

Report No.496

**TERMINATION OF THE ANTI-DUMPING DUTIES ON STAPLE
POLYESTER FIBRE ORIGINATING IN OR IMPORTED FROM THE
PEOPLE'S REPUBLIC OF CHINA**

The International Trade Administration Commission of South Africa
herewith presents its Report No.496: TERMINATION OF THE ANTI-
DUMPING DUTIES ON STAPLE POLYESTER FIBRE ORIGINATING IN OR
IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA



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PRETORIA
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INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

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SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON STAPLE POLYESTER FIBRE ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC)

1. In accordance with the provisions of Article 11.3 of the World Trade Organisation Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade, any definitive anti-dumping duty shall be terminated on a date not later than five years from the date of imposition, unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to that date, that the expiry of the duty would likely lead to the continuation or recurrence of dumping and material injury.
2. On 20 June 2014, the Commission published a notice in the Government Gazette No.37740 indicating that anti-dumping duties on staple polyester fibre originating in or imported from the PRC, that were imposed on 28 May 2010 would expire on 27 May 2015, unless a substantiated request is made by the SACU industry indicating that the expiry of the anti-dumping duties on the subject product would likely lead to the continuation or recurrence of dumping and material injury to the SACU industry.
3. The trade representative of the PRC was notified and provided with a copy of the Government Gazette notice.

4. All known manufacturers of the subject product in the SACU were notified and informed that, unless a request to review the anti-dumping duties was made by or on behalf of the domestic industry before 28 July 2014, the Commission would recommend to the Minister of Trade and Industry that the duties be terminated at the five year expiry date of the duties.
5. On 23 July 2014, the SACU industry indicated that it would be bringing an application for a sunset review of the anti-dumping duties on staple polyester fibre originating in or imported from the PRC.
6. The SACU industry was granted an extension until 04 December 2014 to submit the application. On 04 December 2014 an application was received from the SACU industry represented by Propet S.A (Pty) Ltd (Propet) but was found to be deficient.
7. On 31 March 2015 after correcting the deficiencies, a response to the Commission's sunset review questionnaire was received from Propet, alleging that the expiry of the anti-dumping duties on staple polyester fibre originating in or imported from the PRC would likely lead to the continuation or recurrence of dumping and material injury.
8. At its meeting held on 20 May 2015, the Commission considered the application and found that the applicant did not provide *prima facie* evidence to indicate the likelihood of recurrence or continuation of dumping of the subject product should the anti-dumping duties be removed.
9. In reaching its decision the Commission considered the following:

(a) Normal value

The applicant stated that the application is brought on recycled staple polyester fibre only, excluding virgin and low melt staple polyester fibre and therefore calculated the dumping margin using the recycled staple polyester fibre only. The applicant also stated that the imports from the PRC to SACU during the period of investigation were only of low melt staple polyester fibre.

The Commission considered that:

- The applicant did not provide evidence substantiating that all imports from the PRC are only of low melt staple polyester fibre.
- The applicant did not refute that other models of staple polyester fibre are like products to the SACU product. Given that the injury information submitted is on all models of staple polyester fibre produced and sold by the applicant in the SACU market, the Commission could not find justification to only focus on recycled staple polyester fibre.
- The Commission reasonably concluded that the import statistics from SARS contain all models of staple polyester fibre based on the experience gained in the original investigation. In the original investigation the Commission found that the verified exporters exported all models of staple polyester fibre and five of those exporters were excluded from the current anti-dumping duty. The applicant did not provide evidence to indicate that they are now exporting low melt fibre only or not exporting at all.

The Commission therefore decided that the import statistics contained all models of staple polyester fibre and that all models of staple polyester fibre are the subject product in this investigation. Therefore, all three models for all the provinces as per the source document submitted by the applicant were taken into account for the determination of normal value.

The Commission adjusted the normal value by 17 percent for domestic tax purposes on the products that were indicated to be liable to tax in the source document submitted. The Commission had verified the 17 percent domestic tax rate in the recent investigations that were conducted against the PRC. The Commission decided that the 7 percent claimed by the applicant was not adequately explained and substantiated.

(b) Export price

The applicant used the import figures alleged to be of low melt staple fibre and adjusted these by 35 percent for price differences between the low melt fibre and other staple polyester fibre to calculate the export price from the PRC.

The Commission considered that:

- The applicant did not provide evidence to indicate how the adjustment affected price comparability between the normal value and the export price as per the requirements of the Anti-dumping Regulations, as the difference claimed is between the PRC export price to SACU and export prices of other countries to SACU.
- The applicant did not provide evidence to substantiate the allegation that imports from the PRC to SACU are only of low melt fibre.
- The Commission found that the PRC average export price was roughly in line with the average export prices of other countries that exported to SACU during the period of investigation.

The Commission therefore decided not to allow the 35 percent adjustment on the export price.

10. The Commission, therefore, decided to recommend to the Minister of Trade and Industry that the anti-dumping duties on staple polyester fibre originating in or imported from the PRC be withdrawn on 27 May 2015, the five-year expiry date of the duty.

RECOMMENDATION

The Commission recommends that the anti-dumping duties on staple polyester fibre originating in or imported from the PRC be withdrawn at the five year expiry date of the duty, which is 27 May 2015.