

NOTICE ..737.. OF 2007**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****NOTICE OF INITIATION OF THE SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON GALVANISED STEEL TUBE AND PIPE ORIGINATING IN OR IMPORTED FROM INDIA**

In accordance with the provisions of Article 11.3 of the World Trade Organisation Agreement on 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 its 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 be likely to lead to continuation or recurrence of dumping and injury.

On 26 May 2006, the Commission notified the Southern African Customs Union (SACU) industry through Notice No.673 in Government Gazette No.28847, that unless a substantiated request is made by it indicating that the expiry of the anti-dumping duties on the subject product originating in or imported from India would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duties on the subject product originating in or imported India will expire on 14 June 2007.

A response to the sunset review application questionnaire was received from the relevant SACU industry on 14 December 2006.

THE APPLICANT

The application was lodged by the Association of Steel Tube and Pipe Manufacturers of South Africa on behalf of Barloworld Robor (Pty) Ltd, the main producer of galvanized

tubes and pipes in SACU.

The Applicant alleges that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and material injury. The Applicant submitted sufficient evidence and established a *prima facie* case to enable the Commission to arrive at a reasonable conclusion that a sunset review investigation should be initiated.

THE PRODUCT

The subject products are tubes, pipes and hollow profiles, of galvanized iron or non-alloy steel, welded with an internal circular cross-sectional dimension of 15mm or more, but not exceeding 150mm, commonly known as welded galvanized pipe. The subject product is classifiable under tariff subheading 7306.30 and is originating in or imported from India.

THE ALLEGATION OF THE CONTINUATION OR RECURRENCE OF DUMPING

The allegation of continuation or recurrence of dumping is based on the comparison between the normal values and the export prices.

The normal value for India is based on quotes, which were obtained by the Applicant from the producers of the subject product in India.

The export price is based on the export price determined in the original investigation, as there were no exports to SACU since the imposition of anti-dumping duties in 2002 and which is adjusted for the international increase in the steel price.

On this basis, the Commission found that there was *prima facie* proof of the likely continuation or recurrence of dumping if the duties expire.

THE ALLEGATION OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY

The Applicant alleges and submitted sufficient evidence to show that there is price undercutting and that the imports in question are depressing and suppressing its selling

prices. The Applicant's information indicated that it would experience a decline in sales, profit margins, market share and capacity utilisation, if the duties expire. It was also indicated that there would be an increase in inventories and a negative effect on cash flow, return on investment, growth, and the ability to raise capital and employment, if the duties expire. It was also indicated that the Applicant's market share would decrease at the expense of a likely increase in the market share of the dumped goods, if the duties expire. On this basis the Commission found that there was *prima facie* evidence of the likely continuation and/or recurrence of material injury.

PERIOD OF INVESTIGATION

The period of investigation for purposes of determining the continuation or recurrence of dumping from India will be from 1 October 2005 – 30 September 2006. The period of investigation for purposes of determining the continuation or recurrence of injury will be from 1 October 2003 – 30 September 2006. The Commission will, also consider an estimate of what the situation will be, if the anti-dumping duties expire.

PROCEDURAL FRAMEWORK

Having decided that there is sufficient evidence and a *prima facie* case to justify the initiation of a sunset review 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;
- a summary of the confidential information which permits a reasonable understanding of the substance of the confidential information; and
- in exceptional cases, where information is not susceptible to summary, reasons must be submitted to this effect.

This rule applies to all parties and to all correspondence with and submissions to the Commission, which unless indicated to be confidential and filed together with a non-confidential version, will be placed on the public file and be made available to other interested parties.

If a party considers that any document of another party, on which that party is submitting representations, does not comply with the above rules and that such deficiency affects that party's ability to make meaningful representations, the details of the deficiency and the reasons why that party's rights are so affected must be submitted to the Commission in writing forthwith (and at the latest 14 days prior to the date on which that party's submission is due). Failure to do so timeously will seriously hamper the proper