

NOTICE 67 OF 2009**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF STAPLE POLYESTER FIBRE ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC)**

The International Trade Administration Commission of South Africa (the Commission) accepted an application alleging that staple polyester fibre originating in or imported from the PRC is being dumped in the Southern African Customs Union (SACU) market, causing material injury, and/or a threat of material injury to the SACU industry concerned.

THE APPLICANT

The application was lodged by International Trade Services (ITS) on behalf of Hosaf, the only producer of the product under investigation in the SACU. The Applicant alleges that it cannot compete with the low prices charged by the importers and that the allegedly dumped products are causing it or threatening to cause it material injury. The Applicant submitted sufficient evidence and established a *prima facie* case to enable the Commission to arrive at a reasonable conclusion that an investigation should be initiated on the basis of dumping, material injury, a threat of material injury and causality.

THE PRODUCT

The product allegedly being dumped is synthetic staple fibres, not carded, combed or otherwise processed for spinning, classifiable under tariff subheading 5503.20, originating in or imported from the PRC.

THE ALLEGATION OF DUMPING

The allegation of dumping is normally based on the comparison between the normal value and the export price in the PRC.

The normal value for the PRC was based on prices obtained from an international publication, the PCI Fibres report. The export price was determined based on the official import statistics obtained from the South African Revenue Services (SARS). On this basis, the Commission found that there is *prima facie* proof of dumping.

THE ALLEGATION OF MATERIAL INJURY AND/OR THREAT OF MATERIAL INJURY

The Applicant alleges and submitted sufficient evidence to show that there is price undercutting and that the imports in question are suppressing its selling prices. The Applicant's information indicated a decline in sales volumes, profit margins, output, productivity, return on investment, capacity utilisation, cash flow, ability to raise capital, increased inventories and an inability to grow. It was also evident that the increase in the market share of the allegedly dumped imports from the PRC has been at the expense of a corresponding decrease in the market share of the Applicant.

On this basis the Commission found that there was *prima facie* proof of material injury and/or threat of material injury and causal link.

PERIOD OF INVESTIGATION

The period of investigation for purposes of determining the dumping margin in the exporting country or country of origin is from 01 July 2007 to 30 June 2008. The period of investigation for purposes of determining injury is from 01 January 2005 to 30 June 2008.

If there are subsequent events that are relevant to injury, the Commission may later request and consider further, more recent information.

PROCEDURAL FRAMEWORK

Having decided that there is sufficient evidence and a *prima facie* case to justify the initiation of an investigation, the Commission has begun an investigation in terms of Section 16 of the International Trade Administration Act, 2002 (the ITA Act). The Commission will conduct its investigation in accordance with the relevant sections of the ITA Act, the World Trade Organisation Agreement on Implementation of Article VI of the GATT 1994 (the Anti-Dumping Agreement) and the Anti-Dumping Regulations of the International Trade Administration Commission of South Africa (ADR). Both the ITA Act and the ADR are available on the Commission's website (www.itac.org.za) or from the Trade Remedies section, on request.

In order to obtain the information it deems necessary for its investigation, the Commission will send non-confidential versions of the application and questionnaires to all known importers and exporters, and known representative associations. The trade representative of the exporting country has also been notified. Importers and other interested parties are invited to contact the Commission as soon as possible in order to determine whether they have been listed and were furnished with the relevant documentation. If not, they should immediately ensure that they are sent copies. The questionnaire has to be completed and any other representations must be made within the time limit set out below.

CONFIDENTIAL INFORMATION

Please note that if any information is considered to be confidential then a non-confidential version of the information must be submitted for the public file, simultaneously with the confidential version. In submitting a non-confidential version the following rules are strictly applicable and parties must indicate:

- where confidential information has been omitted and the nature of such information;
- reasons for such confidentiality;