

**NOTICE 2522 OF 2003**  
**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA**  
**(ITAC)**

**NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF FORGED OR STAMPED, BUT NOT FURTHER WORKED, GRINDING BALLS AND SIMILAR ARTICLES FOR MILLS (COMMONLY KNOWN AS FORGED GRINDING BALLS) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC)**

The International Trade Administration Commission of South Africa (the Commission) received a petition alleging that forged steel grinding media originating in or imported from the People's Republic of China (PRC) is being dumped on the Southern African Customs Union (SACU) market, causing material retardation of the establishment of the SACU forged grinding media industry.

***THE PETITIONER***

The petition was lodged by Scaw Metals (Pty) Ltd: A Division of Anglo American Operations Limited (Petitioner) the domestic manufacturer of the product under investigation in the SACU. The Petitioner alleges that it cannot compete with the low prices charged by the importers and that the allegedly dumped products are causing material retardation of the establishment of the SACU industry. The Petitioner 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 material retardation of the establishment of the forged grinding media industry.

***THE PRODUCT***

The products petitioned are forged or stamped, but not further worked, grinding balls and similar articles for mills (commonly known as forged grinding balls), classifiable under tariff subheading 7326.11.

### **THE ALLEGATION OF DUMPING**

The PRC is regarded by the Commission to be a country where government intervention may affect domestic prices. The Petitioner selected Chile as a surrogate country to be used when determining the normal value for the PRC. The allegations of dumping is based on the comparison between the normal value in Chile and the export price from the PRC. The normal value was determined based on invoices obtained by the Petitioner from a manufacturer of the subject product in Chile, South America. The export prices were determined based on the fob prices of the subject products from the South African Revenue Services (SARS) as reflected in the import statistics. On this basis, the Commission found that there was *prima facie* proof of dumping.

### **THE ALLEGATION OF MATERIAL RETARDATION OF ESTABLISHMENT OF A DOMESTIC INDUSTRY**

The Petitioner alleges and submitted sufficient evidence to show that there is price undercutting. The Petitioner's information indicated a decline in sales, profit margins, output, productivity and capacity utilisation. It was also evident that there is an inability to capture sufficient market share to be economically viable. On this basis the Commission found that there was *prima facie* proof of injury in the form of material retardation of establishment of a domestic industry.

### **PERIOD OF INVESTIGATION**

The period of investigation for purposes of determining the dumping margin in the exporting country of origin will be from 1 January 2003 to 31 July 2003. The period of investigation for purposes of determining injury will be for the period 1 January 2003 to May 2003.

## **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 the International Trade Administration Act, 71 of 2002, (ITA Act), the World Trade Organisation Agreement on Implementation of Article VI of the GATT 1994 (the Anti-Dumping Agreement). A copy of the Anti-Dumping Agreement is available from the Commission's office on request.

In order to obtain the information it deems necessary for its investigation, the Commission will send non-confidential versions of the petition and questionnaires to all known importers and exporters, and known representative associations. The trade representative of the exporting country has also been notified. Importers, exporters and other interested parties are invited to contact the Commission as soon as possible in order to determine whether they have been listed and have been sent the relevant documents. 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 administration of the investigation, and such party will not be able to subsequently claim an inability to make meaningful representations on the basis of the failure of such other party to meet the requirements.

#### **ADDRESS**

The response to the questionnaire and any information regarding this matter and any arguments concerning the allegation of dumping and the resulting material injury must be submitted in writing to the following address:

#### **Physical address**

The Director : Trade Remedies I  
SABS Building  
1 Dr. Lategan Road  
Groenkloof  
PRETORIA  
SOUTH AFRICA

#### **Postal address**

The Director : Trade Remedies I  
Private Bag X753  
PRETORIA  
0001  
SOUTH AFRICA

#### **PROCEDURES AND TIME LIMITS**

All responses, including non-confidential copies of the responses, should be received by the Director: Trade Remedies I not later than 30 days from the date hereof or from the date on which the letter accompanying the above-mentioned questionnaire was

received. The said letter shall be deemed to have been received seven days after the day of its dispatch.

Late submissions will not be accepted except with the prior written consent of the Commission. The Commission will give due consideration to written requests for an extension of not more than 14 days on good cause shown (properly motivated and substantiated), if received prior to the expiry of the original 30-day period. Merely citing insufficient time is not an acceptable reason for extension. Please note that the Commission will not consider requests for extension by Embassies on behalf of exporters.

The information submitted by any party may need to be verified by the investigating officers in order for the Commission to take such information into consideration. The Commission may verify the information at the premises of the party submitting the information, within a short period after the submission of the information to the Commission. Parties should therefore ensure that the information submitted will subsequently be available for verification. It is planned to do the verification of the information submitted by the exporters within three to five weeks subsequent to submission of the information. This period will only be extended if it is not feasible for the Commission to do it within this time period or upon good cause shown, and with the prior written consent of the Commission, which should be requested at the time of the submission. (It should be noted that unavailability of or inconvenience to consultants will not be considered to be good cause). Parties should also ensure when they engage consultants that they will be available at the requisite times, to ensure compliance with the above time frames. Parties should also ensure that all the information requested in the applicable questionnaire is provided in the specified detail and format. The questionnaires are designed to ensure that the Commission is provided with all the information required to make a determination in accordance with the rules of Anti-Dumping Agreement. The Commission may therefore refuse to verify information that is incomplete or does not comply with the format in the questionnaire, unless the Commission has agreed in writing to a deviation from the required format. (A failure to submit an adequate non-confidential version of the response that complies with the rules set out above under the heading "Confidential Information" will be regarded as an incomplete submission.)

Parties who experience difficulty in furnishing the information required, or submitting in the format required, are therefore urged to make written applications to the Commission at an early stage for permission to deviate from the questionnaire or provide the information in an alternative format that can satisfy the Commission's requirements. The Commission will give due consideration to such a request on good cause shown.

Oral representations to the Commission by any interested party may also be made on written request to the Commission at least seven days prior to the expiry date of the original 30 days period to respond and by prior arrangement with the Directorate. Such oral representations must be made within the same period as the written representations, unless prior written consent of the Commission has been obtained for the oral representations to be made at a later date, which shall in any event not be later than 14 days after the written representations have been submitted. Oral representations will be limited to one hour for SACU manufacturers and exporters and thirty minutes for importers.

If the required information and arguments are not received in a satisfactory form within the time limit specified above, or if verification of the information cannot take place, the Commission may disregard the information submitted and make provisional or final findings on the basis of the facts available to it.

**Enquiries may be directed to the Investigating officers, Mr. A. Strydom at (012) 428 7724 or Mr. E. Mogashoa at telephone (012) 428-7734 or Ms. R. N. Peta at (012) 428 7726.**