REPORT NO.530

SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON UNFRAMED GLASS MIRRORS ORIGINATING IN OR IMPORTED FROM INDIA: FINAL DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its **Report No. 530: SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON UNFRAMED GLASS MIRRORS ORIGINATING IN OR IMPORTED FROM INDIA: FINAL DETERMINATION**

Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA
22/07/**2016**

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON UNFRAMED GLASS MIRRORS ORIGINATING IN OR IMPORTED FROM INDIA: FINAL DETERMINATION

SYNOPSIS

On 19 June 2015, the International Trade Administration Commission of South Africa (the Commission) notified interested parties through Notice No. 588 of 2015 in *Government Gazette* No. 38877, that unless a substantiated request is made indicating that the expiry of the anti-dumping duty against imports of unframed glass mirrors originating in or imported from India would likely lead to the continuation or recurrence of dumping and material injury, the anti-dumping duty on unframed glass mirrors originating in or imported from India would expire on 3 March 2016.

On 19 February 2016, the Commission initiated a sunset review of the anti-dumping duty on unframed glass mirrors originating in or imported from India through Notice No. 14 of 2016 published in the *Government Gazette* No. 39718.

The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd (the Applicant), being the only producer for the subject product in the Southern African Customs Union (SACU).

The investigation was initiated after the Commission considered that the expiry of the anti-dumping duty on imports of unframed glass mirrors originating in or imported from India would likely lead to the continuation or recurrence of dumping and the recurrence of material injury.

On initiation of the investigation, the known producers/exporters of the subject product in India were sent foreign manufacturers/exporters questionnaires to complete. Importers of the subject product were also sent questionnaires to complete. The deadline for responses was 30 March 2016.

No properly documented responses were received from any manufacturer/exporter or importer by 30 March 2016.

On 11 May 2016 the Commission sent out "Essential facts" letters to all interested parties. The deadline for comments from interested parties was 25 May 2016. A response to the Commission's essential facts letter was only received from the Applicant.

After considering all interested parties' comments, the Commission made a final determination that the expiry of the anti-dumping duty on unframed glass mirrors originating in or imported from India would likely lead to the continuation or recurrence of dumping and the recurrence of material injury.

The Commission made a final determination not to recommend an increase in the anti-dumping duty to the calculated margin of 188,18 per cent given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend to the Minister of Trade and recommend that the current anti-dumping duty of 68,74 per cent be maintained.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the anti-dumping duty on unframed glass mirrors originating in or imported from India be maintained.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

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

1.2 APPLICANT

The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd, being the only producer of the subject product in the SACU.

1.3 INVESTIGATION PROCESS

On 19 June 2015, the International Trade Administration Commission of South Africa (the Commission) notified interested parties through Notice No. 588 of 2015 in *Government Gazette* No. 38877, that unless a substantiated request is made indicating that the expiry of the anti-dumping duty against imports of unframed glass mirrors originating in or imported from India would likely lead to the continuation or recurrence of dumping and material injury, the anti-dumping duty on unframed glass mirrors originating in or imported from India would expire on 3 March 2016.

A detailed response to the Commission's sunset review questionnaire was received from PFG Building Glass, a division of PG Group (Pty) Ltd on 28 August 2015. After all deficiencies were identified and addressed, an updated final application was received on 21 January 2016.

The information submitted by the Applicant was verified on 3 November 2015. A verification report was sent on 4 November 2015. A response to the verification report was received on 5 November 2015. The Application was accepted as properly documented on 21 January 2016. Notice of initiation of the investigation was published in the *Government Gazette* on 19 February 2016 and the deadline for comments was 30 March 2016. Essential facts letters were sent to interested parties for comment and the deadline for responses was 25 May 2016. A response to the Commission's essential facts letter was only received from the Applicant.

1.4 INVESTIGATION PERIOD

The investigation period for dumping is from 01 July 2014 to 30 June 2015, and the injury investigation involves evaluation of data for the period of 1 July 2012 to 30 June 2015, as well as an estimate should the duty expire.

1.5 PARTIES CONCERNED

1.5.1 SACU industry

The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd, being the only producer of the subject product in the SACU.

The Commission decided that the application can be regarded as being made "by or on behalf of the domestic industry" under the provisions of the Anti-Dumping Regulations.

1.5.2 Foreign Manufacturers/Exporters

No properly documented responses were received from any manufacturer/exporter in India.

1.5.3 Importers

No properly documented responses were received from any importer in the SACU.

1.6 COMMENTS

After considering all the information available, the Commission issued essential facts letters that it was considering making a final determination that the expiry of the anti-dumping duty on unframed glass mirrors originating in or imported from India would likely lead to the continuation or recurrence of dumping and the recurrence of material injury. A response to the Commission's essential facts letter was only received from PFG Building Glass, a division of PG Group (Pty) Ltd (the Applicant).

1.7 FINAL DETERMINATION

The Commission made a final determination not to recommend an increase in the anti-dumping duty to the calculated margin of 188,18 per cent given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend that the current anti-dumping duty of 68,74 per cent be maintained.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the anti-dumping duty on unframed glass mirrors originating in or imported from India be maintained.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 PRODUCT

2.1.1 Description

The subject of this application is unframed glass mirrors, of a thickness of 2mm or more but not exceeding 6mm.

2.1.2 Like product

In the original investigation the Commission found that the SACU product and the imported product are "like products" for purposes of comparison in terms of Article 2.6 of the Anti-dumping Agreement.

2.1.3 Tariff classification

The subject product is classifiable as follows:

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty			
				General	EU	EFTA	SADC
7009		**Glass mirrors, whether or not framed, including rear-view mirrors:**					
	7009.10	- Rear-view mirrors for vehicles					
	7009.9	- Other					
	7009.91	- Unframed	kg	15%	free	free	free

2.1.4 Other applicable duties

The following anti-dumping duties are applicable:

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
213.03	7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm	India	68,74%
213.03	7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm (excluding that manufactured by PT Matahari Silverindo Jaya)	Indonesia	6,61%
213.03	7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm	China	40,22%

3. INDUSTRY STANDING

3.1 The Application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd, being the only producer for the subject product in the SACU.

The Commission made a final determination that the application can be regarded as being made "by or on behalf of the domestic industry" in terms of Section 7 of the Anti-Dumping Regulations.

4. CONTINUATION OR RECURRENCE OF DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all 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 percent, it is regarded as *de minimis* in terms of ADR 12.3 and no anti-dumping duty will be imposed.

As no properly documented responses were received from any manufacturer/exporter in India, the Commission made a final determination to use best information available, being that provided by the Applicant.

4.1 METHODOLOGY IN THIS INVESTIGATION FOR INDIA

4.1.1 Normal Value

The normal value for non-cooperating exporters is based on the best information available for the subject product in the exporting country.

As no properly documented responses were received from any exporters in India, the Commission made a final determination to use the best information available, being that provided by the Applicant. The domestic price was calculated based on a price quotation submitted by the Applicant obtained from a trader in India.

4.1.2 Export Price

As no properly documented responses were received from manufacturers in India, the Commission made a final determination to use the best information available, being that provided by the Applicant. The export price was calculated based on a price quotation submitted by the Applicant obtained from a reputable research consulting company in India.

4.2 MARGIN OF DUMPING

The dumping margin for India was calculated as follows:

Country	Margin of dumping
India	188.18%

4.5 FINAL DETERMINATION: DUMPING

The Commission made a final determination not to recommend an increase in the anti-dumping duty to the calculated margin of 188,18 per cent given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend that the current anti-dumping duty of 68,74 per cent be maintained.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the anti-dumping duty on unframed glass mirrors originating in or imported from India be maintained.

5. CONTINUATION OR RECURRENCE OF MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to PFG Building Glass, a division of PG Group (Pty) Ltd. As their production volume represents 100 per cent of the total SACU production, the Commission decided that this constitutes "a major proportion" of the total domestic production, in accordance with the Anti-Dumping Regulations.

5.2 IMPORT VOLUMES AND THE EFFECT ON PRICES

5.2.1 Import volumes

The following table shows the volume of allegedly dumped imports of the subject product obtained from SARS:

Table 5.2.1: Import volumes

Country	2013	2014	2015	2016 Estimates if duty expires
Dumped imports (kg): India	659	189	650	947 393
Other imports (Kg)	2 233 094	1 484 793	1 850 719	1 850 719
Total Imports:	2 233 753	1 484 982	1 851 370	2 798 112

5.2.2 Effect on Domestic Prices

5.2.2.1 Price undercutting

Table 5.2.2.1: Price undercutting

R/kg	2013	2014	2015	2016 Estimate if duty expires
Selling price	100	117	128	131
India	116.21	95.82	5.48	3.53
Undercutting per kg	Negative	Negative	Negative	Negative
Undercutting as a percentage of selling price	Negative	Negative	Negative	Negative

Table indexed due to confidentiality using 2013 as base year

The Applicant stated that the estimate for 2016 is based on its higher selling prices as a result of lower production volume and should the duty expire, there will be substantial price undercutting resulting in it suffering material injury.

It further stated that the estimated selling price in 2016 should the duty expire is also based on the applicant's selling price when it has to cut back on production to ensure that stock levels do not increase.

5.2.2.2 Price depression

The following table shows the domestic industry's selling price for the years 2013 to 2015 and an estimate in the event the duty expires:

Table 5.2.2.2: Price depression

R/kg	2013	2014	2015	2016 Estimate if duty expires
Selling price	100	117	128	54

Table indexed due to confidentiality using 2013 as base year

The Applicant stated that it did not experience price depression for the years 2013 to 2015 as a result of the anti-dumping duty that was in place. However, it is estimated that should the duty expire, it will be forced to depress its selling price as it would not be able to sell at the estimated price to compete with the expected influx of dumped imports from India. Therefore, to compete with the Indian product it is estimated that it will depress its selling price to the same level as the imported product to compete. Clearly the SACU industry will experience price depression in 2016.

5.2.2.3 Price suppression

The following table shows the Applicant's cost of production and its selling prices for the subject product for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.2.3: Price suppression

R/kg	2013	2014	2015	2016 Estimate if duty expires
Ex-factory price	100	117	128	128
Cost of production per kg	100	107	106	109
Price Suppression	100	91	82	85

Table indexed due to confidentiality using 2013 as base year

The Applicant stated that its profits increased over the period 2013 to 2015. However, should the duty expire, dumped imports from India will again enter the SACU market and it is expected that at least **X** per cent of sales volumes will be lost to the dumped imports. Therefore, production will be reduced with **X** per cent and thus cost will increase. However, it would not be able to pass on the cost increases. It stated also that if it sells at the same price as in 2015 (price suppression), the gross and net profit will decline in 2016. However, even at the suppressed selling price it would not be able to compete with the low priced imports and therefore, it would have to depress its selling price, resulting in the cost of production as a percentage of the selling price will increasing even further causing PFG Building Glass to suffer material injury.

The Applicant submitted that price suppression took place in August to October 2014 and also in January to March 2015 which could have been as a result of other low priced imports. Therefore, if the anti-dumping duty is revoked it is estimated that it would be forced to suppress its selling prices to compete with Indian low priced products that would penetrate the SACU market.

It further stated that the existing anti-dumping duty has limited the dumped imports from India to a low level as the official import data also confirms an increase in imports from other countries. Therefore, it is estimated that should the duty be revoked, dumped imports from India will again enter the SACU market and that it is expected that at least **X** per cent of its sales volumes will be lost to the dumped imports resulting in material injury in the form of price suppression and depression.

5.2.3. Economic factors and indices having a bearing on the state of the industry

5.2.3.1 Actual and potential decline in sales volumes

The following table shows the Applicant's sales volumes of unframed glass mirrors in 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.1 (a): Sales volumes

Kg	2013	2014	2015	2016 Estimate if duty expires
Applicant's sales volumes	100	101	109	97

Table indexed due to confidentiality using 2013 as base year

The above table indicates that the SACU sales volumes of the subject product increased from 2013 to 2015 by 9 index point. The Applicant indicated that based on the import volumes from India in 2004 prior to imposition of the duty represented **X** per cent of the Applicant's sales volumes in 2015, it can reasonably be expected that if the anti-dumping duty is revoked, the dumped imports would surge again to the same level as in 2004. Therefore, the estimate for the loss of sales volume by the Applicant is based on a conservative **X** per cent decline of its sales volumes from 2015.

Table 5.2.3.1 (b): Sales values

Sales Value (Rands)	2013	2014	2015	2016 Estimate if duty expires
Sales values	100	119	139	127

Table indexed due to confidentiality using 2013 as base year

The table above shows that the Applicant's total sales values for the SACU industry increased between 2013 and 2015.

The Applicant stated that with regard to 2016, if it sells at a reasonable selling price, the sales value will decline in 2016 compared with 2015 as a result of declining volumes, causing it to suffer material injury. However, as the low priced product will be in the SACU market, it will most probably not be able to sell at that price, but would have to depress its selling price and thus sales value will decline even further.

It also stated that based on the import volumes from India in 2004 prior to imposition of the duty represented **X** per cent of its sales volumes in 2015, it can reasonably be expected that if the anti-dumping duty is revoked, the dumped imports would surge again to the same level as in 2004. Therefore, the estimate for the loss of sales volumes is based on a conservative **X** per cent decline of its sales volumes from 2015. Therefore, if it sells at a reasonable selling price in 2016, the sales value will decline in 2016 compared with 2015 causing it to suffer material injury. However, as the low priced product will be in the SACU market, it will most probably not be able to sell at that price, but will have to depress its selling price and thus sales value will decline even further.

5.2.3.2 Profit

The following table shows the Applicant's profit before interest and tax for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.2: Profit

R/Kg	2013	2014	2015	2016 Estimate if duty expires
Gross profit margin (%)**	100	129	156	(209)
Gross profit per kg**	100	151	198	(113)
Kg sold: Local	100	101	109	109
Kg sold Export	100	74	96	96
Kg sold: Total	100	98	108	107
Gross Profit	100	137	239	172
Net profit margin (%)	100	143	186	(361)
Net profit per Kg	100	168	237	223

****Relates to domestic sales**

Table indexed due to confidentiality using 2013 as base year

The table indicates that gross profit levels increased over the period 2013 to 2015. The Applicant stated that if the anti-dumping duty against India is revoked, it is estimated that the imports will re-enter the SACU market at dumped prices. In order to sell on the domestic market it will be forced to reduce/depress its selling price to the same level as the dumped imports. However, the cost of production will remain the same resulting in declining profit margins, causing it to experience material injury.

5.2.3.3 Output

The following table outlines the Applicant's domestic production volume of the subject product for the years 2013 to 2015, and estimate in the event the duty expires:

Table 5.2.3.3: Output

Kg	2013	2014	2015	2016 Estimate if duty expires
Output	100	107	112	100

Table indexed due to confidentiality using 2013 as base year

The information in the above table indicates that the Applicant's output significantly increased over the period 2013 to 2015. The Applicant stated that should the duty expire, it is estimated that the imports at dumped prices will gain at least **X** per cent of its sales volumes. These volumes will be lost as a result of the influx of dumped imports and will be forced to cut back on production to reduce inventory levels.

The Applicant also stated that based on the import volumes from India in 2004 prior to imposition of the duty represented **X** per cent of its sales volumes in 2015, it can reasonably be expected that if the anti-dumping duty is revoked, the dumped imports would surge again to the same level as in 2004. The estimate for the loss of sales volumes is based on a conservative **X** per cent decline of its sales volumes from 2015. Therefore, production data will be reduced with **X** per cent in order to prevent stock building.

5.2.3.4 Market share

The following table shows the market share for the subject product for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.4: Market share (Volume)

Kg	2013	2014	2015	2016 Estimate if duty expires
Market share in volume (kg)				
Applicant's market share	100	101	109	97
Alleged dumped imports: India	659	189	650	947 393
Market share of other Imports	2 233 094	1 484 793	1 850 719	1 850 719
Total market share	2 233 752	1 484 982	1 851 370	2 798 112
Total SACU market	100	93	103	103

Table indexed due to confidentiality using 2013 as base year

The above table indicates that the Applicant's market share increased over the period 2013 to 2015 and should the duty be revoked, its share of the market will decline. It also indicates that the market share of imports from India increased, whilst other imports declined.

5.2.3.5 Productivity

The following table shows the Applicant's productivity for the subject product for the years 2013 to 2015, and an estimate in the event of the expiry of the duty:

Table 5.2.3.5: Productivity

Kg	2013	2014	2015	2016 Estimate if duty expires
Total production volume (Kg)	100	107	112	100
Number of employees (manufacturing only)	100	50	60	50
Kg per employee	100	215	187	200

Table indexed due to confidentiality using 2013 as base year

The information in the above table indicates that the Applicant's productivity increased over the period 2013 to 2015. The Applicant stated that if employment is not reduced when the anti-dumping duty is revoked, productivity will decline. It also stated that in a bid to retain the productivity levels in 2016, employment will have to be reduced, causing injury to the industry as a result of the dumped imports.

It stated further that based on the import volumes from India in 2004 prior to imposition of the duty represented **X** per cent of the Applicant's sales volumes in 2015, it can reasonably be expected that if the anti-dumping duty is revoked, the dumped imports would surge again to the same level as in 2004. The estimate for the loss of sales volumes and subsequently production volumes is based on a conservative **X** per cent decline of its sales volumes from 2015.

5.2.3.6 Return on investment

The following table shows the Applicant's return on investment on earnings before interest and tax, and an estimate in the event the duty expires:

Table 5.2.3.6: Return on investment

Rands	2013	2014	2015	2016 Estimate if duty expires
Net profit (product concerned)	100	154	336	307
Sales volume to SACU (kg)	100	101	109	97
Net assets (product concerned)	100	104	107	107
Return on net assets (%)	100	145	309	283

Table indexed due to confidentiality using 2013 as base year

The above table shows that the Applicant's return on investment (ROI) increased significantly over the period 2013 to 2015. The Applicant stated that should the anti-dumping duty be revoked, this will result in declining sales volumes and profit.

5.2.3.7 Utilization of production capacity

The following table provides the Applicant's capacity and production for the subject products for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.7: Utilization of production capacity

Kg	2013	2014	2015	2016 Estimate if duty
Capacity (kg)	100	100	100	100
Actual production (kg)	100	107	112	100
Capacity utilisation %	100	106	111	100

Table indexed due to confidentiality using 2013 as base year

The table above shows that the Applicant's capacity utilization increased over the period 2013 to 2015, and should the duty be removed this will decline. The Applicant stated that based on the import volumes from India in 2004 prior to imposition of the duty represented **X** per cent of its sales volumes in 2015, it can reasonably be expected that if the anti-dumping duty is revoked, the dumped imports would surge again to the same level as in 2004. It stated further that the estimate for the loss of sales volume is based on a conservative **X** per cent decline of its sales volumes from 2015. Therefore, it is estimated that production will also decrease in line with declining sales volumes to prevent the inventories from increasing and therefore capacity utilisation will decrease, causing PFG Building Glass to suffer material injury.

5.2.3.8 Actual and potential negative effects on cash flow

The following table provides the Applicant`s cash flow for year 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.8: cash flow

Rands	2013	2014	2015	2016 Estimate if duty expires
Cash flow: Incoming	100	100	205	183
Cash flow: outgoing	100	68	55	44
Net cash flow	100	133	363	327
Debtors (value)	100	119	139	127
Debtors: average days outstanding	100	100	100	100

Table indexed due to confidentiality using 2013 as base year

The above table illustrates that the Applicant's net cash flow has increased between the period 2013 and 2015. The Applicant stated that it is estimated that if the anti-dumping duty is revoked, the net cash flow will decline in 2016 compared to 2015 causing the SACU industry to suffer material injury.

5.2.3.9 Inventories

The Applicant provided the following inventory levels for 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.9: Inventories

Volume (kg)	2013	2014	2015	2016 Estimate if duty expires
Inventories	100	107	96	117

Table indexed due to confidentiality using 2013 as base year

The Applicant stated that inventory levels are maintained at fairly constant levels in the order of 6 to 7 weeks of sales volumes. If the anti-dumping duty is revoked it can be expected that it will cut back on production to prevent the increase in the inventory levels.

5.2.3.10 Employment

The following table shows the Applicant's employment levels for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.10: Employment

No. of employees	2013	2014	2015	2016 Estimate if duty expires
Direct labour (units)	100	50	60	50
Indirect labour (units): production	100	400	200	200
Total labour (units): production	100	108	83	75

Table indexed due to confidentiality using 2013 as base year

The above table shows that employment declined from 2013 to 2015. The Applicant stated that the manufacturing of the subject product is capital intensive and thus a small number of employees are involved. It also stated that it is not a meaningful indicator of material injury although it is estimated that jobs will be lost in order to retain the productivity rate as in 2015 or increase it.

5.2.3.11 Wages

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

Table 5.2.3.11: Wages

Rands	2013	2014	2015	2016 Estimate if duty expires
Direct Wages: Production	100	78	43	36
Indirect Wages: Production	100	225	371	371
Total wages: Production	100	119	135	129

Table indexed due to confidentiality using 2013 as base year

The above table shows that direct wages decreased over 2013 to 2015. The Applicant pointed out that as the manufacturing of the product is capital intensive there is not a huge number of employees and therefore the remuneration is not a meaningful indicator of material injury, although wages would decrease as jobs would be lost.

5.2.3.12 Growth

The following table provides the Applicant's growth information for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.12: Growth

Kg	2013	2014	2015	2016 Estimate if duty expires
Size of the SACU market	100	93	103	103
% growth from previous year	-	(7%)	10%	0%
Sales volume (kg)	100	101	109	97
Growth %	-	1%	8%	(11%)

Table indexed due to confidentiality using 2013 as base year

The Applicant stated that based on the import volumes from India in 2004 prior to imposition of the duty represented **X** per cent of the Applicant's sales volumes in 2015, it can reasonably be expected that if the anti-dumping duty is revoked that the dumped imports would surge again to the same level as in 2004. The estimate for the loss of sales volume is based on a conservative **X** per cent decline of its sales volume from 2015. Therefore, although the SACU industry showed growth over the period 2013 to 2015, if the anti-dumping duty is revoked the industry will show negative growth as result of lost sales.

5.2.3.13 Ability to raise capital or investments

The following table shows the Applicant's ability to raise capital and investment for the years 2013 to 2015, and an estimate in the event the duty expires:

Table 5.2.3.13: Ability to raise capital or investment

Rands	2013	2014	2015	2016 Estimate if duty expires
Total capital/investment in the subject product	100	104	107	107
Capital expenditure during year on subject product	100	24	18	18

Table indexed due to confidentiality using 2013 as base year

The Applicant stated that SACU producer has no difficulty in raising capital or drawing investment to expand production where such investment can be shown to be viable. Viability includes effective protection from unfair and harmful trading practices, such as injurious dumping.

It stated also that if the effective anti-dumping duty is revoked while it is clear that there will be a continuation of dumping and that the SACU industry will suffer material injury, it is estimated that it is unlikely that capital will be forthcoming for additional investment in the SACU industry as the return on investment would not warrant investment in SACU, making the industry less competitive. It indicated further that it has large unutilized capacity and thus there is no need to expand capacity at this stage.

5.3 CONCLUSION – RECURRENCE OF MATERIAL INJURY

After considering all the 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.

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 continuation or recurrence of dumping of the subject product originating in or imported from India.

6.2 Recurrence of material injury

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 duty would likely lead to the continuation or recurrence of dumping; and

- the expiry of the duty would likely lead to the recurrence of material injury.

The Commission made a final determination not to recommend an increase in the anti-dumping duty to the calculated margin of 188,18 per cent given the low volume of imports during the period of investigation and since the Applicant is not experiencing material injury at present, which suggests that the current level of duty is appropriate. The Commission therefore made a final determination to recommend that the current anti-dumping duty of 68,74 per cent be maintained.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the anti-dumping duty on unframed glass mirrors originating in or imported from India be maintained as follows:

Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
7009.91	Unframed glass mirrors, of a thickness of 2 mm or more but not exceeding 6 mm	India	68,74%