

UNITED STATES TARIFF COMMISSION

ALUMINUM INGOT FROM CANADA

Determination of No Injury or Likelihood Thereof in
Investigation No. AA1921-121
Under the Antidumping Act, 1921,
as amended



TC Publication 602
Washington, D. C.
August 1973

UNITED STATES TARIFF COMMISSION

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[AA1921-121]

August 15, 1973

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Determination of No Injury or Likelihood Thereof

On May 15, 1973, the Tariff Commission received advice from the Treasury Department that aluminum ingot from Canada 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. AA1921-121 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.

Notice of the institution of the investigation and of a public hearing to be held on June 26, 1973 in connection therewith was published in the Federal Register of May 29, 1973 (38 F.R. 14130, 14131). The hearing was subsequently rescheduled and held on July 17, 1973. Notice of the rescheduling was published in the Federal Register of June 7, 1973 (38 F.R. 14990).

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 has unanimously determined 1/ that an industry in the United States is not being or is not likely to be injured, or is not prevented from being established, by reason of the importation of aluminum ingot from Canada sold, or likely to be sold, at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

1/ Commissioners Leonard and Young did not participate in the decision.

Statement of Reasons

The Antidumping Act of 1921, as amended, requires that before an affirmative determination can be made by the Tariff Commission it must find injury or likelihood of injury to an industry in the United States by reason of the sale of imports at less than fair value (LTFV). 1/

Data developed during the course of this investigation show that the Canadian suppliers were not price aggressors in the U.S. market, making no apparent effort to undersell U.S. producers. As a result of the LTFV sales the Canadian exporters did not increase their share of the U.S. market. To the contrary their share of the nonintegrated fabricator market for aluminum ingot in the United States declined by 34 percent between 1968 and 1972.

In our opinion, the sharp decline in the price of aluminum ingot which occurred in 1971 and 1972 did not result from LTFV sales of Canadian ingot, but was largely attributable to an increase in U.S. productive capacity and the entry of new U.S. producers into the domestic market during a period when demand was leveling off.

Further evidence that the U.S. primary aluminum industry is not being injured by LTFV sales of Canadian ingot is the fact that this industry has operated virtually at full capacity since late 1972 with accompanying full employment, except where production was curtailed

1/ The prevention of establishment of an industry is not at issue in this case.

due to power shortages. It is evident that many U.S. aluminum fabricators would be unable to obtain an adequate supply of ingot were it not for the availability of Canadian imports and large sales of ingot from the U.S. Government stockpile.

Public notice of the Commission's investigation was given to all of the U.S. industry. The Commission notes that the complainant in this investigation and three other U.S. aluminum producers who collectively account for about 70 percent of total U.S. output of primary aluminum formally advised the Commission that imports of aluminum ingot from Canada are not injuring and are not likely to injure a U.S. industry. No other domestic producers appeared or claimed that an industry is being, or is likely to be, injured as a result of imports sold at LFTV. 1/

On the basis of all the evidence available to the Commission, we conclude that an industry in the United States is not being, and is not likely to be, injured by reason of sales of aluminum ingot from Canada at less than fair value.

1/ The Commission further notes that a representative of the U.S. Department of Justice entered an appearance at the Commission's public hearing and presented testimony and briefs in support of a negative determination in this investigation.

