imports not sold at dumped prices**

The following table shows the volume and price of the dumped imports and imports from other countries:

**Table 6.5.1**

<b>Dumped imports</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Volume tons	3 663	5 057	7 055	10 500
Price R/kg	6.70	6.90	6.50	6.20
<b>Imports from other countries</b>				
Volume tons	2 377	2 316	2 112	652
Price R/kg	9.50	9.55	9.56	9.60

The average unit price of the dumped imports is substantially lower than the average unit price of the imports from other countries for the same period.

##### **6.5.2 Competition between domestic producers**

There are two SACU producers who welcome normal competition between them, but cannot carry on competing against dumped imports.

### **6.5.3 Developments in technology**

The Applicant stated that it could not invest in new technology because of the threat of increased dumped volumes, which will depress the marginal profit margins further.

### **6.5.4 Contraction in demand or changes in the patterns of consumption**

There is a substantial increase in the demand for the product. This increase in demand is fueled in particular by the increase in demand for bottled water.

### **6.5.5 Export performance**

The Applicant managed to continue servicing its export market.

### **6.5.6 Trade Restrictive practices**

There are no trade restrictive practices regarding trade of the product in the SACU.

### **6.5.7 Productivity in the domestic industry**

Productivity increased during the investigation period. Where productivity measurements of the SACU industry are benchmarked with western producers of PET, the output per worker is at a similar level.

## **6.6 SUMMARY ON CAUSAL LINK**

The Commission considered all comments that were submitted by interested parties regarding causality. These comments are available in the public file.

Taking the above into consideration, the Commission made a final determination that there is a causal link between the dumped imports and the material injury and threat of material injury suffered by the Applicant.

## **7. FINAL ANTI-DUMPING DUTIES**

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### **7.1 General**

### **7.2 Calculation of final anti-dumping duty**

In accordance with Article 9.1 of the Anti-Dumping Agreement, the final anti-dumping duty should be less than the dumping margin if such lesser duty would be adequate to remove the injury to the domestic industry. The final anti-dumping duty should therefore not be more than the amount of the price disadvantage experienced by the SACU industry. If this is lower than the dumping margin it can be considered to be the amount of duty required to prevent further injury to the SACU industry during the investigation as a result of the further importation of the subject product at the dumping margins that were found by the Commission.

### **7.3 Price disadvantage**

The price disadvantage is the extent to which the price of the imported product (landed cost) is lower than the unsuppressed ex-factory selling price of the SACU product.

The Commission always considers applying the lesser duty rule for all countries. However, since exporters from the PRC, India South Korea, Chinese Taipei and Thailand did not provide information, it was decided not to apply it in these instances because of non-cooperation. The lesser duty rule was considered for Indonesia since an exporter and importers responded to the Commission's questionnaire.

An unsuppressed selling price was calculated for the Applicant based on the 2004 costs and profits realized in 2002.

Based on the unsuppressed selling price, a price disadvantage of 10.4 per cent was calculated for Indonesia on information supplied by the exporter, PT SK Keris.

#### **7.4 Amount of final anti-dumping duties:**

The amount of final anti-dumping duties was calculated to be the following:

**Table 7.4**

<b>Country of export</b>	<b>Final anti-dumping duties</b>
China	31.8%
India	54.1%
Indonesia (excluding PT SK Keris)	15.0%
South Korea	19.7%
Chinese Taipei	75%
Thailand	11.4%

## **8. SUMMARY OF FINDINGS**

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### **8.1 Dumping**

There is sufficient evidence that the subject product originating in or imported from the PRC, India, Indonesia (excluding PT SK Keris), South Korea, Chinese Taipei and Thailand, were imported at dumped prices into the SACU market. The following dumping margins were calculated:

**Table 8.1**

<b>Country of export</b>	<b>Margin of dumping</b>
PRC	31.8%
India	54.1%
Indonesia (excluding PT SK Keris)	10.4%
South Korea	19.7%
Chinese Taipei	75%
Thailand	11.4%

### **8.2 Material injury**

The Commission made a preliminary determination that the Applicant suffered material injury. The Commission however, found that the imports from the PRC, Thailand and Indonesia were negligible.

### **8.3 Causal link**

The Commission found that material injury suffered by the Applicant could be causally linked to the dumped imports and that other factors did not detract from this finding.



## 9. DETERMINATION

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The Commission made a final determination that:

- (1) The subject product originating in or imported from the PRC, India, Indonesia (excluding from PT SK Keris), South Korea, Chinese Taipei and Thailand is being dumped into the SACU market;
- (2) The SACU industry is suffering material injury and/or a threat of material injury from imports originating in India, South Korea and Chinese Taipei;
- (3) There is a causal link between the dumping of the subject product and the material injury and/or threat of material injury;
- (4) That the investigation against the PRC, Thailand and Indonesia be terminated on the grounds that the allegedly dumped imports are negligible.

The Commission therefore recommended to the Minister of Trade and Industry that the following definitive anti-dumping duties be imposed on polyethylene terephthalate (PET), classifiable under tariff subheading 3907.60.90 against imports originating in or exported from the following countries:

Table 9.1

Country	Rate of final anti-dumping duty
India	54.1%
South Korea	19.7%
Chinese Taipei	75%

and that these anti-dumping duties be imposed retroactive to the date of the provisional payments, that is 7 October 2005.