

NOTICE 490 OF 2005**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF POLYETHYLENETEREPHTHALATE (PET) ORIGINATING IN OR IMPORTED FROM CHINA, INDIA, INDONESIA, SOUTH KOREA, CHINESE TAIPEI AND THAILAND**

The Commission accepted an application alleging that Polyethylene Terephthalate (PET) originating in or imported from China, India, Indonesia, South Korea, Chinese Taipei and Thailand *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 SANS (Pty) Ltd and Horsaf (Pty) Ltd (Applicant) representing the domestic manufacturers of the product under investigation in the SACU. The Applicant alleges that it cannot compete with the low prices offered to importers and that the allegedly dumped exported products are causing material injury and/or a threat of 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 subject product allegedly being dumped in the SACU area is Polyethylene Terephthalate (PET), classifiable under tariff subheadings 3907.60.90, originating in or imported from China, India, Indonesia, South Korea, Chinese Taipei and Thailand.

THE ALLEGATION OF DUMPING

The allegation of dumping is based on the comparison between the normal values in and the export prices from China, India, Indonesia, South Korea, Chinese Taipei and Thailand. The normal values were determined based on prices obtained from international publications by Reed Business Information Ltd, ICIS-LOR and PCI Publications which were then converted to a price per kilogram in the countries of origin. The export prices were determined on the basis of fob-based SARS import statistics, which were adjusted to an ex-factory level in China, India, Indonesia, South Korea, Chinese Taipei and Thailand. On this basis, the Commission found that there was *prima facie* proof of dumping.

THE ALLEGATION OF MATERIAL INJURY AND CAUSAL LINK

The Applicant alleges and submitted sufficient evidence to show that there is price undercutting, price depression and price suppression, a decline in profit margins and decline in the return on investment. The Commission also noted that imports from China, India, Indonesia, South Korea, Chinese Taipei and Thailand, in respect of the subject products, had increased by 186 per cent from 2001 to 2004. On this ~~basis~~ the Commission found that there was *prima facie* proof of material