

NOTICE 24 OF 2007**INTERNATIONAL TRADE ADMINISTRATION COMMISSION**

NOTICE OF INITIATION OF THE REVIEW ~~OF~~ COUNTERVAILING DUTIES ON STRANDED WIRE, ROPES AND CABLES OF IRON OR STEEL, NOT ELECTRICALLY INSULATED, (EXCLUDING THOSE ~~OF~~ WIRE ~~OF~~ STAINLESS STEEL, BRASS PLAID TYRE REINFORCING CORD, CONVEYER BEL CORD, THOSE ~~OF~~ WIRE PLAID, COATED OR CLAD WITH COPPER AND EXCLUDING ROPE AND CABLES OF A DIAMETER OF 8MM AND LESS) ORIGINATING IN INDIA AND IMPORTED FROM USHA MARTIN LIMITED

The International Trade Administration Commission (ITAC) received an application for the interim review of the countervailing duties on wire ropes imported from Usha Martin Limited in India alleging that there has been significant change in circumstances to warrant the review of the countervailing duties imposed on exports of its subject product to the **SACU** market.

THE APPLICANT

The application was lodged by Adams and Adams, on behalf of Usha Martin Limited (the Applicant), being the manufacturer of the subject product in India subject to the countervailing duty.

THE PRODUCT

The subject product allegedly being investigated is stranded wire, ropes and cables of iron or steel, not electrically insulated, (excluding those of wire of stainless steel, brass plaited tyre reinforcing cord, conveyer belt cord, those of wire plated, coated or clad with copper and excluding ropes and cables of a diameter of 8 mm and less) classifiable under tariff subheadings 7312.10.20, 7312.10.25 and 7312.10.40.

THE ALLEGATION ~~OF~~ CHANGED CIRCUMSTANCES

The Applicant stated that there has been significant change in circumstances to warrant the review of the countervailing duties imposed on exports of its products to the **SACU** market. The Applicant stated that it has brought the application for the interim review of the

countervailing duties on the subject product because it believes that there are changed circumstances resulting from the following factors:

- That the Duty Entitlement Passbook rate has been reduced to 3% on FOB, in addition, the Income Tax Exemption Scheme has been terminated and presently no deduction is allowed in respect of the assessment year beginning on the 1st of April 2005 and ending 31 March 2006, and any subsequent assessment year;
- That benefit conferred by the programme is *de minimis*

The Applicant substantiated its allegations by providing information on the two programmes and calculations on the effect of the subsidies for exports to SACU countries and exports to the rest of the world during the financial period 2005-2006. The Applicant, therefore, submitted that the countervailing duty of 17% be reduced to zero, as the benefit conferred by the subsidy is now less than 3 per cent.

PROCEDURAL FRAMEWORK

Having decided that there is sufficient evidence and a *prima facie* case to justify the initiation of an investigation, the Commission is initiating 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 Subsidies and Countervailing Measures (the SCM Agreement) and the Countervailing Regulations of the International Trade Administration Commission of South Africa. Both the ITA Act and the Countervailing Regulations 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 version of the application to the SACU manufacturer and importers of the subject product. The trade representative of the exporting country has also been notified.

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:

- X where confidential information has been omitted and the nature of such information;
- X reasons for such confidentiality;
- X a summary of the confidential information which permits a reasonable understanding of the substance of the confidential information; and
- X 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.

Subsection 33(1) of the ITA Act provides that any person claiming confidentiality of information should identify whether such information is *confidential by nature* or is *otherwise confidential* and, any such claims must be supported by a written statement, in each case, setting out how the information satisfies the requirements of the claim to confidentiality. In the alternative, a sworn statement should be made setting out reasons why it is impossible to comply with these requirements.

Section 2.3 of the Countervailing Regulations provides as follows:

"The following list indicates "information that is by nature confidential" as per section 33(1)(a) of the Main Act, read with section 36 of the Promotion of Access to Information Act (Act 2 of 2000):

- (a) management accounts;*
- (b) financial accounts of a private company;*
- (c) actual and individual sales prices;*
- (d) actual costs, including cost of production and importation cost;*
- (e) actual sales volumes;*
- (f) individual sales prices;*
- (g) information, the release of which could have serious consequences for the person that provided such information; and*
- (h) information that would be of significant competitive advantage to a competitor;*

Provided that a party submitting such information indicates it to be confidential."

ADDRESS

Comments and any other information regarding this matter must be submitted in writing to the following address:

Physical address

The Director: Trade Remedies
International Trade Administration Commission
The DTI Campus, Block E
77 Meintjies Street
Sunnyside
PRETORIA
SOUTH AFRICA

Postal address

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

PROCEDURES AND TIME LIMITS

All comments, including non-confidential copies, should be received by the Senior Manager: Trade Remedies II not later than 30 days from the date hereof, or from the date on which the letter accompanying the non-confidential application 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..

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. 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.

Any interested party may request an oral hearing at any stage of the investigation in accordance with Section 5 of the Countervailing Regulations, provided that the party indicates reasons for not relying on written submission only. The Commission may refuse an oral hearing if granting such hearing will unduly delay the finalisation of a determination.

Parties requesting an oral hearing shall provide the Commission with a detailed agenda for, and a detailed version, including a non-confidential version, of the information to be discussed at the oral hearing at the time of the request. 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 a finding on the **basis** of the facts available to it.

Enquiries may be directed to the investigating officers, Messrs Ephraim Mogashoa at telephone (012) 394 3595, Johan Boning at telephone (012) 394 3638 or Ms. Sibongile Hlatshwayo at telephone number (012) 394 3615.