

UNITED STATES TARIFF COMMISSION

CAPACITORS FROM JAPAN

**Determination of No Injury or Likelihood Thereof
in Investigation No. AA1921-67
Under the Antidumping Act, 1921,
as Amended**



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UNITED STATES TARIFF COMMISSION

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UNITED STATES TARIFF COMMISSION
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[AA1921-67]

CAPACITORS FROM JAPAN

Determination of No Injury

The Assistant Secretary of the Treasury advised the Tariff Commission on December 8, 1970, that aluminum electrolytic and ceramic capacitors from Japan are being, and are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted Investigation No. AA1921-67 to determine whether an industry in the United States is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

A public hearing was held on January 19, 1971. Notice of the investigation and hearing was published in the Federal Register of December 12, 1970 (35 F.R. 18939).

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission determined unanimously 1/ that no industry in the United States is being, or is likely to be, injured or prevented from being established by reason of the importation of aluminum electrolytic and ceramic capacitors from Japan sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons

In our opinion no industry in the United States is being, or is likely to be, injured or prevented from being established, by reason of the importation of aluminum electrolytic and ceramic capacitors from Japan sold at less than fair value (LTFV). Imports of LTFV capacitors from Japan have been extremely small in relation to the size of the domestic market and the margins of dumping (the amounts by which the capacitors were sold below the Japanese home market price) have been so small in relation to the margins of underselling by the sellers of the Japanese capacitors that they have virtually no influence on U.S. market prices for such capacitors.

The industry

The industry or industries considered in this case consist of those establishments in the United States engaged in the production and sale of either or both aluminum electrolytic and ceramic capacitors and/or the production of component materials for such capacitors.

1/ Chairman Mize did not participate in the determination.

The U.S. market

Aluminum electrolytic and ceramic capacitors are used in the United States as components in numerous electronic products. The market for the use of such products is scattered throughout the United States and there are no discernible geographical markets in which sales are concentrated or peculiarly different.

Tests for injury

The market penetration by LTFV imports of capacitors from Japan has been extremely small. An examination of the sales of domestic aluminum electrolytic and ceramic capacitors during a recent 28-month period, when sales of LTFV capacitors were at their height, revealed that the import sales amounted to less than 0.7 percent of all U.S. sales. Even had these imports of LTFV capacitors been subject to a dumping duty, moreover, the amount of such duty collected on imports of ceramic capacitors would have been trivial and that collected on imports of aluminum electrolytic capacitors, while much larger, would have been equivalent to only a small part of the difference in prices between the domestic and imported capacitors.

About 84 percent of all LTFV imports consisted of aluminum electrolytic capacitors. The prices of such imports in the U.S. market were far below the prices of comparable domestic capacitors. Weighted average prices for comparable U.S. products during the last five years ranged from 78 to 506 percent higher than the

average prices of the imported LTFV capacitors. There is some evidence that these large differences in weighted average prices resulted partly from differences in the size of individual sales-- the Japanese making mostly large sales and the domestic producers making both large and small sales. Since the prices of capacitors are generally highly responsive to the volume sold, the size of individual sales can affect prices materially. It is clear, nevertheless, that the Japanese capacitors markedly undersold comparable domestic capacitors in the U.S. market. The amounts of price discrimination (dumping margin), moreover, averaged only about 1.6 percent of the average prices of the domestic capacitors. Under these circumstances, we conclude that the dumping margins had virtually no influence on the pricing practices of the sellers of the Japanese capacitors who clearly undersell the domestic producers in the U.S. market and can continue to do so without regard to whether the minor price discrimination practice is continued. Dumping is not a factor in the competition for sales between domestic and imported capacitors.

About 16 percent of the LTFV imports consisted of ceramic capacitors. Of five common types of these capacitors which were sold at prices significantly below the prices of comparable domestic capacitors during the last five years, the margins of underselling exceeded the margins of dumping by about 100 percent in two cases, more than 250 percent in one case, 350 percent in one

case, and 1,100 percent in another. Some of the remaining types were sold at prices higher than the prices for the comparable domestic capacitors; the margins of dumping with respect to other types were slight. It was noted that there is a general downward price trend with respect to ceramic capacitors, a phenomenon which is occurring without regard to LTFV sales. Except for two types of the LTFV capacitors it appeared that dumping margins could have had little causal effect on prices. The volume of such imports was minuscule in relation to the size of the U.S. market.

Conclusion

As the market penetration by LTFV imports is extremely small and as the dumping margins in this case have virtually no causal effect on prices for the subject capacitors in the U.S. market, we conclude that if the industry is injured by reason of imports of aluminum electrolytic and ceramic capacitors from Japan, sold at less than fair value, such injury is de minimis. Moreover, because the dumping margins have had virtually no causal effect on prices of the subject capacitors in the U.S. market, we conclude that there is no likelihood of injury to a domestic industry as contemplated by the Antidumping Act.

