

UNITED STATES TARIFF COMMISSION

**WELDED-WIRE MESH FROM
BELGIUM**

**Determination of No Injury or Likelihood Thereof
in Investigation No. AA1921-94 Under the
Antidumping Act, 1921, as amended**



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UNITED STATES TARIFF COMMISSION

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[AA1921-94]

WELDED-WIRE MESH FROM BELGIUM

Determination of No Injury or Likelihood Thereof

The Treasury Department advised the Tariff Commission on April 17, 1972, that welded-wire mesh for concrete reinforcement from Belgium is being, or is 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. AA1921-94 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 June 6, 1972. Notice of the investigation and hearing was published in the Federal Register of April 25, 1972 (37 F.R. 8137).

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 1/ determined that an industry in the United States is not being and is not likely to be injured, or prevented from being established, by reason of the

1/ Commissioner Leonard was absent and Commissioner Young did not participate.

importation of welded-wire mesh from Belgium covered by the aforementioned less-than-fair-value determination of the Treasury Department.

Statement of Reasons

The Commission's negative determination in this investigation was based primarily on the following considerations:

1. Entries of welded-wire mesh from Belgium--which Treasury's investigation covering the 6-month period October 1, 1970, through March 31, 1971, indicated were sold mostly at less than fair value (LTFV)--were concentrated at the southeast Atlantic and western Gulf ports of the United States, but have been extremely small in relation to the shipments by domestic producers located in the market areas contiguous to those ports.
2. Prices of domestic welded-wire mesh increased irregularly during 1967-71 and the only price suppressant of consequence was the sharp competition among the domestic producers.
3. As a group, the domestic producers in the areas where the Belgian imports were concentrated have experienced considerable growth during the last several years in terms of number of firms and in total value of sales.
4. Following the recent revaluation of foreign currencies, U.S. imports of welded-wire mesh from Belgium have virtually ceased.

Description of product

Welded-wire mesh for concrete reinforcement is a standardized or fungible product which, because of high transportation costs in relation to the value of mesh, is generally sold to consumers located within a relatively short distance from the domestic producing plant or port of entry for imports. Price is the principal factor of competition.

The industry

In arriving at its determination in this case, the Commission gave consideration to all the facilities in the United States used in the production of welded-wire mesh for concrete reinforcement, which are owned by about 40 firms. However, since such mesh is generally sold within a relatively short distance from the producing plant (if domestic) or the port of entry (if imported), special attention was given to the facilities that have produced most of the domestic mesh sold in recent years in the areas where the LTFV imports were concentrated--namely the areas adjacent to southeast and western Gulf ports. There are currently 18 firms producing welded-wire mesh in these areas, or four more firms than in 1965.

Import penetration

Consumption of welded-wire mesh in the southeast and western Gulf areas increased irregularly from approximately 200,000 tons in 1967 to about 250,000 tons in 1971. As annual imports of welded-wire mesh from Belgium into these areas were extremely small in relation to the consumption of welded-wire mesh, the upward trend of consumption reflects primarily a significant rise in shipments by domestic producers located in the same areas. Total imports of Belgian welded-wire mesh, as a percentage of apparent consumption in the areas of LTFV imports, declined from no more than 4 percent in 1967 to less

than 1 percent in 1971. Moreover, subsequent to the recent international monetary accord in December 1971, the Belgian franc has appreciated by about 14 percent in terms of the U.S. dollar, and shipments of Belgian welded-wire mesh to the United States have virtually ceased.

Prices

Prices of welded-wire mesh produced and sold by the domestic industry here under review increased irregularly during the period 1967-'71. Furthermore, the evidence obtained during the investigation indicates that the imports from Belgium had no more than an occasional de minimis effect as a price suppressant in the U.S. market. The competition among domestic producers was a much more effective price suppressant.

Financial experience

Based on the data on financial experience made available to the Commission by the domestic producers, there is no evidence that the LTFV sales of Belgian mesh caused injury to the domestic industry here under review. The data reported for eight plants operating in the areas where the LTFV sales were concentrated show that for their welded-wire mesh operations the ratio of net profits to sales was higher in each of the years 1968, 1969, and 1971 than in 1967. The low ratio of profits to sales in 1970 was due almost entirely to the economic slowdown in that year. The LTFV sales in 1970 had no more than a de minimis effect on the profits-to-sales ratio.

Conclusion

As the market penetration by LTFV imports from Belgium is extremely small and as the dumping margins have virtually no depressing or suppressing effect on prices for welded-wire mesh for concrete reinforcement in the U.S. market, we conclude that if the domestic industry is injured by reason of imports of such mesh from Belgium, sold at less than fair value, such injury is de minimis. Moreover, we conclude that there is no likelihood of injury to a domestic industry as contemplated by the Antidumping Act.

