CERTAIN LIGHTWEIGHT POLYESTER FILAMENT FABRIC FROM JAPAN AND THE REPUBLIC OF KOREA

Determinations of the Commission in Investigations Nos. 731-118 and 119 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which discloses confidential operations of individual concerns may not be publised and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigations Nos. 731-TA-118 and 119 (Preliminary)

CERTAIN LIGHTWEIGHT POLYESTER FILAMENT FABRIC FROM JAPAN
AND THE REPUBLIC OF KOREA

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission unanimously determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury 2/ by reason of imports from Japan and the Republic of Korea of certain lightweight polyester filament fabric 3/ which is alleged to be sold in the United States at less than fair value (LTFV).

Background

On January 4, 1983, counsel for the American Textile Manufacturers Institute, Inc. and certain member companies filed a petition with the U.S. International Trade Commission and the U.S. Department of Commerce alleging that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry is materially retarded by reason of imports from Japan and the Republic of Korea of certain lightweight polyester filament fabric which is allegedly being sold at LTFV.

1/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

2/ Commissioner Haggart determines that there is a reasonable indication of material injury and therefore does not reach the issue of reasonable indication of threat of material injury.

3/ For the purposes of this determination the term "certain lightweight polyester filament fabric" means polyester fabric, other than fabric of polyester strip, provided for in items 338.5009, 338.5011, 338.5012, 338.5013, and 338.5015, of the Tariff Schedules of the United States Annotated.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C. and by publishing the notice in the Federal Register on January 12, 1983 (48 F.R. 1359). The conference was held in Washington, D.C. on January 26, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, 1/ by reason of imports of lightweight polyester filament fabric from Japan and the Republic of Korea, which are allegedly being sold at less than fair value (LTFV). 2/

The Domestic Industry

The Commission's first task in assessing the impact of alleged LTFV imports is to define the domestic industry. Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 19 U.S.C. § 1677(4)(A). Section 771(10) in turn defines "like product" as "[A] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." 19 U.S.C. § 1677(10).

1/ Commissioner Haggart determines only that there is a reasonable indication of material injury, and therefore does not reach the issue of reasonable indication of threat of material injury.

2/ The Commission made its affirmative determinations in these preliminary investigations on a case-by-case basis. Chairman Eckes and Commissioner Stern note that this does not preclude cumulation in any final investigations, should the record as developed show cumulation to be appropriate.

The imported product under investigation is lightweight polyester filament fabric (lightweight polyester fabric). This fabric is woven wholly of continuous man-made fibers, composed of at least 85 percent polyester by weight, and weighs no more than five ounces per square yard. It comes in a variety of weaves, weights, designs, and colors. The polyester fabric covered by the investigations is made from "textured" and/or "nontextured" yarns. 3/ In addition, the polyester fibers that are used to make the various yarns come in a variety of sizes ("denier") and cross sections, e.g., round, trilobal, pentalobal, and octalobal. Variations in the yarn and the weave yield a variety of lightweight polyester fabrics, such as georgette, crepe de Chine and pongee. Such fabric is sold in either "finished" (dyed or printed), "greige" (unfinished) or "prepared for printing" (PFP, partially finished) form. Imported lightweight polyester fabric is used primarily in women's dresses and blouses, and to a lesser extent, for lining material in both men's and women's clothes. 4/

U.S. imports from Japan include a wide range of lightweight polyester fabrics. However, sixty-nine percent of those imports are high-twist, nontextured fabrics, primarily georgette. 5/ Imports from Korea are also

3/ "Texturing" a flat yarn adds a crimp, coil, or curl to the yarn. Report at A-3.

4/ See the Report at A-1 through A-3 for a more detailed description of the characteristics and uses of the product under investigation.

5/ Report at A-3.

predominantly high-twist, nontextured georgette. At least 90 percent of imports of lightweight polyester fabric from Korea are georgette. 6/

There is substantial domestic production of lightweight polyester fabric. Like the imported fabric, the domestic material is made of at least 85 percent continuous filament polyester yarn, and weighs less than five ounces per square yard. It is made of either flat, textured and/or twisted yarn. The U.S. producers manufacture all of the types of fabrics being imported. Like the imported product, domestic lightweight polyester fabric is used for women's blouses and dresses, and to a lesser extent, for lining.

The various fabrics made of lightweight polyester share many similar characteristics. For example, they are similar in weight, wash-and-wear characteristics, sheerness, draping characteristics, and to a certain extent, appearance. At the same time, myriad distinctions can be drawn between the various lightweight polyester fabrics. Indeed, a multitude of variations are found within the same named fabric. For example, the same type of fabric (*e.g.*, crepe de Chine) can vary in weight, yarn denier, yarn count (density of the weave), color, design, finish, and whether the warp yarns are textured or nontextured.

The Senate report on the Trade Agreements Act of 1979 states:

> The requirement that a product be "like" the imported article should not be interpreted in such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion

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6/ Report at A-3. The Korean respondents contend that the correct figure is 99.2 percent. The Koreans rely on export statistics of the Korean government, whereas the figures used in the Report reflect import data from the U.S. Department of Commerce. *See* Post-Conference Brief of Korean Textile Manufacturers at 1.

that the product and article are not "like" each other, nor should the definition of "like product" be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under investigation. S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

On the basis of the information now available, we find only one like product in these investigations: lightweight polyester filament fabric. 7/ We therefore find that, for the purpose of these preliminary investigations, the domestic industry consists of the U.S. producers of lightweight polyester filament fabric.

The Condition of the Domestic Industry

Apparent U.S. consumption of lightweight polyester fabric rose steadily during the period under review, increasing 44 percent from 1980 to 1982. 8/ In 1980-1981, the economic indicators for the industry show that the domestic producers were benefitting from this trend. U.S. producers' domestic shipments, production, capacity, and capacity utilization increased substantially. 9/ The industry's financial condition was sound and generally improved between 1980 and 1981. 10/

7/ The Japanese respondents argued that each type of lightweight polyester fabric is a separate like product, and that only those specific fabrics named in the petition should be investigated. In the alternative, the Japanese suggested that a "practical and convenient basis for analysis" would be three like products: (1) fabrics made of flat yarns, (2) fabrics made of textured yarns, and (3) fabrics made of high-twist yarns, with consideration also of specific constructions such as georgette and pongee. Post-Conference Brief of Japanese Respondents. The Japanese respondents redefined these three categories slightly in a letter to the Commission dated February 10, 1983.
The Korean respondents contended that the like product in the investigation on imports from Korea should be georgette only. Post-Conference Brief of the Korean Respondents.

8/ Report at A-37, Table 25.

9/ Report at A-11, A-12, A-16, A-17 at Table 10.

10/ Compiled from data submitted in response to Commission questionnaires.

In 1982, however, the condition of the industry deteriorated, despite the continued rise in apparent U.S. consumption. In 1982, U.S. production dropped 18 percent. 11/ U.S. producers' domestic shipments dropped by 16 percent, and capacity utilization fell by 10 percent. 12/ U.S. producers' inventories increased while domestic production was declining, resulting in a marked increase in the ratio of inventories to production by December 1982. 13/ The decline in U.S. production in 1982 coupled with an increase in productivity affected the domestic work force. Employment and hours worked fell in 1982 from 1981, by 22 percent and 34 percent, respectively. 14/ The financial performance of the domestic industry also deteriorated, as net sales, operating income, and cash flow from lightweight polyester fabric operations dropped significantly in 1982 compared with 1981. 15/ 16/

11/ Report at A-11, Table 4.

12/ Report at A-12 at Table 5, A-17 at Table 10. Most of the machinery and equipment used in the production of lightweight polyester fabric in these investigations can be used to produce other products. Therefore, data on capacity and capacity utilization are based on allocations. Although such data are limited as a measure of actual levels, they are useful as indicators of trends.

13/ Report at A-21, A-22.

14/ Report at Table 14, A-23.

15/ Compiled from data submitted in response to Commission questionnaires. A more detailed discussion of the financial performance of the industry is precluded by the confidential nature of the data.

16/ Commissioner Stern notes that the financial data are difficult to interpret at this preliminary juncture. The performance of producers varied considerably and we are not at this time able to compare the aggregate performance of this industry with that of other similar industries.

Reasonable Indication of Material Injury By Reason of Alleged LTFV Imports

Section 771(7)(B) of the Tariff Act of 1930 directs the Commission to consider, among other factors, (1) the volume of imports of the merchandise under investigation, (2) their impact on domestic prices for the like product, and (3) the consequent impact of the imports on the domestic industry. 19 U.S.C. § 1677(7)(B).

Imports from Japan

Imports of lightweight polyester fabric from Japan increased dramatically both in relative and absolute terms during the period under review. The volume of imports from Japan nearly doubled from 1980-1982. 17/ Japan's increase in imports translated into an increase in its share of apparent U.S. consumption from 28.3 percent in 1980 to 38.0 percent in 1982. 18/

Comparable pricing data was available for dyed pongee, which showed margins of underselling from 11 to 34 percent. 19/ Prices of Japanese pongee and georgette were relatively stable in 1981 and the first quarter of 1982. However, in the latter part of 1982 prices fell sharply for both

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17/ Report at A-32, Table 20.
18/ Report at A-37, Table 25.
19/ Report at A-39, Table 26. Accurate price comparisons necessarily are based on specific types of fabric. "Head-to-head" comparisons for imported and domestic fabrics were limited, as most imported fabrics are nontextured (primarily georgette) while most domestic fabrics are textured fabrics other than georgette. There was only one type of lightweight polyester fabric, pongee, in which a direct comparison could be made between prices of imported and domestic fabrics.

products. [20/] The average unit value of lightweight polyester fabric imported from Japan declined substantially in the latter half of 1982. [21/] Several end users reported that the contract prices for imported lightweight polyester fabrics fell rapidly in the second and third quarters of 1982, and that prices for domestically produced fabrics followed the decline. [22/] In addition, there were at least three confirmed instances of a domestic producer lowering the asking price in order to avoid losing the sale to competitors selling goods from Japan. [23/]

Imports from Korea

Imports of lightweight polyester fabric from the Republic of Korea (Korea) have increased dramatically both in relative and absolute terms. The volume of imports from Korea nearly doubled from 1980-1982. [24/] The increase in the volume of imports from Korea translated into an increase in their share of apparent U.S. consumption from 12.2 percent in 1980 to 16.5 percent in 1982. [25/]

Prices for Korean georgette were strong in 1981, and the first quarter of 1982. However, in the last three quarters of 1982, prices of Korean georgette dropped significantly. [26/] Accordingly, the average unit value of

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20/ Report at A-40 through A-41.
21/ Report at A-33, Table 21.
22/ Report at A-42.
23/ Report at A-45.
24/ Report at A-32, Table 20.
25/ Report at A-37, Table 25.
26/ Report at A-41, Table 28.

lightweight polyester fabric imported from Korea declined substantially in the second half of 1982. 27/

Conclusion

The decline in the condition of the domestic industry occurred at the same time that imports from Japan and Korea made significant gains in the U.S. market in terms of the volume of imports and market share. 28/ Thus, we find a reasonable indication of material injury by reason of the alleged LTFV imports of lightweight polyester filament fabric in both investigations.

Reasonable Indication of Threat of Material Injury 29/

In making a determination of a reasonable indication of threat of material injury in these investigations, the Commission has considered, among other factors, (1) the condition of the domestic industry, (2) the rate of increase of the allegedly dumped imports, (3) the capacity of producers in the exporting country to generate exports, and (4) the likelihood that such exports will be directed to the United States. 30/ In these investigations, the facts pertaining to all of these factors evidences a reasonable indication that the domestic industry producing lightweight polyester fabric is threatened with material injury from imports of such merchandise from Japan and Korea.

27/ Report at A-34, Table 22.
28/ See Report at A-32 at Table 20, A-37 at Table 25.
29/ See n. 1., supra.
30/ Cf. 19 C.F.R. § 207.26.

Imports from Japan

As noted above, the economic health of the U.S. industry deteriorated significantly in 1982. At the same time, the volume of imports of lightweight polyester fabric from Japan significantly increased, nearly doubling from 1980 to 1982. [31/] In addition, importers' yearend inventories of Japanese lightweight polyester in 1982 were nearly 400 percent higher than yearend 1980, and nearly 80 percent higher than yearend 1981. [32/]

Japan steadily increased its capacity to produce polyester filament fabric from 1969 to 1981. [33/] Japanese production of taffeta and crepe, two lightweight polyester fabrics, increased by 193 percent and 148 percent, respectively, between 1969 and 1979. [34/] The Japanese trade press has reported production overcapacity in Japan's textile industry resulting from depressed worldwide demand. It is reported that the Japanese government has taken steps to reduce capacity and maintain prices, but that these efforts have met with little success. [35/] The United States is the second largest export market for Japanese polyester filament fabrics.

Entries of lightweight polyester fabrics are subject to control under the Multifiber Arrangement (MFA). Japanese participation in the MFA, however, does not preclude further increases in imports from Japan. The subject fabric

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31/ Report at A-32, Table 20.
32/ Report at A-30, Table 19.
33/ Report at A-7 through A-8.
34/ Report at A-8.
35/ Report at A-8.

is included in MFA category 612 together with other fabrics of non-cellulosic man-made filaments. In 1982, Japanese imports under this category amounted to 74 percent of its quota. 36/

Imports from Korea

The volume of imports of lightweight polyester fabric from Korea nearly doubled from 1980 to 1982. 37/ In addition, importers' yearend inventories of Korean lightweight polyester fabric in 1982 were 5,823,000 square yards as opposed to 810,000 square yards at yearend 1981, and 548,000 square yards at yearend 1980. 38/

The best information available to the Commission at this time is that Korean production capacity for polyester filament fabrics has increased steadily from 1,624,000 square yards in 1980 to 2,145,000 in 1982, an increase of 32 percent in 2 years. 39/ During the same time period, capacity utilization declined from 87.6 percent to 76.4 percent. 40/

The Korean textile industry is the leading export industry in the country. 41/ The industry accounted for approximately 17.5 percent of the gross output of the entire manufacturing sector during the past 10 years, 42/ and is the largest single employer in the country. The United

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36/ Report at A-5.
37/ Report at A-32, Table 20.
38/ Report at A-30, Table 19.
39/ These figures are based on estimates provided by the U.S. embassy in Seoul. Report at A-9.
40/ Report at A-9.
41/ Report at A-9.
42/ Report at A-9.

States is the largest importer of Korean textiles, absorbing 23.7 percent of Korea's total textile exports in 1981. 43/

The Korean government planned a 16.8 percent increase in textile exports in 1982. 44/ In that year, U.S. imports of lightweight polyester fabric from Korea increased 67.3 percent. 45/ By 1986, the Korean government plans for textile exports to reach $12.4 billion, with an average annual increase of 14.6 percent. 46/ In light of recent trends and the fact that the United States is the largest importer of Korean textiles, it is reasonable to assume that a significant portion of the increased exports will be directed to the United States.

In light of the foregoing, we find a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of lightweight polyester fabric covered by both investigations.

43/ Report at A-9.
44/ Report at A-9.
45/ Report at A-32, Table 20.
46/ Report at A-9.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On January 4, 1983, a petition was filed by counsel on behalf of certain American textile manufacturers 1/ with the U.S. International Trade Commission (Commission) and the U.S. Department of Commerce (Commerce) alleging that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of certain lightweight polyester filament fabrics (hereinafter, lightweight polyester fabrics) from Japan and the Republic of Korea (Korea) which are allegedly being sold at less than fair value (LTFV). Accordingly, effective January 4, 1983, the Commission instituted preliminary investigations under section 731 of the Tariff Act of 1930, to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of the importation of such merchandise into the United States. The statute directs that the Commission make its determinations within 45 days after its receipt of a petition or in these cases by February 18, 1983.

Notice of the institution of the Commission's investigations and of a conference to be held in connection therewith was given by posting copies of the notice in the office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of January 12, 1983 (48 F.R. 1359). 2/ The conference was held in Washington, D.C., on January 26, 1983. 3/ The Commission voted on these cases on February 8, 1983.

Description and Uses

The lightweight polyester fabrics covered by these investigations are woven generally in widths of more than 12 inches and weigh not over 5 ounces per square yard. Continuous man-made fibers make up these fabrics, of which polyester filaments account for 85 percent or more by weight of the total fiber content. Woven pile fabrics, knit fabrics, and other fabrics of noncontinuous man-made fibers are examples of the types of fabric which are not subject to these investigations.

1/ The petitioning companies are Burlington Industries, Inc.; Milliken & Co.; J.P. Stevens & Co., Inc.; Dan River, Inc.; Texfi Industries, Inc.; Frank Ix & Sons, Inc.; and Bloomsburg Mills, Inc. Although Schneider Mills, Inc., is not included in the original petition, Mr. Isadore Schneider, by letter of January 27, 1983, to the Commission staff, stated "My company, Schneider Mills, Inc., supports the effort of petitioners in the anti-dumping investigations concerning lightweight polyester from Japan and South Korea."

2/ A copy of the Commission's notice of institution of the preliminary investigations is presented in app. A. A copy of the Department of Commerce's notice of initiation is presented in app. B.

3/ A copy of the calendar of the conference is presented in app. C.

The Tariff Schedules of the United States Annotated (TSUSA) cover the fabrics under investigation in five different statistical annotations to item 338.50 as follows: 338.5009 (nontextured fabrics), 338.5011 (textured fabrics, not bleached and not colored), 338.5012 (textured fabrics, bleached or piece dyed), 338.5013 (textured fabrics, of yarns of different colors), and 338.5015 (textured fabrics, printed). The above five TSUSA provisions, however, also include fabrics of polyester strip, which do not fall within the scope of these investigations. Imports of fabrics of polyester strip are believed to be nil or negligible.

Industry has designed several lightweight polyester fabrics with different characteristics for the women's dress and blouse markets. The result of these fabric development activities is that the broad category of lightweight polyester fabrics includes fabrics which are described in the trade as pongee, crepe de Chine, palace crepe, twill, georgette, and taffeta, all of which are produced in various colors.

Distinctions are made among the various lightweight polyester fabrics as follows:

Crepe de Chine

- o The filling yarns are twisted and textured or simply textured.
- o The warp yarns may be either nontextured or textured.

Palace crepe

- o The filling yarns are textured and highly twisted.
- o The warp yarns may be either nontextured or textured.

Pongee

- o Both the filling yarns and warp yarns are textured.

Twill

- o Both the filling yarns and warp yarns are textured.

Georgette

- o Both the filling yarns and warp yarns are highly twisted, usually nontextured.

Taffeta

- o The yarns are nontextured and of low twist.

The imported and domestic lightweight polyester fabrics have the same end uses and, according to the petitioners, are competitive. The primary use of the fabrics is in women's blouses and dresses. Lightweight polyester fabrics have a more limited market as lining material for coats, jackets, and other outerwear.

Fabric producers, both domestic and foreign, use different types of yarn and construct the fabrics in different weaves and weights. Also, they add color to the fabrics, forming stripes, plaids, solid shades, or various other designs, patterns, and appearances. Thus, producers, through their choices of yarn, weave, weight, color, and other finishing steps, can achieve a wide range of aesthetic and technical qualities in the completed goods. This variety is of high priority in serving the needs of women's outerwear manufacturers and in developing the final consumer demand for garments. Of particular importance in maintaining a market for fabrics in women's wear is the ability of fabric producers to make frequent changes in the aesthetic characteristics of the fabrics. Producers make such frequent changes to fulfill women's demands in apparel.

The individual filaments of the yarns used in making the lightweight polyester fabrics are available in a variety of cross sections such as round, trilobal, pentalobal, and octalobal. Multiple strands of these filaments are combined in preparing the yarn for weaving. Producers at this stage of manufacturing can choose to texturize the yarn, as do most domestic manufacturers, or to leave the yarn in a "flat" configuration. Texturizing disorganizes the flat yarn by adding crimp, coil, or curl to it. Both the nontextured and textured yarn may be twisted to varying degrees before weaving. Fabrics of textured yarn may be softer and have a different feel than the nontextured fabrics. The nontextured fabrics, such as lining taffeta, are more lustrous. The weaving process and weaving equipment are identical for nontextured and textured fabrics. The most popular widths of finished fabrics are approximately 44 to 45 inches and 58 to 60 inches. Unfinished fabrics usually are slightly wider.

A distinction is made throughout this report between textured and nontextured fabrics. The nontextured fabrics, primarily georgette, accounted for 69 percent of the total quantity of U.S. imports of Japanese lightweight polyester fabrics and 90 percent of total U.S. imports of Korean lightweight polyester fabrics during January 1981-November 1982. Domestic production of nontextured fabrics amounted to * * * percent of total U.S. production of lightweight polyester fabrics during 1981 and 1982.

Parties' Statements Concerning the Nature of Competition Between Domestic and Imported Fabrics

In the petition and in statements made at the conference, U.S. producers allege that U.S. mills produce fabrics that are fully competitive with the imported fabrics in terms of quality, that these products compete in the same end-use markets, and that competition between the domestically produced and imported products is almost entirely based on price. In the case of georgette, the petitioners state that they have the capability to produce a fabric that is competitive with imported georgette in terms of quality, however, they have been prevented from producing and selling this fabric by the extremely low prices offered on imported georgette.

At the conference, counsel for the Japanese fabric exporters stated that Japanese exports to the United States of flat fabrics (primarily taffeta) and textured fabrics (primarily crepe de Chine, palace crepe, twill, and pongee) have been declining because of the efficiency and price competitiveness of the U.S. mills. However, in the case of nontextured lightweight fabrics (primarily georgette) Japanese exports to the United States have been growing because the U.S. mills have not produced a fabric of comparable quality. Japanese export statistics were provided to support the position of counsel for the Japanese.

At the conference, counsel for the Korean exporters stated that nearly all Korean exports to the United States of lightweight polyester fabrics consist of georgette and the increase in such shipments is due to the U.S. producers' inability to make a fabric that is competitive in terms of quality.

U.S. Tariff Treatment

Lightweight polyester fabrics currently are classified under item 338.50 of the Tariff Schedules of the United States (TSUS). 1/ The current column 1 (most-favored-nation) rate of duty 2/ is 8 cents per pound plus 20.7 percent ad valorem, and the column 2 rate is 81 percent ad valorem. The ad valorem equivalent of the current column 1 rate of duty is 21.8 percent, based on entries of lightweight polyester fabrics during January-November 1982. The column 1 rate of duty has been in effect since January 1, 1983, and reflects the second stage of reductions in the rate resulting from concessions granted in the Tokyo round of the multilateral trade negotiations (MTN), conducted under the General Agreement on Tariffs and Trade (GATT) during 1973-79. The first reduction in this rate was made in 1982 and the remaining four annual reductions are scheduled for 1984-87. The rate in effect prior to 1982 and the reduced rates are as follows:

Effective date	Rate
Prior to Jan. 1, 1982	13¢/lb + 22.5% ad val.
Jan. 1, 1982	10¢/lb + 21.6% ad val.
Jan. 1, 1983	8¢/lb + 20.7% ad val.
Jan. 1, 1984	6¢/lb + 19.7% ad val.
Jan. 1, 1985	4¢/lb + 18.8% ad val.
Jan. 1, 1986	2¢/lb + 17.9% ad val.
Jan. 1, 1987	17% ad val.

1/ The subject fabrics were classified under tariff item 338.30 prior to Jan. 1, 1982.

2/ The rates of duty in rate of duty column numbered 1 are most-favored-nation (MFN) rates, and are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, such rates would not apply to products of developing countries which are granted preferential tariff treatment under the Generalized System of Preferences or under the "LDDC" rate of duty column. The rates of duty in rate of duty column numbered 2 apply to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

Imports of lightweight polyester fabrics are not eligible for duty-free treatment under the Generalized System of Preferences (GSP). 1/ In addition, imports of lightweight polyester fabrics from the least developed developing countries (LDDC's) are not granted preferential treatment. 2/

Entries of lightweight polyester fabrics are subject to control under the Multifiber Arrangement (MFA). 3/ The MFA provides the legal framework for bilateral agreements among participating countries, including the United States, Japan, and Korea, to provide for the orderly development of international trade in textiles and apparel. The subject lightweight polyester fabrics are included in MFA category 612 together with certain other fabrics of non-cellulosic man-made filaments, both lightweight and heavyweight. During January-November 1982, lightweight polyester fabrics of the types under investigation accounted for 86 percent of the total value of imports in category 612.

The arrangement between the United States and Japan concerning trade in textiles provides for an agreed limit on shipments under category 612 to the United States of 208 million square yards in 1982 with annual growth of 1 percent in 1983, 1984, and 1985. In 1982, Japan exported to the United States approximately 154 million square yards 4/ under this category, or 74 percent of its quota. The United States' agreement with Korea provides for consultation levels on fabrics under category 612 with the right to convert to specific limits whenever the United States believes that conditions in the market are such that a limitation on further trade is necessary in order to eliminate a real risk of market disruption. The United States exercised its right to convert to a specific limit in 1982 and again for trade in 1983. The specific limit in 1982 was 86 million square yards against which Korea shipped 66 million square yards, or 77 percent of its quota.

Channels of Distribution

Lightweight polyester fabrics are purchased by a large number of apparel manufacturers, particularly those engaged in producing women's blouses and dresses, and other manufacturers that construct their garments with lining materials. These manufacturers purchase fabrics which have been dyed or otherwise finished. In addition, approximately * * * percent of these fabrics are sold to retail fabric stores for use in home sewing.

1/ GSP is a program of nonreciprocal tariff preferences granted by developed countries to developing countries to aid their economic development by encouraging greater diversification and expansion of their production and exports. The U.S. GSP program, enacted under title V of the Trade Act of 1974, was implemented by Executive Order No. 11888, of November 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to expire on Jan. 4, 1985.

2/ The LDDC rate reflects the final U.S. MTN concession rate for an item without the normal staging of duty reductions, and is applicable to products from the LDDC's enumerated in general headnote 3(d) of the TSUS.

3/ Sanctioned under the GATT, formally known as the Arrangement Regarding International Trade in Textiles, the MFA was implemented in January 1974 for 4 years, was extended twice, and now runs through July 1986.

4/ Partially estimated based on annualized data for January-November 1982.

Producers of the lightweight polyester fabrics that include dying and finishing in their operations sell their finished production directly to apparel manufacturers and fabric stores. However, converters play an important role in the distribution of lightweight polyester fabrics, accounting for approximately * * * percent of sales of the finished product. The converters buy fabrics from the producers which are in the greige (unfinished) state and fabrics which have been prepared for printing or dyeing. The converters' success depends partly on the ability to develop fabric styles (colors and prints) which consumers will favor.

Lightweight polyester fabrics in the greige condition are produced and traded on the spot market year round. However, demand from garment manufacturers for the dyed and finished fabrics peaks during the second and third quarters of the year. Sales to garment manufacturers usually specify delivery between 4 and 24 weeks ahead. Inventories and spot prices tend to change based on market conditions, with activity increasing somewhat during periods of seasonally large cut-and-sew activity and declining during periods of reduced garment production.

U.S. Producers

Nine firms are known to produce lightweight polyester fabrics in the United States. Seven of these firms provided usable data for purposes of analysis. The following tabulation, which was compiled from data obtained in response to the Commission's questionnaire, shows the latter seven domestic producers and each firm's share of total U.S. production of lightweight polyester fabric:

Firm	1982 share of total production (percent)
Bloomsburg Mills, Inc	***
Burlington Industries, Inc	***
Dan River, Inc	***
Frank Ix & Sons, Inc	***
J.P. Stevens & Co., Inc	***
Milliken & Co	***
Texfi Industries, Inc	***
Total	100.0

Data for the seven reporting firms show that Burlington Industries is the * * *, accounting for about * * * percent of total U.S. production in 1982. Milliken, J.P. Stevens, and Dan River are * * * producers of lightweight polyester fabrics. The foregoing firms are large, diversified companies which produce a wide variety of fabrics and textile products in addition to the lightweight polyester fabrics. Burlington Industries is the leading U.S. textile firm and the other firms are among the largest U.S. textile companies. * * *.

Schneider Mills, Inc., * * *

Wateree Textile Corp. was identified as a producer of lightweight polyester fabrics late in the course of these investigations. * * *. No information has been received from this firm.

U.S. Importers

The Commission has identified 22 importers which were found to be entering lightweight polyester fabrics into this country. Of these importers, 8 were importing solely from Japan and 14 were importing from both Japan and Korea. There were no firms importing solely from Korea.

*   *   *   *   *   *   *

The Foreign Industry

Japanese textile industry

The Japanese man-made fiber textile industry consists of a few large, well financed man-made fiber producers, a moderate number of medium-size yarn spinning companies, and about 15,000 weaving establishments, many of which are extremely small.

Japanese production of polyester filament fabrics 1/ has increased from 399 million square meters to 977 million square meters, or by 188 percent, during 1969-79, as shown in table 1.

Table 1.--Japanese production of polyester fabrics, 1969-79

(In thousands of square meters)

Year	Polyester fabrics			
	Total	Filament fabrics	Taffeta	Crepe
1969	1,400,584	399,018	51,038	98,873
1970	1,662,122	522,757	54,615	112,591
1971	1,730,501	599,672	55,607	124,317
1972	1,681,354	642,301	53,699	137,756
1973	1,804,939	743,266	68,042	160,860
1974	1,642,468	663,594	70,951	137,946
1975	1,518,280	656,708	90,705	151,774
1976	1,784,133	767,744	114,114	170,279
1977	1,903,130	839,738	142,892	172,619
1978	1,989,237	900,791	150,559	218,504
1979	2,090,905	976,731	149,569	245,549

Source: Man-made fibers of Japan, 1980/1981, p. 26.

1/ This category includes heavyweight as well as lightweight polyester filament fabrics.

Growth in production of polyester filament fabrics has continued through 1981 as shown in the following tabulation:

	Quantity (1,000 square meters)
1980	1,130,690
1981	1,201,615
1982 (January-September)	835,234

In addition, Japanese production of taffeta and crepe, 1/ both lightweight polyester fabrics, has increased by 193 percent and 148 percent, respectively, during 1969-79 (table 1).

The Japanese trade press has reported production overcapacity in Japan's textile industry resulting from depressed world demand for lightweight polyester filament fabric and also the installation of new, more efficient looms. It is further reported in the press that overcapacity in the industry has been recognized by the Japanese Government which is taking steps to reduce capacity and to maintain prices, but these efforts have met with only partial success.

Japan's main export market for polyester filament fabrics are Saudi Arabia, the United States, United Arab Emirates (Dubai), Hong Kong, and China. 2/ Table 2 presents Japan's exports of polyester filament fabrics to major areas of the world during 1977-81.

Table 2.--Polyester filament fabrics: Exports from Japan to major areas of the world, 1977-81

(In thousands of square meters)

Area	1977	1978	1979	1980	1981
Middle East	211,533	220,946	283,325	380,165	414,015
United States	113,225	120,178	74,332	82,006	148,701
Southeast Asia	182,904	212,640	206,082	224,588	233,693
All other	288,362	253,105	527,613	358,810	318,602
World Total	796,024	806,869	726,718	922,549	1,115,011

Source: Japan Chemical Fibers Association, Man-made Fibers of Japan, 1982, p. 59.

1/ Taffeta and crepe are lightweight polyester filament fabrics covered in these investigations. However, Japanese classification of these fabrics differs from U.S. classification and hence the data are not comparable to U.S. production or import data.

2/ Japan Textile News (JTN), May 1982, p. 23.

The export figures in table 2 appear too large when compared with the Japanese production data provided earlier. In a report prepared by the U.S. Embassy in Tokyo in January 1983, it was explained that the export data included fabrics woven in Japan using yarns supplied from the Republic of Korea, Taiwan, and other countries and reexported on a consignment basis. Such shipments were not included in the production data which covers purely domestic production.

Korean textile industry

The Korean textile industry has maintained its position as the leading export industry in the nation, and also remains the largest single employer in the Korean economy. During the last 10 years the Korean textile industry accounted for about 17.5 percent of the gross output of the whole manufacturing sector.

Exports of textiles amounted to over 30 percent of total Korean exports during 1977-81. Textile exports during 1981 totaled $6.3 billion, with the 1982 export target set at $7.3 billion, representing a planned increase of 16.8 percent over the 1981 total. The Korean Government plans for textile exports to reach $12.4 billion by 1986 with an average annual increase of 14.6 percent.

The United States is the largest importer of Korean textile products. During 1981, such exports reached $1.5 billion, or 23.7 percent of Korea's total textile exports worldwide. Other important purchasers of Korean textile products were Japan ($1.0 billion), the European Community ($1.2 billion), and Hong Kong ($0.4 billion).

There were approximately 7,000 textile firms in 1981, including small-scale enterprises, employing a total of 787,000 workers, or 27 percent of total manufacturing employment. In 1982, about 80 firms were engaged in manufacturing and/or exporting polyester filament fabrics to the United States, 14 of which accounted for over 85 percent of such shipments.

Estimates of total production, production capacity, and capacity utilization ratios of Korean firms producing polyester filament fabrics, as provided by the U.S. Embassy in Seoul, are shown in the following tabulation:

Item	1980	1981	1982
Total production---1,000 square yards--:	1,423,000	1,622,700	1,645,800
Production capacity---------do----:	1,624,000	1,960,000	2,145,000
Capacity utilization-----percent--:	87.6	82.8	76.4

Korean exports of polyester filament fabric in 1980, 1981, and January-November 1982 are shown in table 3.

Table 3.--Polyester filament fabrics: Korean exports, 1980 and 1981 and January-November 1982

(In thousands of square yards)

Market	1980	1981	January-November 1982
All polyester filament fabric:			
United States	41,524	49,243	72,602
Others	678,547	806,548	775,717
Total	720,071	855,791	848,319
Georgette polyester filament fabric:			
United States	41,524	49,243	72,602
Others	313,827	344,758	321,365
Total	355,351	394,001	393,967
Polyester filament fabric other than georgette:			
United States	0	0	0
Others	364,720	461,790	454,352
Total	364,720	461,790	454,352

Source: Reported by the Korea Textile Exporters' Association to the U.S. Embassy in Seoul.

Nature and Extent of Alleged Sales at LTFV

The petition alleges that Japan and Korea are selling lightweight polyester fabrics in the United States at LTFV. The basis of the petitioners' allegation is that these fabrics are being sold on the U.S. market at prices which are below Japanese and Korean production costs. In this connection, the petitioners state that the Japanese and Koreans are also selling these fabrics in their home markets at prices which are below costs of production.

The petitioners' calculations determined the dumping margins to be as high as 218 percent. The dumping margins provided by the petitioners are as follows:

Item	Japan	Korea
45" greige pongee	142%	
45" finished pongee	102%	36%
45" finished crepe de Chine	218%	
45" finished georgette	165%	164%

The petition provides information on a related antidumping investigation conducted by the Government of Canada. The Canadian Department of National Revenue initiated its investigation on June 4, 1982, and announced its preliminary determination on December 9, 1982. Canada found that polyester filament fabrics from Japan and Korea have been or are being dumped on the Canadian market and that the margins of dumping and the volume of dumped goods are not negligible.

The Canadian investigation included lightweight polyester fabrics together with certain other woven polyester filament fabrics, such as heavyweight apparel fabrics, which are not covered in the investigations that are before the Commission. The weighted average margin of dumping found in Canada was 10.5 percent on fabrics shipped from Japan and 11.4 percent on fabrics shipped from Korea.

Consideration of Material Injury

U.S. production and production capacity

All lightweight polyester fabrics.--Total U.S. production of lightweight polyester fabrics increased 41 percent, from 159 million square yards in 1980 to 224 million square yards in 1981 (table 4). The firm of Frank Ix & Sons began production in 1981; * * *. * * *.

* * * made further increases in production during 1982, whereas other firms curtailed their operations. Industrywide production in 1982 was 183 million square yards, reflecting a decline of 18 percent from that of 1981.

Table 4.--Lightweight polyester fabrics: U.S. production, by firms, 1980-82

Firm	1980	1981	1982
	Quantity (1,000 square yards)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	159,144	224,021	182,843
	Share of total (percent)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	100.0	100.0	100.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 5 provides information on the production capacity and capacity utilization for all lightweight polyester fabrics. These data take into consideration normal product mix and exclude that part of the capacity of these facilities which are dedicated to the production of fabrics which are not covered in these investigations.

U.S. production capacity of lightweight polyester fabrics increased 14 percent in 1981 as a result of expansion by * * *. Total U.S. capacity increased by 2 percent in 1982. * * * accounted for the increase in 1982.

Table 5.--Lightweight polyester fabrics: U.S. production capacity 1/ and capacity utilization, by firms, 1980-82

Firm	1980	1981	1982
	Production capacity (1,000 square yards)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total 3/	360,462	412,067	419,902
	Capacity utilization (percent)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Average 3/	43.9	53.8	43.0

1/ Data on production capacity reflect practical capacity or actual production when part of the facilities were used to produce fabrics other than lightweight polyester fabrics.
2/ * * *.
3/ Based on reporting firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Average utilization of capacity increased from 44 percent in 1980 to 54 percent in 1981, but fell back to 43 percent in 1982. * * *.

Nontextured lightweight polyester fabrics.--U.S. production of nontextured lightweight polyester fabrics * * * (table 6). However, total U.S. output * * * percent to about 7 million square yards in 1982. * * *.

Table 6.--Lightweight polyester fabrics, nontextured: U.S. production, by firms, 1980-82

Firm	1980	1981	1982
	Quantity (1,000 square yards)		
Burlington Industries, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	***	***	6,545
	Share of total (percent)		
Burlington Industries, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	100.0	100.0	100.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Data on production capacity are not complete for all of the firms producing nontextured lightweight polyester fabrics. However, the limited information submitted by producers indicates that both production capacity and the utilization of capacity * * * slightly in 1981 and in 1982 (table 7).

Table 7.--Lightweight polyester fabrics, nontextured: U.S. production capacity 1/ and capacity utilization, by firms, 1980-82

Firm	1980	1981	1982
	Production capacity (1,000 square yards)		
Burlington Industries, Inc 2/	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total 4/	***	***	26,117
	Capacity utilization (percent)		
Burlington Industries, Inc 2/	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Average 4/	***	***	12.4

1/ Data on production capacity reflects practical capacity or actual production when part of the facilities were used to produce fabrics other than lightweight polyester fabrics.
2/ * * *.
3/ * * *.
4/ Based on reporting firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Textured lightweight polyester fabrics.--Total domestic production of textured lightweight polyester fabrics * * * to 176 million square yards in 1982 (table 8). * * *.

* * * (table 9). However, based on data for the other producers, U.S. production capacity * * * in 1982. The utilization of capacity * * * to 74 percent in 1982.

Table 8.--Lightweight polyester fabrics, textured: U.S. production, by firms, 1980-82

Firm	1980	1981	1982
	Quantity (1,000 square yards)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	***	***	176,298
	Share of total (percent)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	100.0	100.0	100.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 9.--Lightweight polyester fabrics, textured: U.S. production capacity 1/ and capacity utilization, by firms, 1980-82

Firm	1980	1981	1982
	Production capacity (1,000 square yards)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc 3/	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total 4/	***	***	191,485
	Capacity utilization (percent)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc 3/	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Average 4/	***	***	74.5

1/ Data on production capacity reflects practical capacity or actual production when part of the facilities were used to produce fabrics other than lightweight polyester fabrics.
2/ * * *.
3/ * * *.
4/ Based on reporting firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. producers' domestic shipments

All lightweight polyester fabrics.--Total U.S. producers' domestic shipments of lightweight polyester fabrics increased 29 percent, from 162 million square yards in 1980 to 209 million square yards in 1981 (table 10). However, a decline of 16 percent to 177 million square yards occurred in 1982. * * *.

Table 10.--Lightweight polyester fabrics: U.S. producers' domestic shipments, by firms, 1980-82

Firm	1980	1981	1982
	Quantity (1,000 square yards)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	162,394	209,213	176,561
	Value (1,000 dollars)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total 2/	112,327	164,334	138,510
	Unit value (per square yard)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Average 2/	.76	.87	.88

1/ * * *.
2/ Based on reporting firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The total value of U.S. domestic shipments also increased in 1981, but then declined in 1982, * * *.

The average unit value of total U.S. domestic shipments of lightweight polyester fabrics increased from 76 cents per square yard in 1980 to 87 cents in 1981 and to 88 cents per square yard in 1982. * * *.

<u>Nontextured lightweight polyester fabrics</u> * * * (table 11).

*   *   *   *   *   *   *

<u>Textured lightweight polyester fabrics</u> * * * (table 12).

*   *   *   *   *   *   *

Table 11.--Lightweight polyester fabrics, nontextured: U.S. producers' domestic shipments, by firms, 1980-82

Firm	1980	1981	1982
	Quantity (1,000 square yards)		
Burlington Industries, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	***	***	6,234
	Value (1,000 dollars)		
Burlington Industries, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	***	***	3,800
	Unit value (per square yard)		
Burlington Industries, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Average	***	***	.61

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 12.--Lightweight polyester fabrics, textured: U.S. producers' domestic shipments, by firms, 1980-82

Firm	1980	1981	1982
	Quantity (1,000 square yards)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total	***	***	170,327
	Value (1,000 dollars)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	***	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Total 2/	***	***	134,710
	Unit value (per square yard)		
Bloomsburg Mills, Inc	***	***	***
Burlington Industries, Inc	***	***	***
Dan River, Inc	***	***	***
Frank Ix & Sons, Inc	***	***	***
J.P. Stevens & Co., Inc	**	***	***
Milliken & Co	***	***	***
Texfi Industries, Inc	***	***	***
Average 2/	***	***	.90

1/ Not reported.
2/ Based on reporting firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * * * *

U.S. producers' exports

*   *   *   *   *   *   *

U.S. producers' inventories

Inventories of all lightweight polyester fabrics held by producers increased from 23 million square yards at the end of 1980 to 33 million at the end of 1981 and to 34 million square yards at the end of 1982 (table 13). The increase in stocks in 1981 reflected growth in production and sales, and the ratio of inventories to production stayed at the 1980 level. However, with 1982 production declining and inventories increasing, the ratio of inventories to production had increased sharply by December 1982.

*   *   *   *   *   *   *

Table 13.--Lightweight polyester fabrics: U.S. producers' inventories held as of Dec. 31 of 1980-82

Item and year	Producers' inventories	Ratio of inventories to production
	(1,000 square yards)	(Percent)
All fabrics:		
1980	22,522	14.2
1981	32,546	14.5
1982	34,002	18.6
Nontextured fabrics:		
1980	***	***
1981	***	***
1982	***	***
Textured fabrics:		
1980	***	***
1981	***	***
1982	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Employment and wages

The number of production and related workers engaged in the combined production of nontextured and textured lightweight polyester fabrics increased from 3,031 in 1980 to 3,563 in 1981, but declined to 2,772 in 1982 (table 14). The number of hours worked also increased in 1981 but was down in 1982. Output per hour of work increased throughout the period under consideration, increasing from 24.8 square yards in 1980 to 35.2 square yards in 1982. None of these production and related workers are represented by a union.

Table 14.--Lightweight polyester fabrics: Production and related workers, hours worked by such workers, and output per hour, 1980-82

Item and year	Production and related workers	Hours worked by production and related workers 1/	Output per worker hour 1/
All fabrics:			
1980	3,031	5,798,000	24.8
1981	3,563	7,009,000	29.1
1982	2,772	4,624,000	35.2
Nontextured fabrics:			
1980	***	***	***
1981	***	***	***
1982	***	***	***
Textured fabrics:			
1980	***	***	***
1981	***	***	***
1982	***	***	***

1/ * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Wages paid to production and related workers engaged in producing lightweight polyester fabric are shown in table 15. Total compensation increased 29 percent to $38 million in 1981, then declined to $27 million in 1982. Fringe benefits accounted for about 20 percent of total compensation. The average hourly wage increased steadily from $6.09 in 1980 to $7.33 in 1982.

Trends in the employment and wages for nontextured fabrics and textured fabrics correspond to those of the overall industry, generally increasing in 1981 and declining in 1982. * * *.

Table 15.--Lightweight polyester fabrics: Total compensation, wages and average hourly wages of production and related workers, 1980-82 1/

Item and year	Total compensation	Wages paid excluding fringe benefits	Average hourly wage 2/
	1,000 dollars	1,000 dollars	
All fabrics:			
1980	35,288	29,265	$6.09
1981	46,392	37,876	6.62
1982	33,876	27,106	7.33
Nontextured fabrics:			
1980	***	***	***
1981	***	***	***
1982	***	***	***
Textured fabrics:			
1980	***	***	***
1981	***	***	***
1982	***	***	***

1/ * * *.
2/ Calculated on the basis of total compensation.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Financial experience of U.S. producers

Four U.S. firms supplied usable income-and-loss data relative to their overall establishment operations and their operations on textured lightweight polyester fabric. Three of these firms also supplied income-and-loss data relative to their operations on nontextured lightweight polyester fabric. In 1981, these reporting firms accounted for about * * * percent of the value of total U.S. producers' shipments of textured polyester fabric and for about * * * percent of the value of total U.S. producers' shipments of nontextured polyester fabric.

Overall establishment operations.--The four reporting firms' overall establishment net sales rose irregularly from $738 million to $793 million between 1979 and 1981. Net sales dropped to $657 million in 1982, down $136 million, or 17 percent, from 1981 net sales (table 16).

Table 16.--Income-and-loss experience of 4 U.S. producers on the overall operation of their establishments within which nontextured and textured lightweight polyester fabrics are produced, by firms, 1979-82

Item	1979	1980	1981	1982
Net sales:				
****---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	738,003	726,217	793,052	657,405
Cost of goods sold:				
***---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	626,288	607,593	654,602	577,555
Gross Income:				
***---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	111,715	118,624	138,450	79,850
General, selling, and administrative expenses:				
***---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	40,201	43,303	46,005	44,766
Operating income or (loss):				
***---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	71,514	75,321	92,445	35,084
Depreciation and amortization expense:				
***---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	36,131	39,075	39,025	36,162
Cash flow from operations:				
***---------1,000 dollars--	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
***------------------do----	***	***	***	***
Total---------------do----	107,645	114,396	131,470	71,246

Table 16.--Income-and-loss experience of 4 U.S. producers on the overall operation of their establishments within which nontextured and textured lightweight polyester fabrics are produced, by firms, 1979-82--Continued

Item	1979	1980	1981	1982
Ratio of operating income or (loss) to net sales:				
***---------------percent--:	***	***	***	***
***------------------do----:	***	***	***	***
***------------------do----:	***	***	***	***
***------------------do----:	***	***	***	***
Total---------------do----:	9.7	10.4	11.7	5.3

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

In the aggregate, the four firms derived between 14 percent (1979 and 1980) and 20 percent (1981 and 1982) of their overall establishment sales revenue from the sale of lightweight polyester fabrics in each year during 1979-82. The establishment operations of the four firms was profitable during the reporting period, although operating income fell sharply in 1982. Operating income rose yearly from $72 million, or 9.7 percent of net sales, in 1979 to $92 million, or 11.7 percent of net sales, in 1981, and dropped sharply to $35 million, or 5.3 percent of net sales, in 1982.

Cash flow generated from U.S. producers' overall establishment operation rose annually from $108 million to $131 million during 1979-81. Cash flow dropped 46 percent to $71 million in 1982.

Individual income-and-loss data, on an establishment basis, are also shown in table 16. * * *.

<u>Nontextured lightweight polyester fabric operations</u>.--The three reporting firms' net sales of nontextured polyester fabric * * * (table 17).

*　　*　　*　　*　　*　　*　　*

*　　*　　*　　*　　*　　*　　*

Table 17.--Income-and-loss experience of 3 U.S. producers on their nontextured lightweight polyester fabric operations, by firms, 1979-82 1/

Source	1979	1980	1981	1982

*　　*　　*　　*　　*　　*　　*

1/ * * *.

Source: Compiled from data submitted in reponse to questionnaries of the U.S. International Trade Commission.

<u>Textured lightweight polyester fabric operations</u>.--Net sales of textured polyester fabric * * *. * * * (table 18).

* * * * * * *

Table 18.--Income-and-loss experience of 4 U.S producers on their textured lightweight polyester fabric operations, by firms, 1979-82 1/

Source	1979	1980	1981	1982

* * * * * * *

1/ * * *.

Source: Compiled from data submitted in response to questionnaries of the U.S. International Trade Commission.

*   *   *   *   *   *   *

*   *   *   *   *   *   *

Consideration of the Threat of Material Injury

There are several factors which may contribute to a determination of threat of injury to the domestic industry. These include an ability of foreign producers to increase their exports to the United States, an increase in U.S. importer's inventories of the product, and increasing trends in the quantity of imports and U.S. market penetration.

Twenty importers provided information on their inventories of lightweight polyester fabrics. Seven of these firms reported their annual yearend inventories as having been nil or negligible during 1979-82. Inventories of 13 importers are shown in table 19. Yearend inventories of fabrics imported from Japan increased from 540,000 square yards in 1980 to 1.4 million square yards in 1981, and then to 2.6 million at yearend 1982. Inventories of imports of fabrics from Korea trended slightly upward during 1979-81 and then increased sharply to 5.8 million square yards at yearend 1982. Combined total inventories of Japanese and Korean fabrics increased from 1.1 million square yards at yearend 1980 to 2.2 million square yards at yearend 1981, and to 8.4 million square yards at yearend 1982. Nontextured fabrics accounted for the majority of Japanese fabric inventories during the last 2 years. The great bulk of Korean fabric inventories have been of the nontextured qualities.

Table 19.--Lightweight polyester fabrics: Importers' inventories, as of Dec. 31 of 1979-82

Item and year	Quantity	Value
	(1,000 square yards)	(1,000 dollars)
Inventories of imports from Japan:		
All fabrics:		
1979	295	394
1980	540	584
1981	1,434	1,798
1982	2,562	3,344
Nontextured fabrics:		
1979	246	341
1980	509	539
1981	789	1,081
1982	2,159	2,615
Textured fabrics:		
1979	49	53
1980	31	45
1981	645	717
1982	403	729
Inventories of imports from Korea:		
All fabrics:		
1979	167	138
1980	548	536
1981	810	1,109
1982	5,823	6,001
Nontextured fabrics:		
1979	146	122
1980	545	532
1981	802	1,097
1982	5,525	5,565
Textured fabrics:		
1979	21	16
1980	3	4
1981	8	12
1982	298	436

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commisssion.

The best information available at the present time shows that production of polyester fabrics has trended sharply upward in both Japan and Korea. Output of filament fabrics in Japan increased 49 percent, from 657 million square meters in 1975 to 977 million square meters in 1979. Korea's production of synthetic fiber fabrics, including the lightweight polyester fabrics, increased from 386 million square meters in 1977 to 915 million square meters in 1981.

A representative of the Japanese Ministry of International Trade and Industry suggested that both production and exports of polyester fabrics of continuous (filament) fibers in 1983 may be somewhat below the 1982 level as there is no reason to expect a pickup of demand in the domestic market as well as in such major markets as the United States, China, or the Mid-East. 1/

With respect to the Korean industry, the Ministry of Commerce and Industry (MCI) and the Korea Textile Exporters Associaton told the American Embassy in Seoul that there are no plans to expand polyester filament fabric production capacity in 1983. However, under the Government's Textile Modernization Plan, dated December 4, 1982, MCI announced the plan to expand the production capacity of polyester fiber in 1983 by 107.5 metric tons a day. These fibers of course are used in the production of polyester filament fabric. But since Korea exports polyester fibers, the plan to expand polyester fiber capacity could be consistent with the plan not to expand polyester filament fabric production. 2/

A discussion of the rate of increase of imports and market penetration of imports is presented in the following section of this report.

Consideration of the Causal Relationship Between Alleged LTFV Imports and Alleged Injury

U.S. imports

All lightweight polyester fabrics.--Imports of lightweight polyester fabrics nearly doubled from 125 million square yards in 1980 to 238 million square yards in 1982 (table 20). The entered value of these imports was $254 million in 1982, or 65 percent more than it was in 1980. The average unit value of imports decreased from $1.24 per square yard in 1980 to $1.22 in 1981 and then fell sharply to $1.07 per square yard in 1982.

1/ Report from the U.S. Embassy, Tokyo, January 1983.
2/ Report from the U.S. Embassy, Seoul, January 1983.

Table 20.--Lightweight polyester fabrics: U.S. imports for consumption, by principal sources, 1980-82

Source	1980 1/	1981	1982
	Quantity (1,000 square yards)		
Japan	81,149	130,534	157,425
Korea	34,985	40,967	68,542
All other	8,438	18,828	12,084
Total	124,572	190,329	238,051
	Value (1,000 dollars)		
Japan	102,897	169,636	176,057
Korea	38,158	48,200	68,732
All other	12,915	13,936	9,454
Total	153,970	231,772	254,243
	Unit value (per square yard)		
Japan	$1.27	$1.30	$1.12
Korea	1.09	1.18	1.00
All other	1.53	.74	.78
Average	1.24	1.22	1.07

1/ Partially estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Imports from both Japan and Korea increased sharply during 1980-82. Imports from other countries increased in 1981, but declined in 1982. Japan is the largest source of U.S. imports; its share of the total quantity of U.S. imports increased from 65 percent in 1980 to 66 percent in 1982. Korea's share of total U.S. imports was 29 percent in 1982, up from 28 percent in 1980. The share of imports for other countries declined slightly to 5 percent in 1982. The average unit values of imports from both Japan and Korea increased in 1981, but then declined sharply in 1982.

The average unit values of lightweight polyester fabrics imported from Japan were relatively stable during January 1981-June 1982 (table 21). Japanese import unit values dropped sharply in the third quarter of 1982 and continued to drop through the fourth quarter of 1982. Average unit values for fabrics imported from Korea showed a gradual rising trend during January 1981-June 1982 (table 22). Korean unit values also dropped sharply in the third quarter of 1982 and this trend continued through the fourth quarter of 1982.

The delivery leadtime for these imported fabrics is normally 3 to 6 months. Hence the unit value declines observed on import shipments during July-December 1982 would have been reflected in orders booked during the second and third quarters of 1982.

Table 21.--Lightweight polyester fabrics: U.S. imports for consumption from Japan, by months, January 1981-December 1982

Period	Nontextured			Textured			Total		
	Quantity	Value	Average Unit value	Quantity	Value	Average Unit value	Quantity	Value	Average Unit value
	1,000 sq. yd.	1,000 dollars	Per sq. yd.	1,000 sq. yd.	1,000 dollars	Per sq. yd.	1,000 sq. yd.	1,000 dollars	Per sq. yd.
1981:									
January	7,252	9,385	$1.29	940	1,063	$1.13	8,192	10,448	$1.28
February	4,249	6,043	1.42	293	401	1.37	4,542	6,444	1.42
March	7,339	9,699	1.32	936	1,062	1.13	8,275	10,761	1.30
Average	6,280	8,376	1.33	723	842	1.16	7,003	9.218	1.32
April	6,173	8,477	1.37	1,259	1,425	1.13	7,432	9,902	1.33
May	5,658	7,897	1.40	1,916	2,384	1.24	7,574	10,281	1.36
June	6,874	9,560	1.39	2,556	3,356	1.31	9,430	12,916	1.37
Average	6,235	8,645	1.39	1,910	2,388	1.25	8,145	11,033	1.35
July	7,022	9,281	1.32	3,179	3,904	1.23	10,201	13,185	1.29
August	8,187	10,992	1.34	3,957	4,767	1.20	12,144	15,759	1.30
September	9,182	11,765	1.28	3,921	5,029	1.28	13,103	16,794	1.28
Average	8,130	10,679	1.31	3,686	4,567	1.24	11,816	15,246	1.29
October	12,543	16,552	1.32	4,881	6,235	1.28	17,424	22,787	1.31
November	15,747	19,900	1.26	5,032	6,220	1.24	20,779	26,120	1.26
December	8,289	10,349	1.25	3,247	4,084	1.26	11,536	14,433	1.25
Average	12,193	15,600	1.28	4,387	5,513	1.26	16,580	21,113	1.27
1982:									
January	12,595	15,877	1.26	4,251	5,143	1.21	16,846	21,020	1.25
February	7,371	9,602	1.30	2,974	3,830	1.29	10,345	13,432	1.30
March	7,268	8,908	1.23	4,584	5,272	1.15	11,852	14,180	1.20
Average	9,078	11,463	1.26	3,936	4,748	1.21	13,014	16,211	1.25
April	6,431	8,501	1.32	3,479	3,949	1.14	9,910	12,450	1.26
May	8,399	10,711	1.28	4,849	5,807	1.20	13,248	16,518	1.25
June	5,416	9,313	1.72	5,787	6,503	1.12	11,203	15,816	1.41
Average	6,749	9,508	1.41	4,705	5,420	1.15	11,454	14,928	1.30
July	5,673	6,695	1.18	3,701	3,831	1.04	9,374	10,526	1.12
August	10,407	11,757	1.13	6,621	6,761	1.02	17,028	18,518	1.09
September	9,896	10,559	1.07	5,791	6,053	1.05	15,687	16,612	1.06
Average	8,659	9,670	1.12	5,371	5,548	1.03	14,030	15,219	1.08
October	8,242	7,972	.97	5,136	5,001	.97	13,378	12,973	.97
November	9,991	9,492	.95	6,042	5,700	.94	16,033	15,192	.95
December	5,816	4,839	.83	4,244	3,950	.93	10,060	8,789	.87
Average	8,016	7,434	.93	5,141	4,884	.95	13,157	12,318	.94

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Table 22.--Lightweight polyester fabrics: U.S. imports for consumption from Korea, by months, January 1981-December 1982

Period	Nontextured			Textured			Total		
	Quantity	Value	Average Unit value	Quantity	Value	Average Unit value	Quantity	Value	Average Unit value
	1,000 sq. yd.	1,000 dollars	Per sq. yd.	1,000 sq. yd.	1,000 dollars	Per sq. yd.	1,000 sq. yd.	1,000 dollars	Per sq. yd.
1981:									
January	2,766	3,094	$1.12	687	724	$1.05	3,453	3,818	$1.11
February	1,604	1,727	1.08	66	77	1.17	1,670	1,804	1.08
March	3,423	3,700	1.08	68	75	1.10	3,491	3,775	1.08
Average	2,598	2,840	1.09	274	292	1.07	2,872	3,132	1.09
April	3,409	3,729	1.09	130	139	1.07	3,539	3,868	1.09
May	4,419	5,002	1.13	345	430	1.25	4,764	5,432	1.14
June	5,179	5,996	1.16	356	445	1.25	5,535	6,441	1.16
Average	4,336	4,909	1.13	277	338	1.22	4,613	5,247	1.14
July	5,776	6,955	1.20	584	704	1.21	6,360	7,659	1.20
August	4,140	5,181	1.25	297	339	1.14	4,437	5,520	1.24
September	2,707	3,420	1.26	229	297	1.30	2,936	3,717	1.27
Average	4,208	5,185	1.23	370	447	1.21	4,578	5,632	1.23
October	2,380	3,056	1.28	419	530	1.26	2,799	3,586	1.28
November	1,245	1,640	1.32	14	10	.71	1,259	1,650	1.31
December	698	897	1.29	27	35	1.30	725	932	1.29
Average	1,441	1,864	1.29	153	192	1.25	1,594	2,056	1.29
1982:									
January	2,131	2,629	1.23	125	166	1.33	2,256	2,795	1.24
February	3,086	3,877	1.26	328	409	1.25	3,414	4,286	1.26
March	3,223	3,870	1.20	114	102	.89	3,337	3,972	1.19
Average	2,813	3,459	1.23	189	226	1.20	3,002	3,685	1.23
April	1,817	2,076	1.14	282	341	1.21	2,099	2,417	1.15
May	3,076	3,524	1.15	541	657	1.21	3,617	4,181	1.16
June	4,716	7,853	1.67	573	667	1.16	5,289	8,520	1.61
Average	3,203	4,485	1.40	465	550	1.18	3,668	5,035	1.37
July	3,948	4,155	1.05	691	777	1.12	4,639	4,932	1.06
August	9,170	9,583	1.05	1,697	1,732	1.02	10,867	11,315	1.04
September	9,997	9,180	.92	1,124	1,109	.99	11,121	10,289	.93
Average	7,705	7,639	.99	1,170	1,206	1.03	8,875	8,845	1.00
October	7,997	6,869	.86	1,260	1,143	.91	9,257	8,012	.87
November	6,492	5,379	.83	604	558	.92	7,096	5,937	.84
December	4,833	3,902	.81	718	561	.78	5,551	4,462	.80
Average	6,441	5,383	.84	861	754	.88	7,301	6,137	.84

Source: Compiled from official statistics of the U.S. Department of Commerce.

<u>Nontextured fabrics</u>.--Nontextured fabrics accounted for the great bulk of total imports of lightweight polyester fabrics--72 percent in 1982. Imports of these fabrics increased sharply during 1980-82, from both Japan and Korea (table 23). Imports from other countries declined in 1982. The average unit values of imports from Japan and Korea rose slightly in 1981, but then dropped in 1982.

<u>Textured fabrics</u>.--Japan has been the principal source of U.S. imports of textured lightweight polyester fabrics and in 1982 accounted for 85 percent of total U.S. imports (table 24). Imports from Korea, although relatively small, increased sharply in 1982. Total imports of these fabrics increased from 25 million square yards in 1980 to 68 million square yards in 1982. The total value of these imports increased during 1980-82. The average unit value of these imports fell from $1.19 per square yard in 1981 to $1.06 per square yard in 1982.

Table 23.--Lightweight polyester fabrics, nontextured: U.S. imports for consumption, by principal sources, 1980-82

Source	1980 1/	1981	1982
	Quantity (1,000 square yards)		
Japan	61,245	98,516	99,961
Korea	32,229	37,745	60,486
All other	6,054	15,745	9,974
Total	99,528	152,006	170,422
	Value (1,000 dollars)		
Japan	78,833	129,900	114,252
Korea	35,149	44,396	60,461
All other	9,683	11,945	7,914
Total	123,665	186,241	182,627
	Unit value (per square yard)		
Japan	$1.29	$1.32	$1.14
Korea	1.09	1.18	1.00
All other	1.60	.76	.79
Average	1.24	1.23	1.07

1/ Partially estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 24.--Lightweight polyester fabrics, textured: U.S. imports for consumption, by principal sources, 1980-82

Source	1980 1/	1981	1982
	Quantity (1,000 square yards)		
Japan	19,904	32,018	57,464
Korea	2,756	3,222	8,056
All other	2,384	3,083	2,110
Total	25,044	38,323	67,629
	Value (1,000 dollars)		
Japan	24,064	39,736	61,805
Korea	3,009	3,804	8,270
All other	3,232	1,991	1,541
Total	30,305	45,531	71,616
	Unit value (per square yard)		
Japan	$1.21	$1.24	$1.08
Korea	1.09	1.18	1.03
All other	1.36	.65	.73
Average	1.21	1.19	1.06

1/ Partially estimated.

Source: Compiled from official statistics of the U.S. Department of Commerce.

U.S. consumption and market penetration of imports

All lightweight polyester fabrics.--Apparent U.S. consumption of lightweight polyester fabrics increased steadily from 287 million square yards in 1980 to 415 million square yards in 1982 (table 25). The market penetration of total imports increased from 43.4 percent in 1980 to 47.6 percent in 1981 and to 57.4 percent in 1982. Imports from Japan and from Korea each have accounted for increasing shares of the domestic market, with particularly large increases in 1982. Imports from Japan rose from 32.7 percent of U.S. consumption in 1981 to 38.0 percent in 1982. Imports from Korea, as a share of U.S. consumption, actually declined slightly in 1981, but increased sharply in 1982.

Table 25.--Lightweight polyester fabrics: Apparent U.S. consumption, 1980-82

Item amd year	Apparent U.S. consumption 1/	Ratio of imports to U.S. consumption		
		Total imports	Imports from Japan	Imports from Korea
	1,000 square yards	Percent	Percent	Percent
All fabrics:				
1980	286,966	43.4	28.3	12.2
1981	399,542	47.6	32.7	10.3
1982	414,612	57.4	38.0	16.5
Nontextured fabrics:				
1980	***	***	***	***
1981	***	***	***	***
1982	176,656	96.5	56.6	34.2
Textured fabrics:				
1980	***	***	***	***
1981	***	***	***	***
1982	237,956	28.4	24.1	3.4

1/ Apparent U.S. consumption includes domestic shipments and imports.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, and from official statistics of the U.S. Department of Commerce.

Nontextured fabrics.--U.S. consumption of the nontextured fabrics has * * * to 177 million square yards in 1982. Imports account for the bulk of consumption. The ratio of imports to consumption * * * to 96.5 percent in 1982. Imports from Japan have accounted for * * * percent of U.S. consumption. Imports from Korea * * * in 1982 at 34 percent of U.S. consumption.

Textured fabrics.--Domestic consumption of textured lightweight polyester fabrics * * * to 238 million square yards in 1982. Imports have also penetrated this market to a greater extent, principally because of increased imports from Japan. The ratio of total imports to U.S. consumption * * * to 28.4 percent in 1982. The ratio of imports from Japan to consumption * * * percent in 1980 to 24.1 percent in 1982. The ratio of imports from Korea to U.S. consumption * * * to 3.4 percent in 1982.

Prices

The lightweight polyester fabrics, weighing less than 5 ounces per square yard, are usually sold, by domestic producers as well as importers, by contract, for delivery to take place between 1 and 6 months. There are no firmly established prices for these goods; in cases where published or internal price lists exist, they are used as guidelines only.

Information obtained from the importers' questionnaires indicates that their purchase prices for imported goods may have fluctuated in response to changes in the yen or won exchange rates vis-a-vis the U.S. dollar; the importers' selling prices, however, are determined largely by market conditions. The prices for lightweight polyester fabrics vary somewhat depending on volume contracted for sale. The prices fluctuate on a seasonal basis, but may vary weekly, and sometimes daily and are subject to the cost of labor, raw materials, demand, supply, and price competition. The usual pricing policy, particularly for large orders, is to negotiate the price for each item during each transaction. All prices are quoted on an f.o.b. warehouse basis.

The lightweight polyester fabrics are sold in semifinished or greige state, in a prepared for printing (PFP) state, or in a finished (dyed or printed) state. The fabrics in greige and those prepared for printing are sold to converters which dye or print it. The finished fabric is sold by producers and converters directly to apparel manufacturers and home-sewing centers. Although the greige and PFP fabric is somewhat wider, the standard finished width for most of the fabrics is 44 to 45 inches and 58 to 60 inches. The wider widths command special premiums as they can be cut more efficiently by apparel producers.

The lightweight polyester fabrics are also sold on an active spot market. The demand and market activity determine spot market prices which fluctuate above and below the contract prices. The spot prices are also influenced by fluctuations in seasonal demand and are sometimes below contract prices at the end or out of season periods.

Trade sources and conference testimony indicate that price is the major determinant in sales of comparable polyester fabrics. Price competition is very keen, and a price differential of 0.5 cent per yard for unfinished (greige) fabric or 5 cents for finished (dyed or printed) fabric can determine if a sale is made or not. Other factors affecting a sale are demand, availability, quality, and reliability of service.

Currency fluctuation is an important factor in pricing of imported polyester fabrics. During the second and third quarters of 1982, the yen depreciated relative to the U.S. dollar, contributing to a price drop for imports of Japanese polyester fabrics during the third and fourth quarters.

The Commission asked U.S. producers and importers to supply average selling prices received for sales of lightweight polyester fabrics, not over 5 ounces per square yard, for greige and finished fabrics, for pongee, crepe de Chine, and georgette. Quarterly price data were requested for 1981 and 1982.

Domestic price trends.--Usable price data on U.S.-produced lightweight polyester fabrics were supplied to the Commission by four domestic producers: * * *.

Prices reported are based on sales to each company's three largest purchasers in the United States. The analysis of data submitted in response to Commission's questionnaires indicates that the average domestic price for dyed pongee rose from $1.10 per yard in January-March 1981 to $1.16 per yard in October-December 1981 (table 26). Average prices in January-June 1982 remained at the same level, increasing to $1.17 per yard in July-September 1982.

Two domestic producers 1/ submitted price data on sales of lightweight polyester twill, * * * (table 27). * * *.

Table 26.--Certain lightweight polyester filament fabrics: Weighted average net selling prices and selling price ranges of U.S. producers and importers for dyed pongee, and margins of under selling by importers, by quarters, January 1981-December 1982

(Per yard)

Period	U.S. producers' prices		Prices of imports from Japan		Margin of underselling	
	Range	Average	Range	Average	Actual	Percent
1981:						
January-March	$1.08-$1.12	$1.10	$0.84-$1.23	$0.98	$0.12	10.9
April-June	1.10- 1.15	1.12	.74- 1.30	.94	.18	16.1
July-September	1.13- 1.18	1.15	.84- 1.33	.95	.20	17.4
October-December	1.15- 1.17	1.16	.80- 1.00	.88	.28	24.1
1982:						
January-March	1.15- 1.17	1.16	0.74- 0.98	.89	.27	23.3
April-June	1.15- 1.18	1.16	.73- 1.07	.94	.22	19.0
July-September	1.15- 1.18	1.17	.64- 1.10	.77	.40	34.2
October-December	-	-	.63- 0.96	.73	-	-

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Importers and producers reported prices for dyed pongee 44 to 45 inches in width.

1/ * * *.

Table 27.--Certain lightweight polyester filament fabrics: Weighted average net selling prices and selling price ranges of domestically produced dyed twill, by quarters, January 1981-December 1982

Period	U.S. producers' price	
	Range	Average
	Per yard	
1981:		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***
1982:		
January-March	***	***
April-June	***	***
July-September	***	***
October-December	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Twill was not a fabric for which the Commission requested price data. Consequently without importers' data on twill prices, there was a question of the usefulness of the domestic price data with respect to comparability or direct competition with the like imported product. In response to Commission's staff inquiry, * * *.

Domestic producers submitted a few scant instances of sales of georgette. These prices were for seconds and are not usable for trend analysis or for comparison with importers' prices for georgette. Price data submitted on crepe de Chine by domestic producers and importers were not comparable in terms of degree of finish and width.

Import price trends.--Usable price data were supplied by 16 importers on 1 or more of the 4 fabrics for which the Commission had requested selling prices. Such price data on imports of pongee from Japan are presented in table 26. These data reflect a rather steady downtrend in the price of dyed pongee imported from Japan. In 1981, the weighted average import price fell 10 percent, from 98 cents per yard in January-March to 88 cents per yard in October-December. Prices steadied somewhat in January-June 1982, then fell from 94 cents in April-June to 77 cents in July-September and continued the decline to end the year at 73 cents per yard, representing a price level almost 24 percent below the price at the beginning of the subject period.

No price data were received on imports of pongee from Korea. * * *. 1/

1/ * * *.

Importers submitted price data on dyed georgette imported from Korea and from Japan. These data are presented in table 28. The overall price trend for imported georgette from Japan and from Korea is similar to that of pongee. Prices were relatively flat in 1981. In 1982, however, prices fell sharply for both Japanese and Korean georgette.

Table 28.--Certain lightweight polyester filament fabrics: Net selling prices and selling price ranges of imports of dyed double georgette from Japan and from Korea, by quarters, January 1981-December 1982

Period	Price of georgette--			
	Imported from Japan		Imported from Korea	
	Range	Average	Range	Average
	Per square yard			
1981:				
January-March	$2.71-$3.07	$2.88	$2.54-$3.83	2.71
April-June	2.84- 3.09	3.01	2.45- 3.46	2.67
July-September	2.96- 3.02	2.99	2.46- 3.66	2.74
October-December	2.91- 2.97	2.95	2.54- 3.79	2.75
1982:				
January-March	2.38- 2.79	2.65	2.44- 3.42	2.95
April-June	1.83- 2.84	2.01	2.20- 2.90	2.52
July-September	1.81- 1.87	1.83	2.30	2.30
October-December	1.69- 1.91	1.75	1.85- 2.03	2.03

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Average Japanese prices of georgette increased 2.4 percent in 1981, from a level of $2.88 per yard to $2.95 per yard, but in 1982 the average price was down 10 percent to $2.65 per yard in January-March 1982, and fell precipitously to $1.75 per yard in October-December, representing a price level of 39 percent below the price at the beginning of the subject 2-year period.

Korean prices of dyed double georgette inched up slightly (1.5 percent) to $2.75 per yard in 1981, jumped 7 percent in January-March 1982, then fell 15 percent in April-June to $2.52 per yard and declined steadily in July-December, to $2.03 per yard, representing a 24-percent drop for the overall period.

Apart from the general price trend, the relative competitive price levels of Japanese and Korean georgette shifted during the period under observation. During 1981 Korean georgette had roughly a 10-percent price advantage over Japanese georgette. In contrast, Japanese prices in 1982 show an advantage, ranging between 10 and 20 percent below Korean prices. 1/ * * *. 2/

1/ * * *.
2/ * * *.

Margin of underselling.--Price data on dyed pongee provides the only comparable basis for calculating margins of underselling. The import price data on pongee, however, reflects only prices of pongee imported from Japan (table 26). Margins of underselling appear in each of the seven quarters of the subject period in which comparable data were received. These margins of underselling range from a low of 11 percent (January-March 1981) to a high of 34 percent (July-September 1982).

Lost sales

Two domestic producers provided specific information on alleged lost sales to Japanese and Korean lightweight polyester filament fabrics at prices below those of U.S. producers. 1/ Positive verification of lost sales because of price was difficult due to the marketing and distribution methods used for these fabrics in the United States. Identical or similar fabrics are offered for sale to end users 2/ by (1) U.S. mills, (2) Japanese trading companies which import, (3) U.S. converters, and (4) U.S. jobbers, brokers, or other types of middlemen. The converters and jobbers offer imported fabric, domestic fabric, or both. Converters' and jobbers' prices are often more volatile than those of U.S. producers or Japanese trading companies as they are closer to the market and can react quickly to changing conditions. In a firm market, the prices offered by producers, importers, and middlemen are often relatively close. In a weak or falling market, however, converters' and jobbers' prices may fall the fastest, often as a result of buying closeouts from producers and importers. Thus, during 1982, U.S. apparel producers and fabric stores were presented with a wide range of prices from many sources. As a result, several of the purchasers contacted were not certain which sales offers were turned down on a price basis.

Nonetheless, several end users did confirm that the contract prices for imported lightweight polyester fabrics 3/ fell rapidly, by as much as 10 to 30 percent or more, during the second and third quarters of 1982, and that prices for domestically produced fabrics followed the decline.

* * * provided information on alleged sales of Japanese lightweight polyester filament fabric at prices below those that it offered, and the Commission staff contacted 13 companies that allegedly bought the Japanese fabric.

Three purchasers confirmed that they bought the Japanese fabric, as alleged, at prices below * * *. One purchaser stated that his company bought a Japanese lightweight polyester fabric, other than that specified, at a price lower than * * * price, and three purchasers reported that they bought Japanese fabrics at prices lower than those of * * *, but in addition the quality was superior to the U.S. produced fabric. One purchaser bought Japanese fabrics for reasons not related to price, two purchasers

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1/ Another domestic producer that responded to the Commission's questionnaire alleged lost sales but did not provide specific instances.
2/ Primarily apparel manufacturers and fabric stores.
3/ Primarily from Japan.

reported that they do not use the fabric reported by * * *, and one purchaser stated that he has never had a transaction as alleged by * * *. Another purchaser stated that his purchase of Japanese fabrics is based solely on quality and one company stated that they bought the same fabric from * * * and a Japanese trading company at identical prices.

The following information was provided by the purchasers with respect to * * *:

Purchaser 1.--This purchaser confirmed that he bought Japanese lightweight polyester filament fabric (pongee) on the basis of price, stating that the quality was identical and that the purchase was made through a U.S. converter. The buyer stated that the quantity purchased was considerably less than the * * * square yards as alleged by * * *.

Purchaser 2.--This purchaser stated that his company bought Japanese pongee at a price lower than that offered by * * *. However, this purchaser said that it was a special, one-time deal, not exceeding * * * yards, far less than that alleged by * * *.

Purchaser 3.--This purchaser confirmed that he bought * * * square yards of Japanese pongee at a price less than that offered by * * *. However, this purchaser added that foreign fabrics represent only * * * percent of his total usage of this type of fabric and that they continue to be a * * * user of fabric from * * *. This purchaser was also influenced by the superior quality and construction of the imported fabric.

Purchaser 4.--This purchaser stated that his company definitely did not turn down * * * offer in * * * in favor of Japanese pongee as alleged. The purchaser stated further that they received a shipment of pongee from * * * per yard and * * *.

The purchaser stated that his company bought Japanese lining fabric in * * * in "the high $.70's," compared with * * * price of * * * per yard. No quantity was given but it was far less than alleged.

Purchaser 5.--This purchaser stated that Japanese pongee was purchased at a lower price than that offered by * * *, but if prices were equal the Japanese pongee would be selected based on better quality and styling. The purchaser also stated that U.S. prices and Japanese prices for pongee were essentially similar during 1980 and 1981, but Japanese prices dropped significantly below * * * prices in 1982. Further, the buyer stated that the Japanese always seemed dominant in this market and that U.S. producers' efforts to displace them were not successful.

Purchaser 6.--This purchaser's statement was essentially the same as that of purchaser 5, and he added that his company does not currently buy U.S. produced pongee.

Purchaser 7.--This purchaser's statement was similar to that of purchaser 5, and this purchaser further added that in printed lightweight polyester filament fabrics, the Japanese have a large advantage in quality and styling.

Purchaser 8.--This purchaser did not buy fabrics from * * *.

Purchaser 9.--This purchaser does not use pongee, as alleged by * * *.

Purchaser 10.--This purchaser does not use pongee as alleged by * * *, and was not able to identify the transaction referred to in the allegation.

Purchaser 11.--This purchaser does not recall ever having a transaction as alleged and never made a purchase as large as that alleged (* * * square yards).

Purchaser 12.--This purchaser buys Japanese lightweight polyester filament fabrics (crepe de Chine) based solely on superior quality and styling.

Purchaser 13.--This purchaser reported purchasing * * *. The purchaser stated that the fabrics are identical and that * * * two suppliers and also because the Japanese offered 60 days extra to pay. This purchaser sent copies of the purchase contracts as verification.

This purchaser has been using pongee for 4 years. Initial purchases were made from * * *. Approximately 2 years ago * * * and, as a result, the purchaser bought Japanese pongee exclusively for about 1-1/2 years. Japanese prices continued to decline and * * *.

The Commission staff contacted five purchasers which * * * alleged bought Japanese or Korean lightweight polyester filament fabrics at prices below those that it offered. Three of the firms contacted confirmed that they bought such imported fabrics below * * * and two indicated that the fabrics were purchased abroad because they were not available domestically. The following information was obtained with respect to * * *:

Purchaser 1.--This purchaser confirmed that he had bought Japanese polyester fabrics during 1982 at prices 15 or 20 cents per linear yard less than that offered by * * *. Domestic prices have recently decreased and Japanese prices are firming so that the present price differential is under 10 cents per linear yard on 60" goods. Within the past 2 months, this purchaser has placed larger orders with domestic producers. The purchaser stated that some of the imported pongee fabrics have the quality advantage of a softer "hand" and a pure white color.

Purchaser 2.--This purchaser indicated that he was able to buy imported fabrics below the price of domestic fabrics as the value of the yen fell in 1982. Also, some fabrics were not available in comparable quality from domestic producers. The gap between domestic and imported prices has recently narrowed and prices are now usually equal. * * *. He will switch from imports to the domestic product for this fabric. He will continue to buy imported crepe de Chine fabrics because of quality.

Purchaser 3.--This purchaser confirmed that he has purchased some polyester pongee fabric from Japan but states that * * * percent of his purchases are from domestic firms. He said that their experience with imports has been very satisfactory, as the fabric is usually softer and lighter in color than the domestic product. However, he intends to stay primarily with the domestic fabric which is now selling at about the same price as the imported fabric. The dependability and speed of delivery of the domestic product is usually more important than price and since his business must commit so far ahead, these service factors become even more critical.

Purchaser 4.--This purchaser stated that he had purchased 70 denier dyed polyester fabrics from Japan and commented that to his knowledge this product is not available domestically. Certain types of shirts and blouses require this fabric and other fabrics cannot be substituted.

Purchaser 5.--This purchaser stated that he had purchased certain dyed georgette fabrics from Japan which have characteristics not available domestically. He said it is impossible to compare such imported and domestic fabrics because of the uniqueness of the two products. He further stated that this is due either to technology differences or to the fact that the domestic industry does not offer the product because it cannot produce it competitively.

Lost revenues

* * * provided information alleging that they had to reduce prices to avoid losing sales to competitors selling lightweight polyester filament fabric from Japan and/or the Republic of Korea. The Commission staff contacted six purchasers that allegedly asked * * * to lower its price to meet the price on the imported fabric. Three purchasers confirmed that * * * met the lower price and the order was placed for the domestic fabric. One purchaser did not recall any such event and another purchaser would not state whether or not * * * ever cut prices to meet import competition. One purchaser stated definitely that his firm had experienced no such occurrence.

Purchaser 1.--This purchaser would not elaborate beyond stating that he recalled at least one instance where a domestic producer decreased its initial price offer because a competing imported product from Japan was priced lower. The accepted price for the domestic fabric was the same as the quotation for the imported fabric.

Purchaser 2.--This purchaser has used both imported and domestic polyester taffeta fabrics which he finishes and sells to apparel manufacturers for linings. He confirmed that a domestic supplier reduced his price to meet prices offered on imports about a year ago. He has used mostly imported fabrics recently because traditional domestic sources no longer make this fabric. However, he recently purchased goods from * * *. His annual usage of polyester taffeta is over * * * yards, of which about * * * percent is imported from Japan. Prices of Japanese goods are increasing and he thinks new contracts will be up to 62 cents per yard, from a low of 50 cents. He prefers to have as many sources as possible and would like to see both domestic and foreign producers continue to supply this market.

Purchaser 3.--This purchaser uses taffeta, pongee, and crepe which are domestically produced. However, the Japanese came back into the market 9 to 12 months ago as the value of the yen dropped. Domestic producers definitely reduced prices in order to compete with the Japanese fabrics. In giving a general price history on taffetas, he stated that the domestic price increased earlier from * * *, then Japanese imports entered the market at * * *, and continued to decrease to a low of * * * cents; prices have recently increased and are now in the * * * cent range. He now purchases about * * * of his taffeta fabrics from domestic sources, including a producer in * * *.

Purchaser 4.--This purchaser reported no instances of a domestic firm lowering its price to meet a quotation for Japanese or Korean fabrics. However, he did comment that he knows that Japanese fabrics which he handles are cheaper but also inferior to the domestic product. He feels that it is impossible to compare prices because of this quality differential.

Purchaser 5.--Polyester taffetas constitute the main business of this producer, which buys the goods in the greige state, dyes it and sells to apparel manufacturers for linings in jackets, shirts, trousers, and so forth. He now uses only imported goods since his domestic supplier * * *. Prices also declined as the value of the yen declined but he would not state whether or not producers cut prices to meet import competition. He feels prices are now going back up but he will not be ordering more goods until * * *.

Purchaser 6.--This purchaser indicated that he has no recollection of a domestic firm reducing its price to meet a quotation for a specific offering of Japanese fabrics. He indicated that the pongee fabrics which he purchased in the greige from Japan have been very inferior in quality whereas the finished pongees are very satisfactory. These fabrics go into dresses and blouses.

APPENDIX A

NOTICE OF THE COMMISSION'S INSTITUTION OF A PRELIMINARY ANTIDUMPING INVESTIGATION

Federal Register / Vol. 48, No. 8 / Wednesday, January 12, 1983 / Notices 1359

[Investigations Nos. 731-TA-118 and 119 (Preliminary)]

Certain Lightweight Polyester Filament Fabric From Japan and the Republic of Korea

AGENCY: International Trade Commission.

ACTION: Institution of preliminary antidumping investigations and scheduling of a conference to be held in connection with the investigations

EFFECTIVE DATE: January 4, 1983.

SUMMARY: The United States International Trade Commission hereby gives notice of the institution of preliminary antidumping investigations under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United states is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Japan and the Republic of Korea of certain lightweight polyester filament fabric, provided for in items 338.5009, 338.5011, 338.5012, 338.5013, and 338.5015, of the Tariff Schedules of the United States Annotated, which are alleged to be sold in the United States at less than fair value.

FOR FURTHER INFORMATION CONTACT: Mr. Reuben Schwartz, Office of Industries, U.S. International Trade Commission, 701 E St. NW., Washington, D.C. 20436, telephone 202-523-0114.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to a petition filed January 4, 1983, on behalf of the American Textile Manufacturers Institute, Inc. (ATMI) and certain member companies. The Commission must make its determination in these investigations within 45 days after the date of the filing of the petition or by February 18, 1983 (19 CFR 207.17).

Participation.—Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11, as amended by 47 FR 6189, February 10, 1982), not later than seven (7) days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the notice.

Service of documents.—The Secretary will compile a service list from the entries of appearance filed in these investigations. Any party submitting a document in connection with the investigations shall, in addition to complying with § 201.8 of the Commission's rules (19 CFR 201.8, as amended by 47 FR 6188, February 10, 1982, and 47 FR 13719, April 1, 1982), serve a copy of each such document on all other parties to the investigations. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 201.17(b), as amended by 47 FR 33682, August 4, 1982).

In addition to the foregoing, each document filed with the Commission in the course of these investigations must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certificate of service will not be accepted by the Secretary.

Written submissions.—Any person may submit to the Commission on or before January 28, 1983, a written statement of information pertinent to the subject matter of these investigations (19 CFR 207.15, as amended by 47 FR 6190, February 10, 1982). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8, as amended by 47 FR 6188, February 10, 1982, and 47 FR 13791, April 1, 1982).

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m., on January 26, 1983, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Parties wishing to participate in the conference should contact Mr. Reuben Schwartz (202/523-0114), not later than January 24, 1983, to arrange for their appearance. Parties in support of the imposition of antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Public inspection.—A copy of the petition and all written submissions, except for confidential business data, will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washingtom, D.C.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, subparts A and B (19 CFR Part 207, as amended by 47 FR 6182, February 10, 1982, and 47 FR 33682, August 4, 1982), and part 201, subparts A through E (19 CFR Part 201, as amended by 47 FR 6182, February 10, 1982, 47 FR 13791, April 1, 1982, and 47 FR 33682, August 4, 1982). Further information concerning the conduct of the conference will be provided by Mr. Schwartz.

This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

Issued: January 6, 1983.

Kenneth R. Mason,

Secretary.

[FR Doc. 83-851 Filed 1-11-83; 8:45 am]

BILLING CODE 7020-02-M

APPENDIX B

NOTICE OF THE DEPARTMENT OF COMMERCE'S INITIATION
OF AN PRELIMINARY ANTIDUMPING INVESTIGATION

Notices

Federal Register

Vol. 48, No. 19

Thursday, January 27, 1983

Lightweight Polyester Filament Fabric From Japan and Korea; Initiation of Antidumping Investigations

AGENCY: International Trade Administration, Commerce.

ACTION: Initiation of antidumping duty investigations.

SUMMARY: On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating antidumping investigations to determine whether lightweight polyester filament fabric from Japan and Korea is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of these actions so that it may determine whether there is a reasonable indication that imports of this merchandise are materially injuring, or are threatening to materially injure, a United States industry. If these investigations proceed normally, the ITC will make its determinations on or before February 18, 1983, and we will make our preliminary determinations on or before June 13, 1983.

EFFECTIVE DATE: January 27, 1983.

FOR FURTHER INFORMATION CONTACT: Charles Wilson, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-5288.

SUPPLEMENTARY INFORMATION:

Petition

On January 4, 1983, we received an antidumpoing petition in proper form from counsel for Burlington Industries, Inc., Milliken & Co., J.P. Stevens & Co., Inc., Dan River, Inc., Texfi Industries, Frank Ix & Sons, Inc., and Bloomsburg Mills, Inc. on behalf of the U.S. industry producing lightweight polyester filament fabric. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise from Japan and Korea are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegations of sales at less than fair value include an allegation that home market sales are being made at less than cost of production in Japan and in Korea.

The allegations are supported by comparisons of the petitioner's calculation of the constructed value of the subject merchandise in Japan and in Korea with prices (based on price quotes or actual sales) for sales of the subject merchandise in the United States.

Initiation of the Investigations

Under section 732(c) of the Act, we must determine, within 20 days after the petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumpiong investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on the subject merchandise and we have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating antidumping investigations to determine whether lightweight polyester filament fabric from Japan and Korea is being, or is likely to be, sold at less than fair value in the United States. Additionally, we will investigate whether sales in the Japanese and Korean home markets are made at less than the cost of production. If our investigations proceed normally, we will make our preliminary determinations by June 13, 1983.

Scope of the Investigations

The merchandise covered by these investigations is lightweight polyester filament fabric currently provided for in items 338.5009, 383.5011, 338.5012, 338.5013, and 338.5015, of the *Tariff Schedules of the United States Annotated.*

Notification to ITC

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used to arrive at these determinations. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determinations by ITC

The ITC will determine by February 18, 1983, whether there is a reasonable indication that imports of lightweight polyester filament fabric from Japan and Korea are materially injuring, or are likely to materially injure, a United States industry. If its determinations are negative, these investigations will terminate; otherwise, they will continue according to the statutory procedures.

Gary N. Horlick,

Deputy Assistant Secretary for Import Administration.

January 24, 1983.

[FR Doc. 83-2304 Filed 1-26-83; 8:45 am]

BILLING CODE 3510-25-M

APPENDIX C

CALENDAR OF PUBLIC CONFERENCE

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing on:

Subject : Lightweight Polyester Filament Fabric from Japan and the Republic of Korea

Inv. Nos. : 731-TA-118 and 119 (Preliminary)

Date and Time: January 26, 1983 - 9:30 a.m., e.s.t.

Domestic:

Verner, Liipfert, Bernhard & McPherson--Counsel
Washington, D.C.
on behalf of

James J. Ammeen, Corporate Executive Vice President
Burlington Industries

John Rampey, Vice President
Milliken and Company

J.K. Houlihan, Textured Woven Fabrics Manager
J.P. Stevens & Co., Inc.

Joseph Hamilton, President
Texfi Industries, Inc.

James H. Duffy, Executive Vice President
Frank Ix and Sons, Inc.

Jim Merion, President
Bloomsburg Mills, Inc.

John Greenwald--OF COUNSEL

Importers (Japan):

Daniels, Houlihan and Palmeter--Counsel
Washington, D.C.
Wender, Murase and White--Counsel
Washington, D.C.
on behalf of

Japan Chemical Fibers Association and its individual members

Japan Silk and Synthetic Textile Exporters' Association and its individual members

Michael P. Daniels)
Matthew J. Marks)--OF COUNSEL

Importers (Republic of Korea):

Dow, Lohnes and Albertson--Counsel
Washington, D.C.
on behalf of

Korean Manufacturers and Exporters of Lightweight Polyester Filament Fabric

G.I. Kim, Textile Manager
Sunkyong, International, Inc.

Steward Lieberman
Liebtex Fabrics

William Silverman)
Edward M. Lebow)--OF COUNSEL