



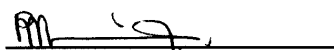
International Trade Administration Commission of South Africa

Report No. 63

**New shipper investigation into aluminium
hollowware originating in or imported from
Egypt: Final determination**



The International Trade Administration Commission of South Africa herewith presents its **Report No. 63: NEW SHIPPER INVESTIGATION INTO ALUMINIUM HOLLOWWARE ORIGINATING IN OR IMPORTED FROM EGYPT: FINAL DETERMINATION**



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INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

NEW SHIPPER INVESTIGATION INTO ALUMINIUM HOLLOWWARE ORIGINATING IN OR IMPORTED FROM EGYPT

SYNOPSIS

On 16 January 2004, the International Trade Administration Commission of South Africa (the Commission) formally initiated a new shipper investigation into aluminium hollowware, originating in or imported from Egypt and manufactured by El Amal Factory for House Utensils Company (El Amal). Notice of the initiation of the investigation was published in Notice No. 24 in *Government Gazette* No. 25905.

The investigation was initiated after the Commission considered that there was sufficient evidence to conduct an investigation. The new shipper provided information as requested in the new shipper questionnaire.

On the basis of the information submitted, the Commission made a final determination that El Amal did not export the subject product during the original period of investigation, that El Amal is not related to any other exporter currently subject to the anti-dumping duty and that the subject product expected to be imported from El Amal would not be dumped on the SACU market.

The Commission, therefore, decided to request the Commissioner for the South African Revenue Service to terminate the provisional payment on the subject product originating in and imported from Egypt and manufactured by El Amal.

1. PETITION AND PROCEDURE

1.1 LEGAL FRAMEWORK

The investigation is conducted in accordance with the International Trade Administration Act No. 71 of 2002 and 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 PETITIONER

The new shipper application was lodged by El Amal Factory for House Utensils Company (El Amal), being a producer of the subject product in Egypt.

1.3 DATE OF RECEIPT AND ACCEPTANCE OF APPLICATION

On 20 September 2002 El Amal submitted a new shipper application. After various deficiencies were addressed and advising the trade representative of the country concerned, the application was accepted by the Commission on 30 September 2003 and initiated in the *Government Gazette* No. 25905 on 12 January 2004 by Notice No. 24 of 2004.

1.4 ALLEGATIONS BY THE NEW SHIPPER

The new shipper provided information on its domestic sales in Egypt and with regard to exports, provided a planned price list with its maximum discount. It further provided information to indicate that it is not related to any other manufacturer of the subject product in Egypt and did not export to SACU during the original period of investigation.

1.5 INVESTIGATION PERIOD

The investigation period for dumping was from 1 January 2002 to 31 December 2002. During the verification visit the prices for the year 2003 were also compared to those of 2002 and it was established that there were no price increases during 2003.

1.6 PARTIES CONCERNED

1.6.1 Exporters/Foreign Manufacturers

El Amal submitted the new shipper review petition. The exporters in the previous dumping investigation were Aluminium Factory and Sally Aluminium Industries.

1.6.2 SACU manufacturers

The SACU industry consists of the following producers of the subject product:

- (a) Hendler & Hart; and
- (b) Prestige.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 SUBJECT PRODUCTS

2.1.1 Description

The subject product is described as aluminium hollowware, commonly referred to as aluminium cookware.

2.1.2 Application/end use

The subject product is used in a wide range of applications, including cooking, frying and boiling.

2.1.3 Tariff classification

The subject product is classifiable as follows:

Tariff subheading	Description	Unit	General	Rate of duty	
				EU	SADC
7615.19.20	Hollowware for table or kitchen use (excluding buckets)	kg	30%	30%	24%

The subject product is subject to the following anti-dumping duties:

Tariff subheading	Description	Originating in or imported from	Anti-dumping duties
7615.19.20	Hollowware for table or kitchen use (excluding buckets), of aluminium manufactured or exported by Sally Aluminium Industries	Egypt	22c/kg
	Hollowware for table or kitchen use (excluding buckets), of aluminium manufactured or exported by Atlas Aluminium Factory	Egypt	2952c/kg
	Hollowware for table or kitchen use (excluding buckets), of aluminium manufactured by any manufacturer in Egypt (excluding Atlas Aluminium Factory and Sally Aluminium Industries)	Egypt	252c/kg

3. RELATIONSHIP BETWEEN MANUFACTURER AND OTHER EXPORTERS IN EGYPT

The Commission found that El Amal provided sufficient evidence to prove that it did not export the subject product to the SACU during the original period of investigation and that it is not related to any other exporter currently subject to anti-dumping duties.

4. DUMPING

4.1 DUMPING

Section 1 of the ITA Act, provides a definition of the term "dumping". The Act provides as follows:

"dumping means the introduction of goods into the commerce of the Republic or the common customs area at an export price contemplated in section 32(2)(a) that is less than the normal value, as defined in section 32(2) of those goods"

4.2 NORMAL VALUE

Normal values are determined in accordance with section 32(2)(b) of the ITA Act. This section provides as follows:

"normal value" means

- (i) The comparable price actually paid or payable in the ordinary course of trade for like goods intended for consumption in the exporting countries of origin; or
- (ii) in the absence of a price contemplated in subparagraph (i), either
 - (aa) the constructed cost of production of the goods in the country of origin when destined for domestic consumption, plus a reasonable addition for selling cost and profit; or
 - (bb) the highest comparable price of the like product when exported to any third country or surrogate country, as long as the price is representative."

Section 32(4) of the ITA Act provides as follows:

"If the Commission, when evaluating an application concerning dumping, concludes that the normal value of the goods in question is, as a result of government intervention in the exporting country or country of origin, not determined according to free market principles, the Commission may apply to those goods a normal value of the goods, established in respect of a third or surrogate country."

4.3 EXPORT PRICE

Export prices are determined in accordance with section 32(2)(a) of the ITA Act which provides as follows:

"export price", subject to subsections (3) and (5), means the price actually paid or payable for goods sold for export, net of all taxes, discounts and rebates actually granted and directly related to that sale ."

Section 32(5) and section 32(6) of the ITA Act further provide as follows:

- "(5) The Commission must, despite the definition of "export price" set out in subsection (2), when evaluating an application concerning dumping that meets the criteria set out in subsection (6), determine the export price for the goods in question on the basis of the price at which the imported goods are first resold to an independent buyer, if applicable, or on any reasonable basis.
- (6) Subsection (5) applies to any investigation of dumping if, in respect of the goods concerned -
 - (a) there is no export price as contemplated in the definition of dumping;
 - (b) there appears to be an association or compensatory arrangement in respect of the export price between the exporter or foreign manufacturer concerned and the importer or the third party concerned; or
 - (c) the export price actually paid or payable is unreliable for any other reason."

4.4 ADJUSTMENTS

Article 2.4 of the Anti-Dumping Agreement provides as follows:

"A fair comparison shall be made between the export price and the normal value. This comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at as nearly as possible the same time. Due allowance shall be made in each case, on its merits, for differences which affect price comparability, including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics, and any other differences which are also demonstrated to affect price comparability. In the cases referred to in paragraph 3, allowances for costs, including duties and taxes, incurred between importation and resale, and for profits accruing, should also be made. If in the cases price comparability has been affected, the authorities shall establish the normal value at a level of trade equivalent to the level of trade of the constructed export price, or shall make due allowance as warranted under this paragraph. The authorities shall indicate to the parties in question what information is necessary to ensure a fair comparison and shall not impose an unreasonable burden of proof on those parties."

Both the Anti-Dumping Agreement and the ITA Act provide that due allowance shall be made in each case for differences in conditions and terms of sale, in taxation and for differences affecting price comparability. The Commission considers that for an adjustment to be allowed, quantifiable and verified evidence has to be submitted, and must further be

demonstrated that these differences actually affected price comparability at the time of setting the prices.

4.5 COMPARISON OF EXPORT PRICE WITH NORMAL VALUE

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all adjustment have been made). The margin is then expressed as a percentage of the export price. If the margin is less than two percent, it is regarded as *de minimis* in terms of the Anti-Dumping Agreement and no anti-dumping duty will be imposed.

The margin of dumping is calculated in the currency of the country of export.

4.6 METHODOLOGY IN THIS INVESTIGATION FOR EGYPT

4.6.1 Normal value

Type of economy

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

Normal value calculation

Like products to those intended for export to the SACU were sold in the domestic market in Egypt in the ordinary course of trade. The normal value was determined in accordance with section 32(2)(b)(ii)(aa) of the ITA Act.

The El Amal's normal value was calculated as the weighted average actual selling price/kg of all products sold in its domestic market.

Adjusted normal value

The normal value was adjusted by deducting 10% for sales tax.

4.6.2 Export Prices

As El Amal has not previously exported, the export price was based on a planned export price list for the same products. A weighted average export price/kg was calculated.

Adjusted export price

The maximum discount of 15%, as stipulated on the price list, was deducted from the weighted average export price/kg as indicated in the price list.

4.6.3 Margin of dumping

A margin of dumping was calculated by deducting the adjusted export price from the adjusted normal value. This resulted in a negative dumping margin.

4.7 CONCLUSION - DUMPING

On the information provided, the Commission decided that the subject product originating in Egypt and manufactured by El Amal Factory for House Utensils Company, would not be dumped into the SACU market.

5. FINAL DETERMINATION

On the information provided, the Commission found that:

- a) The manufacturer did not export the subject product during the original period of investigation.
- b) The manufacturer is not related to any other exporter currently subject to the anti-dumping duty.
- c) Dumping of the subject product originating in Egypt and manufactured by El Amal will not be taking place.

The Commission therefore decided to request the Commissioner for South African Revenue Service to terminate the provisional payments in place on aluminium hollowware manufactured by El Amal Factory for House Utensils Company (El Amal), and that such aluminium hollowware manufactured by El Amal be excluded from any anti-dumping duty on aluminium hollowware, originating in or imported from Egypt.