

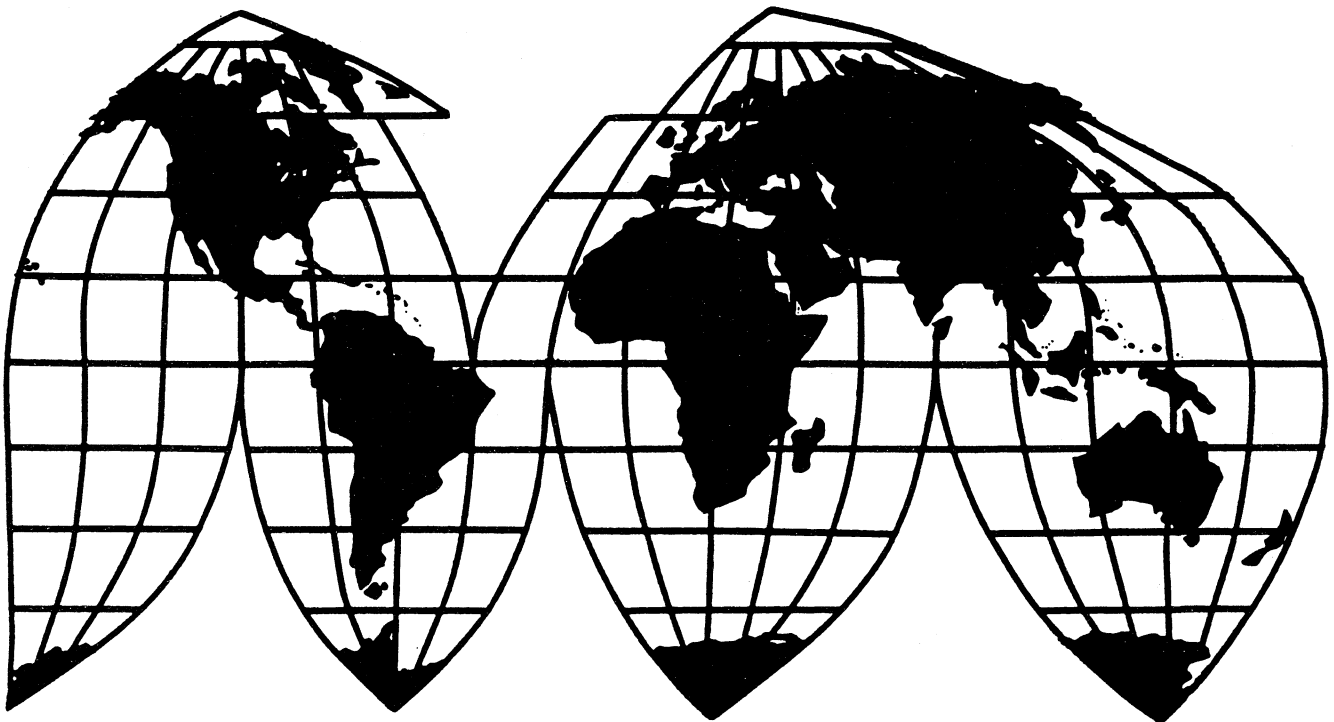
Certain Paper Clips From The People's Republic of China

Investigation No. 731-TA-663 (Preliminary)

Publication 2707

November 1993

U.S. International Trade Commission



U.S. International Trade Commission

COMMISSIONERS

Don E. Newquist, Chairman
Peter S. Watson, Vice Chairman
David B. Rohr
Anne E. Brunsdale
Carol T. Crawford
Janet A. Nuzum

Robert A. Rogowsky
Director of Operations

Staff assigned:

Jonathan Seiger, Office of Investigations
James Brandon, Office of Industries
Joshua Levy, Office of Economics
Marshall Wade, Office of Investigations
Katherine Jones, Office of the General Counsel

Robert Carpenter, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436

Certain Paper Clips From The People's Republic of China



Publication 2707

November 1993

TABLE OF CONTENTS

C O N T E N T S

	<u>Page</u>
Part I: Determination and views of the Commission	I-1
Determination	I-3
Views of the Commission	I-5
Part II: Information obtained in the investigation	II-1
Introduction	II-3
The nature and extent of the alleged sales at LTFV	II-3
The products	II-4
Description and uses	II-4
Manufacturing process	II-4
U.S. tariff treatment	II-6
Interchangeability	II-6
The U.S. market	II-6
Apparent U.S. consumption	II-6
U.S. producers	II-9
U.S. importers	II-10
Channels of distribution	II-11
Consideration of material injury to an industry in the United States	II-12
U.S. production, capacity, and capacity utilization	II-13
U.S. producers' domestic shipments	II-14
Certain paper clips	II-14
No. 1 paper clips	II-15
No. 3 paper clips	II-15
Jumbo paper clips	II-15
Other wire paper clips	II-16
U.S. producers' imports	II-16
U.S. producers' inventories	II-17
U.S. employment, wages, and productivity	II-17
Financial experience of U.S. producers	II-18
Overall establishment operations	II-18
Operations on certain paper clips	II-19
Investment in productive facilities	II-19
Capital expenditures	II-20
Research and development expenses	II-20
Capital and investment	II-20
Consideration of threat of material injury to an industry in the United States	II-20
U.S. importers' inventories	II-22
Ability of foreign producers to generate exports and the availability of export markets other than the United States	II-24
Consideration of the causal relationship between imports of the subject merchandise and the alleged material injury	II-24
U.S. imports	II-24
U.S. market penetration by imports	II-26
Prices	II-26
Marketing considerations	II-26
Questionnaire price data	II-28
Price trends for U.S.-produced certain paper clips	II-29
Price trends for U.S.-produced plastic paper clips	II-29
Price trends for imported Chinese certain paper clips	II-29
Price comparisons	II-29
Lost sales and lost revenues	II-30
Exchange rates	II-31

C O N T E N T S

	<u>Page</u>
Appendixes	
A. <u>Federal Register</u> notices	A-1
B. Calendar of the public conference	B-1
C. Summary data	C-1
D. Estimates of apparent U.S. consumption using information supplied in response to Commission questionnaires	D-1
E. Impact of imports on U.S. producers' growth, investment, ability to raise capital, and existing development and production efforts	E-1
F. Data on U.S. imports using information supplied in response to Commission questionnaires	F-1

Figures

1. Illustrations of wire paper clips	II-5
2. ACCO's prices for low carbon steel wire, by quarters, Jan. 1990-Sept. 1993	II-27
3. Certain paper clips: Weighted-average f.o.b. prices of products 1 and 2, by sources and by quarters, Jan. 1990-Sept. 1993	II-29
4. Certain paper clips: Weighted-average f.o.b. prices of U.S.-produced product 4, by quarters, Jan. 1990-Sept. 1993	II-29

Tables

1. Certain paper clips: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-8
2. Certain paper clips: U.S. capacity, production, and capacity utilization, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-13
3. Certain paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-14
4. No. 1 paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-15
5. No. 3 paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-15
6. Jumbo paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-16
7. Other wire paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-16
8. Certain paper clips: U.S. producers' imports, by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-17
9. Certain paper clips: End-of-period inventories of U.S. producers, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-17
10. Average number of total employees and PRWs in U.S. establishments wherein certain paper clips are produced, hours worked, wages and total compensation paid to such employees, and hourly wages, productivity, and unit production costs, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-18
11. Income-and-loss experience of U.S. producers on the overall operations of their establishments wherein certain paper clips are produced, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-19
12. Income-and-loss experience of U.S. producers on their operations producing certain paper clips, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-19
13. Value of assets and return on assets of U.S. producers' operations producing certain paper clips, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-19

CONTENTS

	<u>Page</u>
Tables--Continued	
14. Capital expenditures by U.S. producers of certain paper clips, by products, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-20
15. Research and development expenses of U.S. producers of certain paper clips, by products, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-20
16. Certain paper clips: End-of-period inventories of U.S. importers, by products and by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-23
17. Certain paper clips: U.S. imports, by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-25
18. Certain paper clips: Apparent U.S. consumption and market penetration, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	II-26
19. Certain paper clips: Weighted-average f.o.b. prices and total quantities of product 1 sold, by sources and by quarters, Jan. 1990-Sept. 1993	II-28
20. Certain paper clips: Weighted-average f.o.b. prices and total quantities of product 2 sold, by sources and by quarters, Jan. 1990-Sept. 1993	II-28
21. Certain paper clips: Weighted-average f.o.b. prices and total quantities of U.S.-produced product 4 sold, by quarters, Jan. 1990-Sept. 1993	II-28
22. Certain paper clips: Margins of underselling/(overselling), by products and by quarters, Jan. 1990-Sept. 1993	II-30
C-1. Certain paper clips: Summary data concerning the U.S. market (QUANTITIES IN POUNDS), 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-3
C-2. Certain paper clips: Summary data concerning the U.S. market (QUANTITIES IN UNITS), 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-4
C-3. No. 1 paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-5
C-4. No. 3 paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-6
C-5. Jumbo paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-7
C-6. Other wire paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-8
C-7. Other metal paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-8
C-8. Plastic paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-8
C-9. All metal paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-9
C-10. Metal and plastic paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	C-10
D-1. Certain paper clips: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	D-3
F-1. Certain paper clips: U.S. imports, by products and by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993	F-3

Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

PART I: DETERMINATION AND VIEWS OF THE COMMISSION

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-663 (Preliminary)

CERTAIN PAPER CLIPS FROM THE PEOPLE'S REPUBLIC OF CHINA

Determination

On the basis of the record¹ developed in the subject investigation, 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 by reason of imports from the People's Republic of China (China) of certain paper clips, provided for in subheading 8305.90.30, and reported under statistical reporting number 8305.90.3010, of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).²

Background

On October 13, 1993, a petition was filed with the Commission and the Department of Commerce by ACCO USA, Inc., Wheeling, IL, and Noesting, Inc., Bronx, NY, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV imports of certain paper clips from China. Accordingly, effective October 13, 1993, the Commission instituted antidumping investigation No. 731-TA-663 (Preliminary).

Notice of the institution of the Commission's investigation 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, DC, and by publishing the notice in the Federal Register of October 20, 1993 (58 F.R. 54169). The conference was held in Washington, DC, on November 3, 1993, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² The imported paper clips covered by this investigation include paper clips made wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.64 and 1.91 millimeters, regardless of physical configuration, except as specifically excluded. The covered products may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as "No. 1" clips, "No. 3" clips, "Jumbo" or "Giant" clips, "Gem" clips, "Frictioned" clips, "Perfect Gems," "Marcel Gems," "Universal" clips, "Nifty" clips, "Peerless" clips, "Ring" clips, and "Glide-on" clips.

VIEW OF THE COMMISSION

Based on the record in this preliminary investigation, we unanimously determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain paper clips from the People's Republic of China that allegedly are sold at less than fair value (LTFV).¹

I. THE LEGAL STANDARD FOR PRELIMINARY INVESTIGATIONS

The legal standard in preliminary antidumping duty investigations requires the Commission to determine, based upon the best information available at the time of the preliminary determination, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury by reason of the allegedly LTFV imports.² In applying this standard, the Commission may weigh the evidence before it to determine whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of material injury; and (2) no likelihood exists that any contrary evidence will arise in a final investigation."³ The U.S. Court of Appeals for the Federal Circuit has held that this interpretation of the standard "accords with clearly discernible legislative intent and is sufficiently reasonable."⁴

II. LIKE PRODUCT

In determining whether there is a reasonable indication that an industry in the United States is materially injured by reason of the allegedly LTFV imports, the Commission must first define the "like product" and the "industry." Section 771(4)(A) of the Tariff Act of 1930 (the "Act") defines the relevant domestic 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"⁵ "Like product" is defined 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"⁶

The Department of Commerce (Commerce) has identified the imported product subject to this investigation as:

¹ 19 U.S.C. § 1673b(a). Material retardation is not an issue in this investigation.

² 19 U.S.C. § 1673b(a). See also American Lamb Co. v. United States, 785 F.2d 994 (Fed. Cir. 1986); Calabrian Corp. v. United States, 794 F. Supp. 377, 386 (CIT 1992).

³ American Lamb, 785 F.2d at 1001. See also Torrington Co. v. United States, 790 F. Supp. 1161, 1165 (CIT 1992).

⁴ American Lamb, 785 F.2d at 1004.

⁵ 19 U.S.C. § 1677(4)(A).

⁶ 19 U.S.C. § 1677(10). The Commission's determination on like product issues is a factual determination, to which it applies the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis. See Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (CIT 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). In analyzing like product issues, the Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability of the products; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) the use of common manufacturing facilities and production employees; and where appropriate, (6) price. Calabrian Corp. v. U.S. Int'l Trade Comm'n, 794 F. Supp. 377, 382 n.4 (CIT 1992); Torrington Co. v. United States, 747 F. Supp. 749 (CIT 1990), aff'd, 938 F.2d 1278 (1991); Asocoflores, 693 F. Supp. 1165, 1168 n.4, 1180 n.7 (CIT 1988)(Asocoflores). No single factor is dispositive, and the Commission may consider other factors it deems relevant based upon the facts of a particular investigation. Generally, the Commission requires "clear dividing lines between possible like products" and disregards minor variations among them. Torrington, 747 F. Supp. at 748-49.

[C]ertain paper clips, wholly of wire base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.025 and 0.075 inches (0.64 to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to this investigation may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as "No. 1 clips," "No. 3 clips," "Jumbo" or "Giant" clips, "Gem" clips, "Frictioned" clips, "Perfect Gems," "Marcel Gems," "Universal" clips, "Nifty" clips, "Peerless" clips, "Ring" clips, and "Glide-On" clips. Specifically excluded from the scope are plastic- and vinyl-covered paper clips, butterfly clips, binder clips or other paper fasteners that: (a) are not made wholly of wire of base metal and (b) are covered under a subheading of the Harmonized Tariff Schedule of the United States (HTSUS) separate from that described below.⁷

Paper clips are office products used to fasten papers together temporarily.⁸ The paper clips included within Commerce's scope ("wire paper clips") are limited to those within a specified range of wire diameters and made wholly of base wire metal. They consist principally of three categories of clips commercially referred to as No. 1 clips, No. 3 clips, and Jumbo or Giant clips.

In this preliminary investigation, we have considered whether the like product should include other types of paper clips and paper fasteners beyond the paper clips listed in Commerce's scope.¹⁰ Petitioners argue that the Commission should not include other types of paper fasteners, such as plastic paper clips, ideal clamps¹¹ or binder clips, in the like product, because they are significantly more expensive.¹² Respondents contend that the Commission should expand the like product to include plastic paper clips, ideal clamps, and binder clips because those products have the same end use and are sufficiently similar to be considered a part of the like product.¹³ After examining the evidence of record in this preliminary investigation, we decline to include either plastic paper clips or ideal clamps in the like product,¹⁴ but we intend to collect further information relevant to these products in any final investigation.

⁷ The relevant HTSUS subheading is 8305.90.30. Notice of Initiation of Antidumping Duty Investigation of Certain Paper Clips from the People's Republic of China, 58 Fed. Reg. 59,239 (November 8, 1993).

⁸ Report at II-4.

⁹ Petition at 8; Report at II-4.

¹⁰ We do not address whether the domestically-produced paper clips like the subject merchandise should be subdivided into more than one like product because no party raised the issue and data in this preliminary investigation do not suggest that separate like product treatment for such wire paper clips is appropriate.

¹¹ Ideal clamps are office products used to temporarily fasten paper. They come in various sizes but are typically larger than wire paper clips and consequently able to hold more paper. They are also made of heavier wire, shaped differently, and are more expensive than wire paper clips. Ideal clamps are known also as butterfly clips or clamps. Tr. at 22.

¹² Tr. at 8-10; Petitioners' Post-Conference Brief at 7-10. Petitioners also argue that while each product is used to temporarily fasten paper, there are certain differences in the end uses to which each is put, and in the way the products are manufactured. Tr. at 9-10.

¹³ Respondents' Post-Conference Brief at 12.

¹⁴ Evidence collected in this investigation suggests that there is no domestic production of binder clips. Report at II-13. Thus, binder clips cannot be included in the like product. See generally, 19 U.S.C. § 1677(4)(D)("[t]he effect of dumped or subsidized imports shall be assessed in relation to the United States production of a like product . . ."). Compare General Motors v. United States, 827 F. Supp. 774, 780 (CIT 1993)(industry operations limited to those in the United States).

A. Whether the like product includes plastic paper clips

Wire paper clips are made from thin-gauge galvanized or plated steel wire that has been bent to form a shape with sufficient tension to hold papers together.¹⁵ Plastic paper clips are similar in size, but are made of plastic, which is extruded into the desired shape, rather than bent.¹⁶ ACCO, the only domestic producer who manufactures both plastic and wire paper clips, produces each in separate facilities on dedicated equipment, using different manufacturing processes.¹⁷

Plastic and wire paper clips have similar end uses,¹⁸ and are interchangeable to a significant degree,¹⁹ although there is some evidence to suggest that metal paper clips are stronger and more durable.²⁰ Because plastic clips are sold in a range of colors, it appears that they are sometimes used for color-coding purposes. In addition, plastic clips apparently have the ability to clip computer disks with less risk of damage than wire paper clips.²¹

Wire paper clips and plastic paper clips share the same channels of distribution.²² Both types of paper clips are sold to the same end users through wholesalers/distributors, national and regional dealers of office supplies and retailers and are often purchased at the same time.²³ ACCO asserts that producers perceive plastic clips as a niche product, unlike wire paper clips, which are more of a commodity.²⁴

We currently have only limited data regarding customer perceptions of the differences and similarities between plastic and wire paper clips. Petitioners argue that plastic clips are not "like" wire clips because they are six times more expensive.²⁵ Questionnaire data indicate that large plastic clips are significantly more expensive than jumbo wire clips, although they appear to be similar in size.

In this preliminary investigation, the data on the like product factors concerning plastic paper clips are limited. The factors that support including plastic clips in the like product are the similarity in the end uses of plastic and wire paper clips (both types are used primarily to fasten papers together temporarily), some degree of interchangeability, and common channels of distribution. While few specific differences in end uses have been articulated by petitioners, as noted above, their advertising literature suggests that the two types of clips may not be completely interchangeable in end use.²⁶

The differences in manufacturing processes suggest that plastic clips should not be included in the like product, as does the existence of some differences in physical characteristics and uses. The price differential also suggests that substituting plastic for wire paper clips may not always be economically feasible. For purposes of this preliminary investigation, we do not include plastic clips in the like product. We shall, however, revisit this issue in any final investigation.

¹⁵ Report at II-4.

¹⁶ Report at II-15.

¹⁷ Report at II-15; Tr. at 22, 23, and 27.

¹⁸ Tr. at 23, 71, 81.

¹⁹ Respondents' Post-Conference Brief at 14; Tr. at 81.

²⁰ Tr. at 8, 71-72, 81; Respondents' Post-Conference Brief at 13-14.

²¹ See Petitioners' Exhibit to Conference Transcript.

²² Tr. at 81; Respondents' Post-Conference Brief at 14.

²³ Petitioners' Post-Conference Brief at 6; Report at II-13; Tr. at 84.

²⁴ Tr. at 57. ACCO notes that plastic clips have annual sales in the low millions, while wire clips have sales in the billions.

²⁵ Tr. at 23; Petitioners' Post-Conference Brief at 7.

²⁶ We note, however, that the Commission generally has not required complete interchangeability to include products in one like product. See, e.g., Certain Helical Spring Lockwashers from Taiwan, Inv. No. 731-TA-625 (Final), USITC Pub. 2651 (June 1993)(and cases cited therein).

B. Whether the Like Product Includes Ideal Clamps

Wire paper clips and ideal clamps have significant similarities in physical characteristics and uses, manufacturing processes, and are somewhat interchangeable. Both wire paper clips and ideal clamps are manufactured by cutting and bending wire of a particular diameter to a particular shape that allows the end product to hold papers together. Both ideal clamps and wire clips are produced and sold in a range of sizes, although ideal clamps generally are larger and capable of holding a greater number of sheets of paper.²⁷ Both appear to be made from similar wire base metal, although subject wire paper clips are made of light-gauge wire, while ideal clamps are made from heavier gauge wire.²⁸ Wire paper clips and ideal clamps are sold through the same channels of distribution.²⁹

Petitioners assert that producers perceive ideal clamps to be different from wire clips because the clamps are used to fasten more sheets of paper than are the subject clips, that the market for ideal clamps is much more limited than that for the subject clips, and that ideal clamps are made from heavier gauge wire than are the domestic products directly corresponding to the subject clips.³⁰ One domestic paper clip manufacturer, Noesting, produces ideal clamps. It does not do so on the same equipment as the subject wire paper clips.³¹

We have only limited evidence regarding customer perceptions of different types of paper fasteners. Ideal clamps, however, are considerably more expensive than wire paper clips. They appear to be more than seven times as expensive as jumbo wire paper clips.³²

Arguments for including ideal clamps in the like product are somewhat stronger than those for including plastic clips, because both ideal clamps and wire paper clips are produced from wire, are more similar in physical characteristics and uses, and have more similar production processes. Nevertheless, the substantial difference in price, differences in physical characteristics, differences in production equipment, and possible differences in customer perceptions and end uses suggest that they should not be included in the like product. For purposes of this preliminary investigation, we do not include ideal clamps within the like product. We shall revisit this issue, however, in any final investigation.³³

III. DOMESTIC INDUSTRY AND RELATED PARTIES

In this preliminary investigation we consider two issues with respect to the definition of the domestic industry: whether to exclude petitioner Noesting from the domestic industry

²⁷ Tr. at 36.

²⁸ Tr. at 79.

²⁹ Tr. at 8.

³⁰ See Petitioners' Exhibit to Conference Transcript.

³¹ Tr. at 38.

³² Report at Table 20; Petitioners' Post-Conference Brief at 9; Tr. at 36.

³³ Since the investigation in Polyethylene Terephthalate Film, Sheet and Strip from Japan and Korea, Inv. Nos. 731-TA-458 and 459 (Final) USITC Pub. 2383 (May 1991), Commissioner Brunsdale has focused her like product analysis on whether dumping would induce significant substitution between the potential like products by either producers or consumers. In defining the like product in this way, she seeks to identify the products that will be significantly and directly affected by any dumping of the articles subject to investigation. She agrees that the best available evidence in the record in this investigation supports the Commission's conclusion, because neither Ideal nor plastic clips can be made on the same lines and machines as wire paper clips, and both sell at a considerable premium to wire paper clips. She recognizes the anomaly of finding jumbo clips part of the same like product as other wire paper clips, because there is evidence that their price, too, is significantly higher; and they, too, appear to be made on separate machines. However, jumbo clips also seem to share production workers with other wire paper clips, and the record is unclear as to how easily the petitioners can substitute their production for that of other wire paper clips. She hopes the parties address the issue in any final investigation.

as a related party, and whether to exclude from our consideration domestic industry data pertaining to Work Services Corporation, a domestic producer of wire paper clips that sells its product exclusively to the United States Government.

A. Related Parties

Under section 771(4)(B) of the Act, producers who are related to exporters or importers or are themselves importers of allegedly dumped or subsidized merchandise, may be excluded from the domestic industry in "appropriate circumstances."³⁴ This investigation raises the issue of whether in light of Noesting's importing activities, such appropriate circumstances exist to exclude Noesting from the domestic industry as a related party. Application of the related parties provision is within the Commission's discretion based upon the facts presented in each case.³⁵

The related parties provision may be employed to avoid any distortion in the aggregate data bearing on the condition of the domestic industry that might result from including related parties whose operations are shielded from the effects of the subject imports.³⁶ The Commission has also considered whether each company's books are kept separately from its "relations" and whether the primary interests of the related producers lie in domestic production or in importation.³⁷

Noesting has imported subject paper clips from China during the period of investigation and therefore is a related party.³⁸ Thus we must consider whether appropriate circumstances exist to exclude it from the domestic industry. Noesting is a relatively small producer but appears to have a greater interest in its domestic production than in its importing operations.³⁹ Representatives of Noesting testified at the Commission's conference that it imports from China to satisfy certain customers' needs for low-priced merchandise and that its only alternative is to lose the business.⁴⁰

The competitive position of Noesting does not appear to differ significantly from that of the other domestic producers who do not import subject wire paper clips from China. Its position as a petitioner also suggests that it is not being shielded from the effects of the subject imports by its importing operations. Further, Noesting accounts for a sufficiently small percentage of domestic production that its inclusion is unlikely to skew the data.⁴¹ For these reasons, we do not find appropriate circumstances to exclude Noesting as a related party.

³⁴ 19 U.S.C. § 1677(4)(B).

³⁵ Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (CIT 1992), aff'd without opinion, App. No. 92-1383 (Fed. Cir. March 5, 1993); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (CIT 1987).

³⁶ Heavy Forged Handtools from the People's Republic of China, Inv. No. 731-TA-457 (Final), USITC Pub. 2357 at 18 (February 1991). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include:

- (1) the percentage of domestic production attributable to related producers;
- (2) the reason why importing producers choose to import the articles under investigation -- to benefit from the unfair trade practice or to enable them to continue production and compete in the domestic market; and
- (3) the competitive position of the related domestic producer vis-a-vis other domestic producers.

See Torrington, 790 F. Supp. at 1168 (referencing and upholding this practice); Empire Plow, 675 F. Supp. at 1353 (same).

³⁷ See, e.g., Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 at 12 (January 1986).

³⁸ Report at II-18; Tr. at 63-66.

³⁹ Report at II-18 and Table 8.

⁴⁰ Report at II-18; Tr. at 66.

⁴¹ Report at II-11 and II-21.

B. Whether to Include Work Services Corporation in the Domestic Industry

Petitioners argued that the Commission should exclude the financial data of Work Services Corporation from its analysis of the domestic industry because Work Services sells its paper clips exclusively to the U.S. government.⁴² Petitioners offer, however, no statutory basis for this argument.

The statute defines the relevant domestic industry as the domestic "producers" as a whole of the like product.⁴³ In prior investigations the Commission determined title VII requires that "[t]he impact of the subsidized or dumped imports . . . be evaluated in relation to U.S. production of a like product" and that the statute therefore "defines the domestic industry in terms of production, not in terms of markets, distribution channels, or similar factors."⁴⁴ For this reason, we reject petitioners' argument. We have taken into account the nature of Work Services Corporation's sales, however, as a condition of competition in analyzing the effect of LTFV imports on the domestic industry.

III. CONDITION OF THE DOMESTIC INDUSTRY

In assessing whether there is a reasonable indication of material injury to a domestic industry by reason of allegedly LTFV imports, the Commission considers all relevant economic factors which have a bearing on the state of the industry in the United States. These include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is determinative, and the Commission considers all relevant factors "within the business cycle and conditions of competition distinctive to the affected industry."^{45 46}

Apparent U.S. consumption of wire paper clips by both quantity and value declined between 1990 and 1991 and increased in 1992. Apparent consumption was 0.8 percent lower by volume and 2.3 percent lower by value in the first nine months of 1993 ("interim 1993") as compared with the first nine months of 1992 ("interim 1992").⁴⁷ U.S. producers' market share decreased steadily by both quantity and value from 1990 to 1992. It was higher, however, in interim 1993 than in interim 1992.⁴⁸

⁴² Report at II-11; Petitioners' Post-Conference Brief at 7, 19-20.

⁴³ 19 U.S.C. § 1677(4)(A).

⁴⁴ Certain Flat-Rolled Carbon Steel Products, Inv. Nos. 701-TA-319-332, 334, 336-342, 344, and 347-353 (Final) and Inv. Nos. 731-TA-573-579, 581-592, 594-597, 599-609, and 612-619 (Final), USITC Pub. 2664 (August 1993). See also, Uranium from the U.S.S.R., Inv. No. 731-TA-539 (Preliminary), USITC Pub. 2471 (December 1991) at 12 (All domestic producers of a like product are to be included in the domestic industry "absent some statutory basis for exclusion.").

⁴⁵ 19 U.S.C. § 1677(7)(C)(iii). In this investigation neither party argued that the market for paper clips was subject to a significant business cycle. Report at II-8. The petitioners stated, however, that paper clip production and sales tend to be slightly higher at the end of the year due to increased demand caused by year-end closings for tax purposes by most businesses. Report at II-15.

⁴⁶ Respondents argue that the practice of "bundling" various office products, including paper clips, for sale to purchasers is a relevant condition of competition that affects the significance of the margins of underselling, lost sales, and other indicia of the impact of subject imports on the domestic industry. The Commission was not able to gather significant information concerning "bundling" in this preliminary investigation. We intend to explore the extent and significance of this practice in any final investigation.

⁴⁷ Report at Table 1. While we are cognizant in making a determination that Work Services' sales are exclusively to the United States government and that competition for those sales by subject imports is limited, those sales constitute a relatively small percentage of the sales of the domestic industry. We intend to examine further the role of Work Services Corporation in any final investigation.

⁴⁸ Report at Table 18.

U.S. production of wire paper clips by volume declined from 1990 to 1992. The 1993 interim period showed improvement, however, as production was higher than in interim 1992.⁴⁹ Capacity utilization in facilities producing wire paper clips was relatively low throughout the period of investigation. It fell overall between 1990 and 1992, but was higher in interim 1993 than in interim 1992.⁵⁰

U.S. producers' domestic shipments of wire paper clips by volume declined between 1990 and 1991, then increased in 1992 to near 1990 levels. The value of such shipments, however, fell between 1990 and 1991, then increased only slightly from 1991 to 1992. In the interim 1993 period, both the value and quantity of domestic shipments were higher than in interim 1992. Unit values fell throughout the three year period of investigation and were lower in interim 1993 than in interim 1992.⁵¹ U.S. producers' end-of-period inventories of wire paper clips fell from 1990 to 1991, then rose in 1992. End-of-period inventories nearly doubled, however, in interim 1993 when compared with those in interim 1992.⁵² The ratio of such inventories to U.S. shipments was slightly lower in 1992 than in 1990, but was higher in interim 1993 than in interim 1992.⁵³ The number of production and related workers producing wire paper clips decreased slightly between 1990 and 1992, but was higher in interim 1993 than in interim 1992.⁵⁴

The financial performance of the U.S. producers was poor throughout the period of investigation. The only year in the period of investigation that U.S. producers did not incur an operating loss on their paper clip operations was 1990. The level of operating losses increased from 1991 to 1992, while operating losses were somewhat lower in interim 1993 than in interim 1992.⁵⁵ The ratio of operating income to net sales followed a similar trend.⁵⁶ The value of net sales declined between 1990 and 1991 then rose slightly in 1992 and rose between interim 1992 and interim 1993. Gross profit followed a similar trend.⁵⁷

Research and development expenditures for the paper clip industry were small, declined overall for the 1990 to 1992 period, and were lower in interim 1993 than in interim 1992.⁵⁸ Finally, capital expenditures also decreased between 1990 and 1992 and were lower in interim 1993 than in interim 1992.^{59 60}

IV. REASONABLE INDICATION OF MATERIAL INJURY BY REASON OF LTFV IMPORTS

A. Legal Standard

In determining whether there is a reasonable indication that an industry in the United States is materially injured "by reason of" the imports under investigation, the statute directs the Commission to consider the volume of imports, their effect on prices for the like product,

⁴⁹ Report at Table 2.

⁵⁰ Report at Table 2.

⁵¹ Report at Table 3.

⁵² Report at Table 9.

⁵³ Report at Table 9.

⁵⁴ Report at Table 10.

⁵⁵ Report at Table 12.

⁵⁶ Report at Table 12.

⁵⁷ Report at Table 12.

⁵⁸ Report at Table 15.

⁵⁹ Report at Table 14.

⁶⁰ Based on the foregoing discussion, Chairman Newquist and Commissioner Rohr conclude that there is a reasonable indication that the domestic paper clip industry is currently experiencing material injury.

and their impact on domestic producers of the like product.⁶¹ Although the Commission may consider causes of injury other than the allegedly LTFV imports, it is not to weigh causes.^{62 63 64} For the reasons discussed below, we find that there is a reasonable indication that the domestic industry producing wire paper clips is materially injured by reason of allegedly LTFV imports from China.

The volume of imports of wire paper clips from China rose from 7.0 million pounds in 1990 to 9.0 million pounds in 1992, resulting in an overall increase of 29.0 percent over the three-year period of investigation.⁶⁵ Imports were 5.8 percent lower in interim 1993 than in interim 1992.⁶⁶ By value, imports of wire paper clips from China increased by a greater amount over the three year period, rising from \$3.8 million to \$5.5 million, an increase of 46.4 percent. Imports by value were 13.9 percent lower in interim 1993 than in interim 1992.⁶⁷

The market share held by the subject imports by both quantity and value was substantial throughout the period of investigation. Overall, it increased between 1990 and 1992,⁶⁸ and was slightly lower by both quantity and value in interim 1993 than in interim 1992.⁶⁹ The gains in market share of the Chinese imports in the 1990-to-1992 period occurred at the same time as domestic producers' market share declined by 3.5 percent by quantity and by 5.5 percent by value.⁷⁰ In light of the Chinese products' share of the market,

⁶¹ 19 U.S.C. § 1677(7)(B)(i). The Commission also may consider "such other economic factors as are relevant to the determination." *Id.*

⁶² See, e.g., *Citrosuco Paulista, S.A. v. United States*, 704 F. Supp. 1075, 1101 (CIT 1988). Chairman Newquist, Commissioner Rohr, and Commissioner Nuzum further note that the Commission need not determine that imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249, 96th Cong., 1st Sess. 57 and 74 (1979). Rather, a finding that imports are a cause of material injury is sufficient. See, e.g., *Metallwerken Nederland, B.V. v. United States*, 728 F. Supp. 730, 741 (CIT 1989); *Citrosuco Paulista S.A. v. United States*, 704 F. Supp. at 1101.

⁶³ Vice Chairman Watson's views on the proper standard of causation were set out in *Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands*, Inv. No. 731-TA-652 (Preliminary), USITC Pub. 2672 at 18 n.57 (August 1993).

⁶⁴ Commissioner Crawford and Commissioner Brunsdale note that the statute requires that the Commission determine whether a domestic industry is "materially injured by reason of" the allegedly LTFV imports. They find that the clear meaning of the statute is to require a determination on whether the domestic industry is materially injured by reason of LTFV imports, not by reason of LTFV imports among other things. Many, if not most domestic industries are subject to injury from more than one economic factor. Of these factors, there may be more than one that independently is causing material injury to the domestic industry. It is assumed in the legislative history that the "ITC will consider information which indicates that harm is caused by factors other than the less-than-fair-value imports." S. Rep. No. 249 at 75. However, the legislative history makes it clear that the Commission is not to weigh or prioritize the factors that are independently causing material injury. *Id.* at 74; H.R. Rep. No. 317 at 47. The Commission is not to determine if the allegedly LTFV imports are "the principal, a substantial or a significant cause of material injury." S. Rep. No. 249 at 74. Rather, it is to determine whether any injury "by reason of" the allegedly LTFV imports is material. That is, the Commission must determine if the subject imports are causing material injury to the domestic industry. "When determining the effect of imports on the domestic industry, the Commission must consider all relevant factors that can demonstrate if unfairly traded imports are materially injuring the domestic industry." S. Rep. No. 71, 100th Cong., 1st Sess. 116 (1987) (emphasis added).

⁶⁵ Report at Table 17. Petitioners have asserted that reported imports from Hong Kong are likely to have originated in China, because they are aware of no production facilities for wire paper clips in Hong Kong. Report at II-27; Tr. at 33. We intend to investigate this issue further in any final investigation.

⁶⁶ Report at Table C-1.

⁶⁷ *Id.*

⁶⁸ It increased by 6.2 percent by quantity and by 9.6 percent by value. Report at Table C-1.

⁶⁹ Report at Table C-1.

⁷⁰ *Id.*

and their increase in volume and market share at the expense of the domestic industry, we find the volume of the subject imports to be significant.

There is evidence on the record indicating that domestically produced wire paper clips and Chinese wire paper clips are highly substitutable⁷¹ and that competition in the market for such paper clips is based largely on price.⁷² The majority of purchasers contacted in this preliminary investigation indicated that price was an important consideration in their purchasing decisions.⁷³

We received relatively complete data regarding prices of the domestically produced paper clips in this preliminary investigation, but very limited pricing data from importers of wire paper clips from China.⁷⁴ The available information indicates that the subject imports undersold the domestic product in 17 out of 23 possible price comparisons, with margins ranging from approximately 5 to 20 percent.⁷⁵ In light of the lower Chinese prices and the substitutability of the products, we find this to be significant underselling.⁷⁶

The statute also directs the Commission, in considering the price effects of the subject imports, to consider whether "the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree."⁷⁷ The data collected in this preliminary investigation indicate that despite an 8.1 percent increase in domestic consumption between 1990 and 1992, domestic producers' prices fell over the period of investigation, suggesting that prices have been depressed.⁷⁸ Further, the declines in domestic prices occurred at the same time that allegedly LTFV imports were being sold at substantially lower unit values than the domestic product and had a relatively large share of the U.S. market.

In light of the high degree of substitutability between the Chinese and domestic product, significant market share, declining domestic prices during a period of increasing demand, as well as the substantial underselling by the subject imports, we find that the lower prices of the allegedly LTFV imports have significantly depressed domestic prices. We also find that the lower prices of subject imports have enabled those imports to increase their volume and market share at the expense of the domestic product, and resulted in an adverse impact on the domestic industry. Specifically, domestic producers experienced a decline in market share and net sales at the same time that the subject imports increased overall in both volume and market share during the first three years of the period of investigation. Although domestic producers reduced their capacity, capacity utilization continued to decline. Other factors also showed adverse effects during this period, including employment and inventories. The financial performance of the domestic industry also deteriorated during this period.⁷⁹

⁷¹ Report at II-7, II-34 to II-36.

⁷² Tr. at 18-19, 29-30, 50-52, and 70.

⁷³ Report at II-34 to II-36.

⁷⁴ Only 3 importers of the subject Chinese product (accounting for 14 percent of Chinese imports in 1992) reported pricing information to the Commission, and not all of these provided complete information. Report at II-32.

⁷⁵ Report at II-33 and Table 22.

⁷⁶ Commissioner Brunsdale and Commissioner Crawford rarely give much weight to evidence of underselling since it usually reflects some combination of differences in quality, other nonprice factors, or fluctuations in the market during the period in which price comparisons were sought. In this investigation, the data are particularly questionable because information on the prices of the imports are especially sparse. We received no prices for imports of two of the four products examined, and prices for the remainder from importers accounting for a mere 14 percent of total imports from China.

⁷⁷ 19 U.S.C. § 1677(7)(C)(ii).

⁷⁸ Report at Tables 19 and 20, and II-32, n. 82.

⁷⁹ Commissioners Brunsdale and Crawford do not join in this paragraph. They expressly consider the magnitude of the dumping margin, which provides information on how much below a fair level the import price is. The greater the difference between the actual price of the imports and the fair price level, the more likely it is that the domestic industry is being materially injured by unfair imports. In
(continued...)

CONCLUSION

For the reasons discussed above, we determine that there is a reasonable indication that the domestic industry producing certain paper clips is materially injured by reason of the subject imports from China.

⁷⁹ (...continued)

this preliminary investigation the margins as revised by Commerce from those alleged in the petition range from 102.94 to 126.94. (58 Fed. Reg. 59,239 (November 8, 1993)). While the alleged margins are little more than petitioners' claims, they are the best information currently available concerning the level of the dumping and suggest that the price of imported wire paper clips may be significantly below fair levels. Because the imports and like product are very good substitutes, it is unlikely that very many Chinese paper clips would be sold at what the Commerce Department would consider fair prices. Given the large unused capacity of the domestic industry, it is likewise doubtful that the absence of Chinese clips from the market would allow any great increase in price. However, the Chinese market share is large enough for us to conclude that there is a reasonable indication that the domestic industry is being materially injured by not being able to increase its sales volume and thus its revenues.

PART II: INFORMATION OBTAINED IN THE INVESTIGATION

INTRODUCTION

On October 13, 1993, a petition was filed with the U.S. International Trade Commission (Commission) and the U.S. Department of Commerce (Commerce) by counsel for ACCO USA, Inc. (ACCO), Wheeling, IL, and Noesting, Inc. (Noesting), Bronx, NY. The petition alleges that imports of certain paper clips¹ from the People's Republic of China (China) are being sold in the United States at less than fair value (LTFV), and that an industry in the United States is being materially injured and is threatened with further material injury by reason of such imports.

Accordingly, effective October 13, 1993, the Commission instituted a preliminary antidumping investigation under section 733 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 threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States.

The statute directs the Commission to make its preliminary determination within 45 days after receipt of the petition or, in this investigation, by November 29, 1993. Notice of the institution of this investigation 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, DC, and by publishing the notice in the Federal Register of October 20, 1993.² Commerce published its notice of initiation in the Federal Register of November 8, 1993.³ The Commission held a public conference in Washington, DC, on November 3, 1993, at which time all interested parties were allowed to present information and data for consideration by the Commission.⁴ The Commission voted on this investigation on November 22, 1993.

A summary of the data collected in this investigation is presented in appendix C. The Commission has not previously conducted investigations concerning the paper clips subject to this investigation.

THE NATURE AND EXTENT OF THE ALLEGED SALES AT LTFV

In order to derive the estimated dumping margins for certain paper clips imported from China, petitioners compared the U.S. price of such clips with their foreign market value. Petitioners based U.S. price on one sales confirmation and two invoices from three sales in 1993 to the United States, of Chinese-manufactured paper clips.⁵ Information from these invoices was used to derive per-pound prices, to which petitioners made no adjustments.

Because petitioners alleged that, for purposes of this investigation, China was a state-controlled-economy country, petitioners based foreign market value on the constructed value of such or similar merchandise in a non-state-controlled-economy country at a level of economic development comparable to that of China. Accordingly, petitioners compared U.S. sales prices to foreign market

¹ The imported paper clips covered by this investigation include paper clips made wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g., copper), with a wire diameter between 0.64 and 1.91 millimeters), regardless of physical configuration, except as specifically excluded. Such products may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as "No. 1" clips, "No. 3" clips, "Jumbo" or "Giant" clips, "Gem" clips, "Frictioned" clips, "Perfect Gems," "Marcel Gems," "Universal" clips, "Nifty" clips, "Peerless" clips, "Ring" clips, and "Glide-on" clips, provided for in subheading 8305.90.30, and reported under statistical reporting number 8305.90.3010, of the Harmonized Tariff Schedule of the United States (HTS).

² 58 F.R. 54169.

³ 58 F.R. 59239. Copies of the Commission's and Commerce's Federal Register notices are presented in app. A.

⁴ A list of the participants in the conference is presented in app. B.

⁵ These invoices covered shipments of both No. 1 and jumbo paper clips.

value constructed by valuing the factors of production (i.e., materials and labor) used by the Chinese manufacturers based on factor cost information obtained from India, a country that petitioners alleged was similar to China in terms of its economic development and a significant producer of paper clips.⁶ To these totals petitioners added the statutory minima for administrative overhead and profit, and an amount for packing costs. Through these calculations, petitioners obtained estimated LTFV margins of 122.22 to 148.94 percent.⁷

THE PRODUCTS

Description and Uses

Paper clips are steel wire products that have been formed in such a way as to provide spring-like tension when used to hold pieces of paper together. These rectangular shaped products, which are among the most commonly used office supplies in the world, are generally manufactured from steel wire, whether or not galvanized, and whether or not plated with nickel, copper, or other base metals, or coated with vinyl.⁸ Although paper clips are produced in a variety of sizes having different wire diameters, the most commonly used products fall within three categories commercially referred to as No. 1 clips, No. 3 clips, and jumbo or giant clips.⁹ The wire diameters of No. 1 clips range between 0.034 inch and 0.036 inch, whereas the wire diameter of No. 3 clips is 0.034 inch. For jumbo clips, the wire diameters range between 0.046 inch and 0.050 inch. Figure 1 provides an illustration of these three types of paper clips, as well as other types of subject wire paper clips.¹⁰

Manufacturing Process

The manufacture of paper clips begins when purchased wire is drawn down to a predetermined size on high-speed wire drawing machines and recoiled on large spools. During the drawing process, the wire is cleaned with a special filtered oil lubricant. The wire is then drawn from the spools and bent in several places by wedges positioned in a rotary forming device. After bending to form the paper clip, the wire is cut, tumbled in corncob grits to remove oil (if necessary), and automatically delivered to small boxes that move along a conveyor and align themselves to the chutes of individual machines. Each box is designed to hold 100 paper clips.¹¹ The count is determined by the number of rotations of the forming machine.¹²

⁶ Where Indian cost figures were unavailable, petitioners used figures from Mexico and/or Pakistan, as applicable.

⁷ Petitioners asserted that the estimated margins were understated because they had made no attempt to quantify costs for foreign inland freight, for electricity consumed in the manufacturing and packing processes, or for the labor involved in the packing process.

⁸ Paper clips are also manufactured from plastic. Plastic paper clips, however, are not used as extensively as wire paper clips and require relatively higher production costs and different manufacturing technology and skills. Other products that are not similar in appearance to wire paper clips but are used to hold paper together are binder clips, butterfly clips, and ideal clamps.

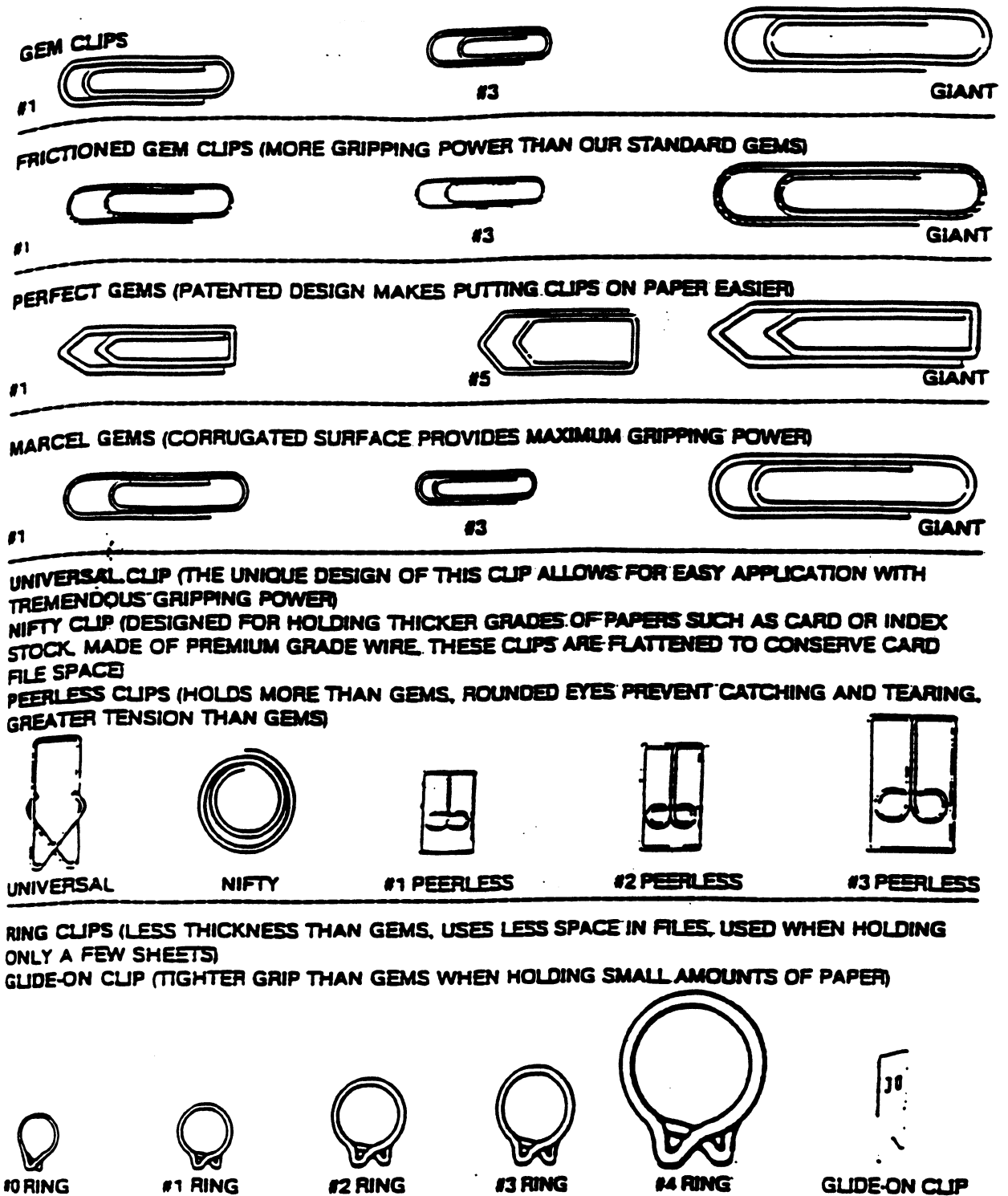
⁹ Whereas ACCO refers to these clips by the trade name "jumbo" clips, Noesting refers to them as "giant" clips. In the remainder of this report, such clips will be referred to exclusively as jumbo clips.

¹⁰ In this investigation, the Commission also collected data on a category termed "other wire paper clips," which constitutes all wholly wire paper clips, other than No. 1, No. 3, and jumbo clips, falling under the scope of the investigation.

¹¹ ACCO ***.

¹² ACCO noted that in China, the count is determined by weight.

Figure 1
Illustrations of wire paper clips



Source: Provided by Noesting, Inc.

The filled paper boxes are automatically accumulated into groups (with each group numbering 10 boxes) and then fed into an over-wrap machine where the groups are sealed into a plastic shrink-wrap. Twenty-five of these groups are then loaded manually into large cardboard boxes, which are sealed and stacked onto pallets for shipment. The packaging of paper clips is the only labor-intensive operation in the production process.

The equipment used to manufacture paper clips in the United States and China is dedicated to making either No. 1 clips, No. 3 clips, or jumbo clips. Although producers in both countries are capable of adjusting their equipment to accommodate different wire sizes, it is unlikely that their wire-forming machines can be used interchangeably to produce different size clips, without considerable retooling adjustments.¹³ In addition, the forming machines in China are capable of producing 200 clips per minute, whereas comparable machines in the United States are capable of producing 4,000 clips per minute.¹⁴

U.S. Tariff Treatment

Imports of paper clips subject to this investigation are provided for in subheading 8305.90.30 (statistical reporting number 8305.90.3010) of the HTS, which covers paper clips and parts thereof, the foregoing wholly of wire of base metal. The column 1-general (most-favored-nation) rate of duty (applicable to products of China) is 3.8 percent ad valorem; the column 2 rate of duty, to which China would be subject absent a waiver under the Trade Act of 1974, is 45 percent ad valorem.

Interchangeability

The petitioners in this investigation state that paper clips produced in the United States are essentially the same in terms of quality and function as those imported from China.¹⁵ Respondents, however, maintain that paper clips from China are plated or galvanized after the forming process, which gives them a more lustrous appearance than paper clips manufactured in the United States. These paper clips undergo additional finishing processes (acid cleaning, tumbling, and drying) before they are packaged for shipment. In addition, paper clips from China are manufactured from wire having larger diameters than wire used in the United States.¹⁶

THE U.S. MARKET

Apparent U.S. Consumption

Data on apparent U.S. consumption of certain paper clips were compiled from information submitted in response to questionnaires of the U.S. International Trade Commission and from official import statistics. The former data consist of reported shipments of U.S.-produced certain paper clips and reported shipments of imports from China and from all other sources.

As the Commission received questionnaire responses from three of the four known U.S. producers of certain paper clips, reported 1992 U.S. shipments are believed to account for nearly

¹³ Transcript of the public conference (transcript), p. 37.

¹⁴ Transcript, p. 45.

¹⁵ Transcript, pp. 50-52.

¹⁶ Transcript, pp. 97-98.

100 percent of actual 1992 U.S. shipments of paper clips.¹⁷ By contrast, reported imports from China represent 63 percent, by quantity, and 82 percent, by value, of 1992 official statistics on imports from China. Accordingly, apparent U.S. consumption of certain paper clips has been calculated using official import statistics.¹⁸ An alternate calculation of apparent consumption of certain paper clips, using questionnaire data, is presented in appendix D.¹⁹

Apparent U.S. consumption of certain paper clips, in terms of quantity, increased overall during the 1990-92 period, by a total of *** percent (table 1). This indicator declined slightly when the January-September periods of 1992 and 1993 are compared. In contrast, value-based data show a more modest increase during 1990-92, and a more marked decline in the interim periods. The share of U.S. producers' shipments in apparent consumption declined gradually from 1990 to 1992, then reversed direction in January-September 1993, when compared to the corresponding 1992 period. The share of total imports in apparent consumption showed contrary trends.

Parties disagreed as to the nature of the dynamic trends in the paper clips market. ACCO believes that the paper clips market may be growing because of the increasing amount of paperwork in contemporary office environments.²⁰ Respondents, on the other hand, theorized that overall paper clips consumption may have been affected by the recent recession, inasmuch as there is some link between such consumption and general economic activity, and because businesses have attempted to "downsize" their operations in response to the economic slowdown.²¹ With regard to consumption trends among the various sizes of paper clips, parties agreed that there appears to be a slight preference for the larger jumbo clips as opposed to the No. 1 or No. 3 clips. The petitioners argued, however, that potential substitute products such as plastic clips and metal binder clips have not made significant inroads into the market for basic wire paper clips.²²

Consumption of paper clips worldwide is believed to parallel trends in U.S. consumption. ACCO noted that consumption of wire paper clips is growing steadily, particularly in the developing world.²³ It also commented that the paper clips market in other developed countries is more fragmented than in the United States, in that those markets have no counterpart to ACCO in terms of size.²⁴ Over the past few decades, the world market has been characterized by a shift in the primary source for imports into the United States, with Japan playing that role in the 1970s, Taiwan in the early 1980s, and China in the late 1980s and early 1990s.²⁵

¹⁷ The extent of U.S. shipments accounted for by Trico Manufacturing (a.k.a. Stem Manufacturing), the fourth firm named in the petition, is not known, as this firm could not be reached with a questionnaire. According to the petition, however, this firm produces very small quantities of the subject paper clips. Petition, p. 5.

¹⁸ Apparent U.S. consumption of various types of wire paper clips such as No. 1, No. 3, and jumbo clips has been calculated using questionnaire data because official statistics do not provide a clear breakdown by these types.

¹⁹ These data show that, among the various types of the subject paper clips, the volume of No. 3 clips and other wire paper clips made up less than 2 percent of apparent U.S. consumption. Accordingly, the vast majority of the paper clips subject to this investigation consist of No. 1 clips and jumbo clips.

²⁰ Transcript, p. 39.

²¹ Transcript, pp. 74, 90. Respondents acknowledged, however, that most wholesalers and distributors of paper clips view the current market favorably.

²² Transcript, p. 40.

²³ Transcript, p. 42.

²⁴ Transcript, p. 42. ACCO is the only paper clips manufacturer that has rationalized its production on a global basis. ACCO further noted that imports from China are a factor in European markets as well as the U.S. market.

²⁵ Transcript, p. 14.

Table 1

Certain paper clips: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹

Item	1990	1991	1992	Jan.-Sept. -- 1992	1993
<i>Quantity (1,000 pounds)</i>					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
China	7,000	6,727	9,031	6,136	5,784
Other sources	4,330	4,049	4,044	3,697	1,103
Total	11,330	10,776	13,075	9,833	6,887
Apparent consumption	***	***	***	***	***
<i>Value (1,000 dollars)</i>					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
China	3,753	3,911	5,494	3,803	3,274
Other sources	4,097	4,177	3,383	2,989	1,441
Total	7,850	8,087	8,877	6,792	4,715
Apparent consumption	***	***	***	***	***
<i>Share of the quantity of U.S. consumption (percent)</i>					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
<i>Share of the value of U.S. consumption (percent)</i>					
Producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***

¹ Jan.-Sept. 1993 data on imports are estimated.

Note.--Because of rounding, figures may not add to the totals shown; shares are computed from the unrounded figures.

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.

There is apparently no reliable source of public data on the U.S. paper clips industry. At the conference, parties referred to data on office supply products maintained by the National Office Products Association (NOPA), Alexandria, VA. This organization, however, indicated to Commission staff that it classified paper clips in a large residual category ("office supplies: other") and could not provide separate data on paper clips consumption.²⁶

U.S. Producers

In their petition, ACCO and Noesting identified four U.S. producers of the paper clips subject to this investigation: themselves, Work Services Corporation (Work Services), Wichita Falls, TX, and Stem Manufacturing Co., Huntsville, SC (sic).²⁷ The petitioners did not, however, provide a list of firms producing products that potentially compete with wholly wire paper clips, such as plastic-covered clips, vinyl-covered clips, plastic clips, or binder clips. Although it is not known how many of these firms operate in the United States, on the basis of review of various business digests such as the Thomas Register the Commission sent 15 questionnaires to firms suspected of producing such products, as well as wholly wire paper clips. Nine companies responded, three of whom (the petitioners and Work Services) provided data on paper clips production and shipments.²⁸ Accordingly, six firms reported no production of any of the products covered by the Commission's questionnaire, and six other firms did not respond to the questionnaire. There is no indication on the record that any of the nonresponding firms were significant producers of the products covered by the questionnaire during the period examined.

Of the three producers providing data, ACCO and Noesting reported production of the full line of wire paper clips, whereas Work Services reported production ***. ACCO also reported production of plastic clips, whereas Noesting reported production under the category of "other metal paper clips" which consisted of ideal clips (also known as "ideal clamps"). There is apparently no U.S. production of metal binder clips.

ACCO USA, Inc., the larger of the two petitioners, formerly known as the American Clip Co., has been manufacturing paper clips in the United States since 1905, and is the world's largest producer of paper clips.²⁹ It is a wholly owned subsidiary of ACCO World, Inc., Deerfield, IL, which in turn is a 100-percent owned division of American Brands, Inc., Old Greenwich, CT. As indicated above in the section of this report entitled "Apparent U.S. Consumption," ACCO is the only paper clips producer that has rationalized its production on a global basis. The following tabulation lists the various ACCO worldwide divisions and/or subsidiaries.³⁰

²⁶ Telephone conversation with Ann Griffith, NOPA, Nov. 5, 1993; postconference brief of Crowell & Moring, p. 5.

²⁷ The Commission later learned that this firm is actually Trico Manufacturing in Hartsville, SC. Because of the incorrect address, the staff was initially unable to reach this firm with a questionnaire. Upon learning of the correct address, the Commission sent this firm a questionnaire, but data could not be provided in time to be used in this report. Trico did confirm, however, that ***. Staff telephone conversation with ***, Nov. 9, 1993.

²⁸ ***.

²⁹ Petition, p. 4.

³⁰ Only *** exports paper clips to the United States.

<u>Company</u>	<u>Country</u>	<u>Extent ownership (in percent)</u>	<u>Startup date</u>
Val-Rex SARL	France	***	***
ACCO-Rexel, Ltd.	U.K. (Wales)	***	***
ACCO Jamaica, Ltd.	Jamaica	***	***
ACCO Canada, Inc.	Canada	***	***
C.A. ACCO Mfg.	Venezuela	***	***
ACCO Mexicana	Mexico	***	***

ACCO's production facility for paper clips, in Wheeling, IL, dates from 1976. Along with paper clips, ACCO produces vinyl report binders, three- and two-hole punches, three-ring binders, and metal paper fasteners in the Wheeling plant; it produces plastic paper clips in a separate facility in St. Charles, IL.³¹ ACCO services the entire U.S. market from its Wheeling plant.

Noesting, the *** U.S. producer of paper clips, was founded in 1913 in Bronx, NY, and continues to produce paper clips at that location. Noesting, however, used to have three separate paper-clip-producing facilities, including plants in Chicago, IL, and Beacon, NY. These latter two plants were shut down in 1987 and 1988.³² In general, Noesting produces a wider variety of paper clips than does ACCO, with some specialization in niche varieties of paper clips such as peerless, regal, nifty, and glide-on clips.³³ Noesting also serves the entire domestic market, selling to a wide range of customers.

Work Services, the *** responding producer, holds a different position in the market for paper clips in that ***. Work Services was formed in December 1989 from ***.³⁴ Work Services' facility is dedicated to the production of the subject paper clips.³⁵

U.S. Importers

The petition identified 22 firms that allegedly imported certain paper clips from China during calendar years 1990, 1991, and 1992. Imports of the subject paper clips enter the United States under HTS statistical reporting number 8305.90.3010, entitled "paper clips, and parts thereof, wholly of wire." Accordingly, because the petition defined the scope of the investigation as comprising all imports entering under this statistical reporting number, the Commission sent importers' questionnaires to 29 firms importing more than \$50,000 each under this number in fiscal years 1990-92, according to the Customs Net Import File (CNIF).³⁶ The Commission sent questionnaires to all firms identified in the petition, as well as seven additional firms not named in the petition, but identified through the CNIF.

³¹ ACCO noted that ***. Questionnaire response of ACCO, p. 7.

³² Transcript, p. 28.

³³ Noesting indicated, however, that it produces these types in very small quantities. Transcript, p. 58.

³⁴ Noesting testified at the conference that prior to the award of the contract to Work Services, it had supplied most of the U.S. Government's requirements for paper clips. It alleged that, since the conclusion of the contract with Work Services, the U.S. Government will not allow the contract to be competitively bid.

³⁵ ***.

³⁶ According to the CNIF, there were approximately 50 firms importing under HTS item No. 8305.90.3010, but many made only 1 or 2 small entries each calendar year.

The Commission received data from 12 firms, all of which provided usable data on imports of certain paper clips, other metal paper clips, and plastic paper clips.³⁷ Ten firms reported imports of No. 1 clips, 3 firms of No. 3 clips, and 11 firms of jumbo clips. Nine companies reported imports from China, and six firms from other sources. Three companies reported imports of other metal paper clips, and no firms reported imports of plastic paper clips. Responding importers accounted for 82 percent, by value, of imports from China in 1992, according to official import statistics.

Importers of paper clips are either firms that stock the product and then sell to retail stores ("wholesalers/distributors"), or large mass merchandisers or "superstores." The majority of responding importers fell into the former category. Several wholesalers noted in telephone conversations with staff that superstores have come to dominate the market for imported paper clips and, as a result, wholesalers are getting cut out of the market.³⁸ Responding importers, and their share of reported imports from China in 1992, are shown in the following tabulation:

* * * * *

According to parties, there is no concentration of imports of paper clips into any particular geographic region.³⁹ Most firms reported serving a national market, but a few companies concentrated on either the east or west coasts.⁴⁰ One firm, ***. Other than this firm, no companies reported either domestic or foreign ownership.

Channels of Distribution

U.S. producers of the subject paper clips sell to virtually all channels of distribution within the office products industry, including mass marketers, warehouse clubs, office superstores, wholesalers, mail order catalogs, small, medium, and large dealers, and the Government. As shown in the tabulation below (in percent), the majority of the subject U.S.-produced paper clips sold in 1992 went to dealers or warehouse clubs.

* * * * *

The responding importers sell paper clips to many of the same channels of distribution, including wholesalers, contract stationers, dealers, buying groups, and mail order catalogs. With regard to plastic paper clips, ***.⁴¹

³⁷ Accordingly, 17 firms did not respond to the questionnaire, or provided data that were incomplete or otherwise unusable. Companies known to be significant importers of paper clips from China that did not respond or provided unusable data include ***. Several nonresponding firms commented that they were willing to supply data to the Commission, but the questionnaire requested data that they were unable to supply readily because of inadequate or nonexistent computer systems. Others indicated that they could not separate imports or sales by country of origin. See, for example, staff conversation with ***, Nov. 5, 1993.

³⁸ See, for example, telephone conversation with ***, Oct. 26, 1993.

³⁹ Transcript, p. 96.

⁴⁰ Questionnaire responses of ***.

⁴¹ Field visit with ACCO, Oct. 26, 1993.

CONSIDERATION OF MATERIAL INJURY TO AN INDUSTRY IN THE UNITED STATES

Section 771(7)(B) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(B)) provides that in making its determination in this investigation the Commission--

shall consider (I) the volume of imports of the merchandise which is the subject of the investigation, (II) the effect of imports of that merchandise on prices in the United States for like products, and (III) the impact of imports of such merchandise on domestic producers of like products, but only in the context of production operations within the United States; and

may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. 1677(7)(C)) further provides that--

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.

In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether (I) there has been significant price underselling by the imported merchandise as compared with the price of like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

In examining the impact required to be considered under subparagraph (B)(iii), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to, (I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.

Available information on the volume of imports is presented in the section of this report entitled "U.S. Imports." Information on the other factors specified is presented in this section and (except as noted) is based on the questionnaire responses of three firms that are believed to account for virtually 100 percent of U.S. production of certain paper clips during 1992.

U.S. Production, Capacity, and Capacity Utilization

Reported U.S. capacity to produce the varieties of paper clips subject to investigation declined slowly between 1990 and 1992, falling by *** percent overall (table 2). In contrast, when the January-September periods of 1992 and 1993 are compared, capacity to produce these clips increased by *** percent. Trends were similar among the various subcategories of certain paper clips, with capacity in the 1990-92 period holding steady for jumbo and No. 3 clips, and declining slightly for No. 1 clips and other wire paper clips.

Table 2

Certain paper clips: U.S. capacity, production, and capacity utilization, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Production of certain paper clips demonstrated a different trend from that of capacity. In particular, production fell, by *** percent, between 1990 and 1991, yet rebounded in 1992 to a level *** percent below that of 1990. Production in January-September 1993 rose markedly over its level in the corresponding period of 1992. As with capacity, the trend in production of No. 1 clips paralleled the trend in production of all subject clips. Production of jumbo clips, unlike No. 1 clips, increased overall during the 1990-92 period, and again when the January-September periods are compared. The production of No. 3 clips and other wire paper clips did not show strong trends.

Capacity utilization in facilities producing certain paper clips tracked movements in production of such clips; specifically, a decline in 1991 to *** percent from *** percent in 1990 was followed by a recovery, to *** percent, in 1992. This ratio climbed to *** percent in January-September 1993, compared with only *** percent in the corresponding period of 1992. Capacity utilization for jumbo clips was consistently higher than for any other subcategory throughout the period examined, demonstrating a generally increasing trend, and reaching nearly *** percent by January-September 1993. Utilization ratios for No. 3 clips and other wire paper clips were very low throughout the period.

Information on capacity, production, and capacity utilization of facilities producing other metal paper clips, and plastic paper clips, is presented in appendix C.

The three responding producers reported capacity on different bases. ACCO generally operates its plant ***. Noesting ***.⁴² Work Services ***.

Parties indicated that there is a slight degree of seasonality in paper clip production and sales, owing to the yearend closings for tax purposes of most businesses; thus, production picks up a bit towards the end of the year.⁴³ There have been very few technological advances in paper clip production in recent years. Neither ACCO nor Noesting reported introduction of new equipment into their plants during the period examined.⁴⁴ The equipment in ACCO's plant is considered to be state-of-the-art and is less than 20 years old.⁴⁵ Paper clip forming machinery is run continuously and there are no definable production runs for paper clips. In that regard, the equipment is run to match overall sales forecasts.

⁴² Noesting reported ***. Noesting indicated in conversations with staff that ***. Phone conversation with M. Roy Goldberg, Ackerson & Bishop, Nov. 4, 1993.

⁴³ Field visit with ACCO, Oct. 26, 1993.

⁴⁴ ACCO ***. Field visit with ACCO, Oct. 26, 1993.

⁴⁵ Transcript, pp. 24, 38. ACCO did note, however, that ***.

Responding producers indicated that the equipment used to manufacture paper clips is dedicated to production of that product. ACCO testified at the conference that it is very difficult to retool its equipment to produce different sizes of wire paper clips, and such retooling is not generally done.⁴⁶ Other products, such as ideal clamps or black binder clips, are never produced on machinery used in producing wire paper clips. Plastic paper clips are produced through an injection-molding process and, for ACCO, in a separate location.

No producer reported any plant closings during the period examined. As indicated above in the section of this report entitled "U.S. Producers," Noesting reported that it closed two plants just prior to the period examined, and petitioners alleged that Labelon, currently ***, produced paper clips in the United States as recently as the late 1980s.⁴⁷

The supply of labor, raw materials, and capital equipment presented no problem for U.S. producers of paper clips during the period examined. Noesting procures its raw materials (wire) from local suppliers in ***, whereas ACCO currently sources the majority of its needs from a supplier in ***. ACCO commented that the price of galvanized wire has been ***.⁴⁸

U.S. Producers' Domestic Shipments

ACCO, Noesting, and Work Services reported data on their domestic shipments of certain paper clips. No producer reported any export shipments or company transfers. ACCO reported shipment data for plastic paper clips, and Noesting reported such data for other metal paper clips; these data are presented in appendix C.

Certain Paper Clips

Domestic shipments of certain paper clips by U.S. producers declined by *** percent between 1990 and 1991, then reversed direction in 1992, climbing by *** percent (table 3). When viewed in terms of dollar value, however, the recovery in 1992 was less marked, constituting only a ***-percent rise. Accordingly, unit values fell throughout the period, from \$*** per 1,000 units in 1990 to \$*** per 1,000 units in 1992.

Table 3

Certain paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

ACCO and Noesting both offered explanations for the rise in U.S. shipments of certain paper clips between 1991 and 1992. ACCO noted that in late 1991, it adopted a "low-price strategy" that resulted in a temporary increase in business.⁴⁹ Noesting, for its part, indicated that in 1992 it gained a customer that had a strict "buy-American" policy, and stated that without this customer, its business would have continued to decline.⁵⁰

⁴⁶ Transcript, p. 37.

⁴⁷ Petition, p. 5.

⁴⁸ Transcript, p. 24; field visit with ACCO, Oct. 26, 1993.

⁴⁹ Transcript, p. 19.

⁵⁰ Transcript, p. 27. This customer, ***. Postconference brief of Ackerson & Bishop, p. 13.

Both the quantity and value of domestic shipments increased in January-September 1993, when compared with the corresponding period of 1992. Unit values, however, declined to \$*** per 1,000 units, the lowest level during the period examined.

No. 1 Paper Clips

All three producers reported domestic shipments of No. 1 paper clips during the period examined. Trends in U.S. producers' domestic shipments of No. 1 clips mirrored those in shipments of the subject paper clips, except for a continued decline in the value of shipments of No. 1 clips in 1992 (table 4). As shipment value declined in 1992 while quantities increased, unit values in 1992 fell sharply from their 1991 level.

Table 4

No. 1 paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Both the quantity and value of domestic shipments of No. 1 clips increased in the first three quarters of 1993 when compared with their levels in the corresponding 1992 period. Unit values, however, continued their downward trends of the previous periods.

No. 3 Paper Clips

ACCO and Noesting reported domestic shipments of No. 3 paper clips during the period examined. The volume of domestic shipments of such clips held generally constant during the 1990-92 period, and fell off slightly when the January-September periods are compared (table 5). The value of such shipments, however, showed a slight upward movement in 1992, and continued to rise in January-September 1993, when compared with the equivalent 1992 period.

Table 5

No. 3 paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Unit values of such shipments were flat between 1990 and 1991, and rose slightly in 1992. In contrast to No. 1 clips and certain paper clips as a whole, unit values of No. 3 clips rose markedly in January-September 1993, when compared with January-September 1992.

Jumbo Paper Clips

The petitioning firms were the only producers to report shipments of jumbo paper clips. The quantity of domestic shipments of such clips demonstrated an overall increase between 1990 and 1992 (table 6). The value of jumbo clips, in contrast, fell by *** percent between 1990 and 1991, and while recovering in 1992, did not regain its 1990 level. As a result, unit values of domestic shipments dropped substantially between 1990 and 1992, falling from \$*** to \$*** per 1,000 clips.

Table 6

Jumbo paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Although both the quantity and value of domestic shipments of jumbo clips increased in January-September 1993 over their levels in the comparable 1992 period, unit values continued to fall. Unit values in January-September 1993 were the lowest seen during the period examined.

Other Wire Paper Clips

As with No. 3 and jumbo clips, only ACCO and Noesting reported domestic shipments of other wire paper clips.⁵¹ The value of shipments of such products first increased slightly in 1991, then fell more sharply in 1992, to a level *** percent below that of 1990. Shipment quantities also declined overall (table 7). Unit values, however, unlike those of all other varieties of clips under investigation, rose steadily between 1990 and 1992.

Table 7

Other wire paper clips: Shipments by U.S. producers, by types, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

When the January-September periods are compared, declines in quantities, values, and unit values of domestic shipments of other wire paper clips are apparent. In particular, unit values exhibited a ***-percent decline.

U.S. Producers' Imports

Both petitioning firms reported data on imports of certain paper clips. Noesting reported imports from China; in contrast, ACCO did not import from China during the period examined; rather, it imported from *** and Mexico. ACCO testified at the conference that it imports from *** in order to take advantage of the inexpensive packaging available there; it imports *** paper clips exclusively in blister packs.⁵² Imports by ACCO from *** comprise *** percent, by value, of its 1992 shipments of certain paper clips. For its part, Noesting indicated that it imports from China to satisfy certain customers' needs for low-priced merchandise; the alternative, according to Noesting, would be to lose the customer.⁵³ Imports by Noesting from China comprise *** percent, by value, of its 1992 shipments of certain paper clips. Data on imports by these producers are presented in table 8.

⁵¹ These products are believed to consist primarily of wholly wire paper clips, such as peerless, universal, and regal clips, having wire diameters within the parameters specified in the scope of the investigation. Producers were not requested to enumerate the types of clips classified in this category.

⁵² Transcript, p. 64. ACCO packs its domestic paper clips exclusively in paperboard boxes.

⁵³ Transcript, p. 66.

Table 8

Certain paper clips: U.S. producers' imports, by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Noesting's imports from China showed an irregular pattern during the period examined, ***. ACCO's import activity also ***, and in 1992 its imports ***. Unit values of the imports by the two petitioners fluctuated, and unit values of ACCO's imports were, for the most part, *** as those associated with Noesting's imports from China.

U.S. Producers' Inventories

All three responding producers reported data on their end-of-period inventories of certain paper clips, and of No. 1, No. 3, jumbo, and other wire paper clips, as appropriate, during the period examined (table 9). With regard to certain paper clips, inventories dropped sharply from 1990 to 1991, by over *** percent, before experiencing an opposite trend in 1992, rising to *** percent below their level of 1990. End-of-period inventories nearly doubled in January-September 1993, when compared with those in the corresponding period of 1992.

Table 9

Certain paper clips: End-of-period inventories of U.S. producers, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Trends in end-of-period inventories for No. 1 clips were identical to those for certain paper clips when viewed as a whole. On the other hand, during the 1990-92 period, end-of-period inventories of jumbo clips increased by *** percent. Inventories of No. 3 and other wire paper clips exhibited contrary trends between 1990 and 1992, but both indicators fell in January-September 1993 when compared with January-September 1992.

Parties to the proceeding generally played down the importance of quick delivery in the paper clip market. ACCO claims an average 4- to 5-day turnaround in filling orders from its warehouse, whereas Noesting estimates a *** time for its operations.⁵⁴ These producers, however, asserted that price plays a more important role than does quick delivery in winning and keeping customers.⁵⁵ Further, ***.⁵⁶ Importers generally indicated that they could match U.S. producers' response time for orders from stock.

U.S. Employment, Wages, and Productivity

ACCO, Noesting, and Work Services reported data on the number of production and related workers (PRWs) engaged in the production of certain paper clips, the total hours worked by such workers, and the wages and total compensation paid to such workers during the period examined (table 10). The number of production workers employed in the production of certain paper clips declined by *** workers between 1990 and 1992, but increased by *** workers in January-

⁵⁴ Transcript, p. 47; questionnaire response of Noesting, p. 44.

⁵⁵ Transcript, p. 47.

⁵⁶ Excepting ***. Field visit with ACCO, Oct. 26, 1993.

September 1993 when compared with the corresponding 1992 period. Hours worked by these workers remained fairly constant overall between 1990 and 1992, and increased when the January-September periods are compared. Wages and total compensation showed a generally increasing trend. Productivity fell overall between 1990 and 1992, and hourly compensation rose steadily; the trend in productivity reversed direction in January-September 1993, compared with the corresponding period of 1992.

Table 10

Average number of total employees and PRWs in U.S. establishments wherein certain paper clips are produced, hours worked, wages and total compensation paid to such employees, and hourly wages, productivity, and unit production costs, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

ACCO reported very slight declines in employment at its Wheeling plant, not exceeding ***, whereas the employment declines for Noesting were far greater in percentage terms. Noesting indicated at the conference that its current employment is 25 workers, but Noesting employed 60 workers as recently as 1988.⁵⁷

The petitioning companies differed as to the type of labor used in their production facilities. Noesting characterized the labor used in its plant as primarily unskilled, except for maintenance workers. In contrast, ACCO said that although it needs only two employees to run its entire paper clip forming operation, those workers need to be relatively highly skilled.⁵⁸ Because of the introduction of new equipment and technology during the last decade, ACCO's labor productivity has increased *** percent annually. ACCO also ***.⁵⁹ Noesting's employees are represented by the Leather Goods, Plastics, Handbags, and Novelty Union; ACCO and Work Services are not unionized.

Financial Experience of U.S. Producers

Financial information was provided on paper clip operations in addition to overall establishment operations by three producers.⁶⁰ These data, representing 100 percent of reported 1992 production of paper clips, are presented in this section.

Overall Establishment Operations

Income-and-loss data on the U.S. producers' overall establishment operations are presented in table 11. In addition to the products under investigation, the predominant producer, ACCO, indicated in its questionnaire response that it produces ***. Certain paper clips accounted for approximately *** percent of its overall establishment net sales for the most recent fiscal period (1992). ACCO, and its parent, ACCO World, are subsidiaries of American Brands, Inc. Total office products sold by ACCO World and its subsidiaries accounted for approximately *** percent of American Brand's 1992 total revenues.

⁵⁷ Transcript, p. 28; petition, p. 33. In its questionnaire response, Noesting reported *** at its Bronx location, but was not specific as to the product lines affected.

⁵⁸ Transcript, p. 45. ACCO noted that in its plant, ***. Field visit with ACCO, Oct. 26, 1993.

⁵⁹ Field visit with ACCO, Oct. 26, 1993.

⁶⁰ ACCO, Noesting, and Work Services.

Table 11

Income-and-loss experience of U.S. producers on the overall operations of their establishments wherein certain paper clips are produced, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

As explained in ACCO's parent corporation's annual statement, "demand (consumption) is up; according to our data, the downward pressure on sales prices for office products may have been partially related to the recession in major markets, the decline in white collar employment, and changes in distribution channels to larger retailers. Improvements in margins have been made by facilities rationalization, restructuring, and cost reduction programs."⁶¹

Operations on Certain Paper Clips

Income-and-loss data for the U.S. producers' paper clip operations are presented in table 12. ACCO's predominance as the major U.S. paper clip producer is illustrated by its share of total U.S. producers' net sales, which in 1992 was approximately *** percent. A plant tour and video presentation confirmed ACCO's assertion that it has state-of-the-art production equipment, which is also substantiated by the relatively low number of employees, approximately ***, required to manufacture the supply of paper clips for the U.S. market. ACCO's labor costs, in addition to its other costs, remained relatively constant during the period of investigation. The per unit (1,000 paper clips) income-and-loss experience, including the major categories of manufacturing costs for ACCO, are presented in the following tabulation (in dollars):

* * * * *

Table 12

Income-and-loss experience of U.S. producers on their operations producing certain paper clips, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

In addition to the automated manufacturing processes contributing to it being the low-cost U.S. producer, it is reported that ACCO ***.⁶²

Investment in Productive Facilities

The value of property, plant, and equipment and total assets for the U.S. producers are presented in table 13, which also includes the return on total assets for these producers.

Table 13

Value of assets and return on assets of U.S. producers' operations producing certain paper clips, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

⁶¹ American Brands, Inc. Annual Report, 1992, p. 24.

⁶² Field visit with ACCO, Oct. 26, 1993.

Capital Expenditures

The capital expenditures reported by the U.S. producers are presented in table 14.

Table 14

Capital expenditures by U.S. producers of certain paper clips, by products, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Research and Development Expenses

The research and development expenses reported by the U.S. producers are presented in table 15.

Table 15

Research and development expenses of U.S. producers of certain paper clips, by products, fiscal years 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Capital and Investment

The Commission requested the U.S. producers to describe any actual or potential negative effects of imports of paper clips from China on their existing development and production efforts, growth, investment, and ability to raise capital. Their responses are shown in appendix E.

CONSIDERATION OF THREAT OF MATERIAL INJURY TO AN INDUSTRY IN THE UNITED STATES

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(F)(i)) provides that--

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the merchandise, the Commission shall consider, among other relevant economic factors⁶³--

(I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),

(II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

⁶³ Section 771(7)(F)(ii) of the act (19 U.S.C. 1677(7)(F)(ii)) provides that "Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition."

(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

(IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,

(V) any substantial increase in inventories of the merchandise in the United States,

(VI) the presence of underutilized capacity for producing the merchandise in the exporting country,

(VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,

(VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to final orders under section 706 or 736, are also used to produce the merchandise under investigation,

(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and

(X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.⁶⁴

Information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III) and (IV) above) is presented in the section entitled "Consideration of the Causal Relationship Between Imports of the Subject Merchandise and the Alleged Material Injury" and information on the effects of imports of the subject merchandise on U.S. producers' existing

⁶⁴ Section 771(7)(F)(iii) of the act (19 U.S.C. 1677(7)(F)(iii)) further provides that, in antidumping investigations, "... the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

development and production efforts (item (X)) is presented in appendix E. Available information on U.S. inventories of the subject products (item (V)); foreign producers' operations, including the potential for "product-shifting" (items (II), (VI), and (VIII) above); any other threat indicators, if applicable (item (VII) above); and any dumping in third-country markets, follows. Other threat indicators have not been alleged or are otherwise not applicable.

U.S. Importers' Inventories

Of the 12 firms reporting imports of the subject paper clips, 11 also reported end-of-period inventories of those imports. These data are presented in table 16.

End-of-period inventories of certain paper clips from China declined considerably during the period examined, first falling by nearly half from 1990 to 1991, then falling at a slower pace in 1992. Inventory levels were over twice as high at the end of September 1993 than they were at the comparable point in 1992. Trends in end-of-period inventories for the various subcategories of subject paper clips were similar.

As a ratio to preceding-period U.S. shipments, inventories of certain paper clips from China showed a varied trend between 1990 and 1992, first declining markedly, then increasing. Ratios of inventories to shipments were much higher at the end of September 1993 than at the end of September 1992. Firms that reported imports from China generally reported that they sell either from stock or, on limited occasions, will order direct for a customer. If they source from stock, they view themselves as essentially competitive with U.S. producers when it comes to quick delivery.⁶⁵ Wholesalers/distributors tended to source from stock, whereas large retail outlets such as *** would generally order direct from the factory in China.⁶⁶ Importers did not report any problem in sourcing from China other than the long lead times. Importers are generally more likely to keep inventories than U.S. producers, as seen by comparing table 16 with table 9.

In its questionnaire, the Commission requested importers to list any expected deliveries of certain paper clips from China after September 30, 1993. Data received in response to this request are presented in the following tabulation:

<u>Importer</u>	<u>Product</u>	<u>Quantity (million units)</u>	<u>Expected delivery</u>
***	(¹)	***	Nov. 1993
	(¹)	***	Dec. 1993
	(¹)	***	Jan. 1994
***	jumbo clips	***	Nov. 1993
***	(¹)	***	Jan. 1994
***	#1, #3, jumbo	***	Oct. 1993
Total		581.55	

¹ Unspecified.

⁶⁵ Transcript, pp. 48, 97.

⁶⁶ ***, for example, reported a 90-day delivery period for paper clips imported directly from China.

Table 16

Certain paper clips: End-of-period inventories of U.S. importers, by products and by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept.-- 1992	1993
<i>Quantity (1,000 units)</i>					
Certain paper clips:					
China	1,624,974	854,009	695,341	193,483	***
Other sources	34,998	***	***	***	***
Total	1,659,972	***	***	***	469,183
No. 1 paper clips:					
China	1,241,304	678,036	500,966	144,272	***
Other sources	17,957	***	***	***	***
Total	1,259,261	***	***	***	348,880
No. 3 paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	10,730	12,064	***	***	10,760
Jumbo paper clips:					
China	379,945	171,849	***	49,211	***
Other sources	***	***	***	***	3,104
Total	***	***	***	***	***
Other wire paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
<i>Ratio to U.S. shipments of imports (percent)</i>					
Certain paper clips:					
China	43.0	20.6	22.5	5.4	***
Other sources	7.3	***	***	***	***
Average	39.0	***	***	***	22.2
No. 1 paper clips:					
China	44.8	23.7	23.5	5.8	***
Other sources	6.4	***	***	***	***
Average	41.3	***	***	***	***
No. 3 paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Average	***	***	***	***	42.1
Jumbo paper clips:					
China	38.0	13.3	***	4.5	***
Other sources	***	***	***	***	***
Average	***	***	***	***	***
Other wire paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Average	***	***	***	***	***

Note.--Ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Ability of Foreign Producers to Generate Exports and Availability of Export Markets Other Than the United States

In their petition, ACCO and Noesting alleged that there are at least two factories producing certain paper clips in China, one separate firm exporting paper clips, and four additional firms that both produce and export those products. These firms were said to be located in the Shanghai, Guangdong, and Zhejiang regions, and in the Shenzhen Special Economic Zone.⁶⁷ Parties in opposition to the petition did not dispute these allegations. None of these firms was represented by counsel; as a result, the Commission did not receive data pertaining to their operations. The Commission also requested the American Embassy in Beijing, the American Consulate in Hong Kong, and the American Institute in Taiwan to provide data on these firms' operations. To date, no data have been supplied in response to this request. Finally, the Commission attempted to obtain information on the industry in China from officials at the Ministry of Foreign Economic Relations & Trade in Beijing; it has so far been unsuccessful in this attempt.⁶⁸

As noted above in the section of this report entitled "The Products," the production process for paper clips differs somewhat in China from that employed in the United States. For example, the clips are plated with nickel after forming, whereas U.S.-produced clips are not plated.⁶⁹ Further, the machinery in China is of the "Far-Eastern slide type," which reportedly is far less efficient than that generally used in the United States.⁷⁰ To the best of petitioners' knowledge, such equipment is dedicated to the production of paper clips, and to various sizes of such clips.⁷¹ The petition estimates the total production capacity for paper clips in China to be 10-12 billion units per year.⁷²

According to the petition, China began to be a force in the paper clips market in 1976, and has held a steady presence since then.⁷³ The petitioners also believe that reported imports from Hong Kong are actually originating in China, because they know of no production facilities for paper clips physically located in Hong Kong.⁷⁴

CONSIDERATION OF THE CAUSAL RELATIONSHIP BETWEEN IMPORTS OF THE SUBJECT MERCHANDISE AND THE ALLEGED MATERIAL INJURY

U.S. Imports

The petition defined "certain paper clips" as "the substantial majority" of imports entering under HTS statistical reporting number 8305.90.3010, "paper clips and parts thereof, wholly of wire."⁷⁵ Data on U.S. imports of these products, based on HTS item no. 8305.90.3010, are

⁶⁷ Petition, pp. 9-10.

⁶⁸ These officials had supplied information to the Commission in past investigations involving China.

⁶⁹ Petition, p. 27. ACCO notes that ***. Field visit with ACCO, Oct. 26, 1993.

⁷⁰ Petition, app. C. ACCO believes that ***. Field visit with ACCO, Oct. 26, 1993.

⁷¹ Transcript, p. 37.

⁷² Petition, p. 46.

⁷³ Petition, p. 29.

⁷⁴ Transcript, p. 33.

⁷⁵ Petition, p. 7. The scope of the investigation, as outlined in the petition, is identical to the cited tariff description except for a limitation put on the diameter of the wire; i.e. that the wire have a diameter of between 0.64 and 1.91 millimeters. Ideal clamps would be products that would fit the description of metal paper clips having wire diameters exceeding 1.91 millimeters and wholly of wire. The extent to which imports under HTS statistical reporting number 8305.90.3010 consist of these products is not known. Accordingly,
(continued...)

presented in table 17. Data on imports of other metal paper clips, which enter under HTS statistical reporting numbers 8305.90.3010 and 8305.90.3050, and plastic paper clips, which enter under HTS subheading 3926.10.00, are based on responses to Commission questionnaires, and are presented in appendix C.

Table 17

Certain paper clips: U.S. imports, by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept.-- 1992	1993
<i>Quantity (1,000 pounds)</i>					
China	7,000	6,727	9,031	6,136	5,784
Other sources	4,330	4,049	4,045	3,697	1,103
Total	11,330	10,776	13,075	9,833	6,887
<i>Value (1,000 dollars)</i>					
China	3,753	3,911	5,494	3,803	3,274
Other sources	4,097	4,177	3,383	2,989	1,441
Total	7,850	8,087	8,877	6,792	4,715
<i>Unit value (per pound)</i>					
China	\$0.54	\$0.58	\$0.61	\$0.62	\$0.57
Other sources . . . . .	.95	1.03	.84	.81	1.31
Average . . . . .	.69	.75	.68	.69	.68

Note.—Because of rounding, figures may not add to the totals shown; unit values are calculated from unrounded figures.

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

Of the 29 importers who received questionnaires, only 12 responded, all of whom provided at least some usable data on imports and shipments of those imports. Based on official import statistics for 1992, responding importers accounted for only 63 percent, by quantity, of total imports from China of the subject merchandise. Data presented in the body of this report, therefore, are based on official import statistics. Data on U.S. imports of certain paper clips, and separate data on No. 1 clips, No. 3 clips, jumbo clips, and other wire paper clips, based on questionnaire data, are presented in appendix F.

The volume of imports of certain paper clips from China increased overall during 1990-92, first declining slightly in 1991, then surging in 1992 to a level 29 percent above that of 1990. Subject imports declined slightly, however, in January-September 1993 from their level in the

⁷⁵ (...continued)
data under HTS statistical reporting number 8305.90.3010, when used as a proxy for data on "certain paper clips" as defined in the petition, are somewhat overstated.

comparable period of 1992. Nonsubject imports declined throughout the period examined, in quantity terms. Value-based data demonstrate similar patterns.

As increases in import value during 1990-92 outpaced increases in their volume, unit values of subject imports increased steadily. In contrast, such unit values fell when the January-September periods are compared. The movement in unit values of nonsubject imports was generally opposite; during 1990-92 unit values fell irregularly, but they reversed direction in January-September 1993, when compared to the corresponding 1992 period.

U.S. Market Penetration by Imports

As the Commission received usable data from the three known U.S. producers of certain paper clips, reported U.S. shipments are believed to constitute virtually 100 percent, by quantity, of U.S. shipments of such merchandise during the period examined. Reported shipments of imports of certain paper clips, however, constitute only 51 percent, by value, of total imports of such products according to official U.S. import statistics. As a result, data on the penetration of the U.S. market for certain paper clips by imports of such clips, as presented in table 18, are based on a combination of information submitted in response to Commission questionnaires and on official U.S. import statistics.

Table 18

Certain paper clips: Apparent U.S. consumption and market penetration, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

The share of imports from China in the quantity of apparent U.S. consumption increased steadily from *** percent in 1990 to *** percent in 1992. The Chinese market share declined slightly when the January-September periods of 1992 and 1993 are compared. In value terms, the Chinese share of the market for certain paper clips also increased between 1990 and 1992, gaining *** percentage points over the period. The decline in subject import market share when the 9-month interim periods are compared was *** percentage points.

Prices

Marketing Considerations

Three U.S. producers and six importers of the Chinese product reported pricing and related information concerning their U.S. sales of certain paper clips. U.S. producers sell paper clips to virtually all channels of distribution within the office products industry, including wholesalers, contract stationers, dealers, buying groups, superstores, mail order catalogs, retail mass marketers, buying clubs, and major discount stores. The responding importers sell paper clips to many of the same channels of distribution, including wholesalers, contract stationers, dealers, buying groups, and mail order catalogs. Most of the U.S. producers and importers of the Chinese products market their product nationwide.*

U.S. producers of paper clips generally quote prices on an f.o.b. plant or f.o.b. warehouse basis. U.S. producers, however, typically arrange and pay for delivery to their customers' locations.

* Three smaller importers (***) do not sell paper clips nationwide. These importers reported that shipping costs limited the area they could serve.

U.S. producers reported that transportation costs accounted for *** percent of the total delivered cost, and are not an important factor in their customers' sourcing decisions. Reported average lead times for delivery of U.S.-produced paper clips ranged from *** to *** days. U.S. producers' sales terms are typically ***.

Most importers of Chinese paper clips quote prices on a delivered basis. Importers reported that transportation costs accounted for between 1.5 and 10 percent of the total delivered cost, and generally are an important factor in their customers' purchasing decision. Average lead times for delivery of imported Chinese paper clips were between 1 and 14 days. Common sales terms for the imported Chinese product are net 30 days.

ACCO, by far the largest U.S. producer of paper clips, reportedly ***. Most importers of Chinese paper clips also issue price lists. Importers reported that, in general, the larger buyers received the better prices.

U.S. producers and importers of Chinese paper clips also sell other office products (e.g., binder clips, staplers, hole punches, file folders) to the same customers that purchase paper clips.⁷⁷ U.S. producers and importers agree that paper clips are often bought as part of a package that includes some of these other office products.⁷⁸ ACCO maintains that paper clips are a high visibility item, and, for this reason, it is especially important that ACCO provide paper clips as part of the office supply package it sells to its customers. ACCO claims, however, that even though paper clips are often sold as part of a larger package of office products, ACCO must keep its paper clips prices competitive if it wishes to win the business.⁷⁹ Respondents acknowledge that paper clips are a high visibility item, but maintain that, because paper clips are often sold as part of a larger bundle of office products and are a low cost item, a firm's decision to buy paper clips is based on the price for the entire bundle of office products and not only on the price of the paper clips.⁸⁰

U.S. producers and importers of Chinese subject paper clips reported that, although there are numerous possible substitute products, these alternative products are generally not practical as substitutes for the subject paper clips. U.S. producers and importers reported that binder clips and paper clamps are too bulky to be used for small stacks of paper, that fasteners require a paper punch and are more difficult to use, and that staples require a stapler and are used for permanent fastening. Plastic paper clips and ideal clamps can be employed in most of the same uses, but generally are not economical substitutes.

The primary raw material input used in the production of the subject paper clips is low-carbon steel wire. The raw material cost is an important component of the total cost of producing the subject product, accounting for roughly *** percent of the cost of goods sold in 1992. ACCO's prices for low-carbon steel wire are presented in figure 2. Its prices for low-carbon steel wire increased to their highest point in the third quarter of 1990, then fluctuated downward during the rest of the period, falling by *** percent during January 1990-September 1993.⁸¹

Figure 2

ACCO's prices for low-carbon steel wire, by quarters, Jan. 1990-Sept. 1993

* * * * *

⁷⁷ Telephone conversation with ***, Nov. 15, 1993; transcript, pp. 53, 71, and 84-85.

⁷⁸ Transcript, pp. 53, 71, and 84-85.

⁷⁹ Transcript, p. 53.

⁸⁰ Transcript, p. 84.

⁸¹ ACCO provided prices for its quarterly 1990-93 purchases of low-carbon steel wire used to manufacture the subject paper clips; postconference brief of Ackerson & Bishop, pp. 37-38.

Questionnaire Price Data

The Commission requested U.S. producers and importers to provide quarterly U.S. f.o.b. prices (i.e., plant and U.S. point-of-shipment, respectively), delivered prices, total quantity shipped, and total f.o.b. and delivered values shipped of four paper clips products. For each product listed below, the Commission requested price data for the largest sale for each quarter during January 1990-September 1993.

Product 1: No. 1 gem style paper clips with smooth finish, packaged in boxes/plastic bags.

Product 2: Jumbo/giant gem style paper clips with smooth finish, packaged in boxes/plastic bags.

Product 3: No. 1 gem style paper clips with smooth finish, packaged in blister packs.

Product 4: Paper clips of plastic resin, of triangular shape and in varying colors, 1½ to 2½ inches in length.

Two U.S. producers and three importers of the Chinese subject product provided pricing data, although not necessarily for all products or quarters during January 1990-September 1993. The responding U.S. producers accounted for substantially all of total reported U.S. shipments of the subject product in 1992. The responding importers of the Chinese products, however, accounted for only 14 percent of imports from China in 1992. F.o.b. prices for sales of products 1, 2, and 4 are presented in tables 19-21 and figures 3 and 4.²²

Table 19

Certain paper clips: Weighted-average f.o.b. prices and total quantities of product 1 sold, by sources and by quarters, Jan. 1990-Sept. 1993

* * * * *

Table 20

Certain paper clips: Weighted-average f.o.b. prices and total quantities of product 2 sold, by sources and by quarters, Jan. 1990-Sept. 1993

* * * * *

Table 21

Certain paper clips: Weighted-average f.o.b. prices and total quantities of U.S.-produced product 4 sold, by quarters, Jan. 1990-Sept. 1993

* * * * *

²² No U.S. producers or importers reported price data for sales of No. 1 gem style paper clips packaged in blister packs (product 3). ACCO reported prices for its sales of imported *** product 3. During January 1990-September 1993, prices for imported *** product 3 ranged from \$*** to \$*** per thousand.

Figure 3

Certain paper clips: Weighted-average f.o.b. prices of products 1 and 2, by sources and by quarters, Jan. 1990-Sept. 1993

* * * * *

Figure 4

Certain paper clips: Weighted-average f.o.b. prices of U.S.-produced product 4, by quarters, Jan. 1990-Sept. 1993

* * * * *

Price trends for U.S.-produced certain paper clips

During January 1990-September 1993, weighted-average f.o.b. prices for U.S. products 1 and 2 declined by *** and *** percent, respectively. Prices for product 1 were relatively constant during 1990, fell by *** percent during 1991, then were relatively constant during the rest of the period. Similarly, prices for product 2 changed little during 1990, fell sharply (by *** percent) during 1991, then remained at approximately the same level during the rest of the period.

Price trends for U.S.-produced plastic paper clips

The Commission also collected price data for U.S. sales of U.S.-produced plastic paper clips (product 4).⁸³ During January 1990-September 1993, prices for U.S. product 4 increased by *** percent.

Price trends for imported Chinese certain paper clips

The limited available price data show that, during January 1990-September 1993, prices for imported Chinese products 1 and 2 fluctuated widely. Product 1 prices increased to their highest point of the period in the second quarter of 1991, fell to their lowest point in the following quarter, then fluctuated between \$*** and \$*** per thousand during the rest of the period. The limited available price data for product 2 show that, during the period October 1991-September 1993, product 2 prices increased to their highest point in the second and third quarters of 1992, then fell to their original level during January-September 1993.

Price comparisons

The reported price data for U.S. producers' and importers' largest quarterly sales during January 1990-September 1993 resulted in 23 f.o.b. price comparisons for products 1 and 2 (table 22). The imported Chinese products were priced below the domestic product in 17 of the 23 instances. The imported Chinese product 1 was priced below the domestic product 1 in 12 instances by an average of 11.5 percent, and priced above the domestic product 1 in 3 instances by an average of 0.4 percent. The imported Chinese product 2 was priced below the domestic product 2 in 5 instances by an average of 12.7 percent, and priced above the domestic product 2 in 3 instances by an average of 12.4 percent.

⁸³ Plastic paper clips are not included in the scope of this investigation.

Table 22

Certain paper clips: Margins of underselling/(overselling), by products and by quarters, Jan. 1990-Sept. 1993

(Percent)		
Period	Product 1	Product 2
1990:		
January-March	14.8	-
April-June	14.8	-
July-September	19.5	-
October-December	11.3	-
1991:		
January-March	4.1	-
April-June	(0.4)	-
July-September	17.3	-
October-December	(0.7)	12.6
1992:		
January-March	11.7	14.6
April-June	(0.1)	(13.9)
July-September	10.9	(13.9)
October-December	13.3	(9.4)
1993:		
January-March	4.5	11.9
April-June	7.5	12.7
July-September	7.9	11.5

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

Lost Sales and Lost Revenues

The Commission received 28 lost revenue allegations and 34 lost sales allegations from two producers: ACCO and Noesting. These allegations concerned revenues worth \$*** and sales of the subject paper clips worth \$*** allegedly lost due to competition from imports from China. Staff was able to contact 7 purchasers regarding 13 lost revenue allegations worth \$*** and 4 lost sales allegations worth \$***, as summarized below.

*** was named by ACCO in *** lost revenue allegations worth \$***. ***, a representative of ***, could not address the specific allegations. *** reported he buys based on price, quality, and delivery. *** characterized paper clips as commodity items, and maintained that price is an important consideration. *** reported that paper clips are usually sold as part of a package that includes other office products such as staplers, report covers, ring binders, and binder clips. *** reported that, although ***, they have been able to ***.

*** was named by ACCO in *** lost revenue allegations totalling \$***. ***, a representative of ***, denied *** of the *** allegations, maintaining that their prices from ACCO have been the same for the last 2 years. *** could not address the *** lost revenue allegations that occurred in ***. *** stated that *** is ***. *** reported that *** bought imported Chinese paper clips through 1990, but now buys paper clips ***. *** feels that, because of its business relationship with ***, it is ***. *** also prefers the quality of the U.S. product.

*** was named by ACCO in a lost revenue allegation of \$***. ***, a representative of ***, could not address the specific allegation. *** reported that *** typically considers between *** suppliers, and chooses one. *** stated that their main consideration is profit potential. *** maintains that *** considers many factors when making a purchase, including price, quality, packaging, and capability and dependability of supplier. *** stated that it is the responsibility of the supplier to understand the marketplace and offer competitive prices. *** reported that *** typically buys other office products from its paper clip suppliers, but sales of these other office supplies are not dependent on sales of paper clips.

*** was named by ACCO in *** lost sales allegations worth \$***. ***, a purchasing agent for ***, could not address the specific allegations. *** reported that over *** percent of the paper clips they buy are imported from China. *** stated that price is the main consideration when buying paper clips, and the Chinese paper clips are priced approximately *** percent below the U.S. products. *** maintained that quality differences are not an important consideration, and the only reason *** buys U.S.-produced paper clips is because ***.

*** was named by ACCO in *** lost sales allegations worth \$***. ***, a representative of ***, could not address the specific allegations. *** reported that a few years ago *** bought only imported Chinese and Taiwan paper clips because of their lower price. *** now purchases domestic paper clips because the domestic producers have been able to meet competition. *** noted that lead times are sometimes a consideration, citing lead times of *** to *** weeks for *** paper clips imported directly from China or Taiwan. *** characterized paper clips as being commodity items that are very price-sensitive. *** reported that *** usually buys other office products at the same time it buys paper clips. *** maintains that ***.

*** was named by ACCO in *** lost revenue allegations worth \$***. ***, a representative of ***, denied the allegations. *** maintained that ACCO is the price leader of the U.S. paper clip market. *** claims that ACCO has been leading the price downward, and, consequently, other suppliers have been running away from the paper clip business. *** reports that ***.⁸⁴ *** considers several factors when purchasing paper clips including price, dependability, availability of supply, and brand name identification. *** would be willing to ***. Although there are slight differences in quality between ACCO's paper clips and the imported Chinese product, *** considers paper clips to be commodity items that are price-sensitive.⁸⁵ ***.

*** was named by ACCO in *** lost revenue allegations worth \$***. ***, a representative of ***, could not address the specific allegations. *** reported that *** bought imported Chinese paper clips until ***; since then they have ***. *** stated that if the U.S. producers wanted ***'s paper clip business they must meet or beat the competing prices. *** does not pay a premium for domestic paper clips.⁸⁶ *** confirmed that paper clips are generally sold as part of a larger package of office products. *** stated that the price of paper clips *** since paper clips are one of the most recognizable items in a package of office supplies. *** maintained that *** would be willing to pay more for one of the less recognizable products included in the package in order to get the best price for paper clips.

Exchange Rates

The value of China's currency is determined by the Government of China rather than the free market. Therefore, an accurate description of movements in the Chinese exchange rate cannot be presented.

⁸⁴ *** reported that ***.

⁸⁵ *** reported that ***.

⁸⁶ *** reported that *** would ***.

APPENDIX A
FEDERAL REGISTER NOTICES

**[Investigation No. 731-TA-663
(Preliminary)]**

Certain Paper Clips From the People's Republic of China

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of a preliminary antidumping investigation.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigation No. 731-TA-663 (Preliminary) 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 the People's Republic of China (China) of certain paper clips, provided for in subheading 8305.90.30 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value.¹ The Commission must complete preliminary antidumping investigations in 45 days, or in this case by November 29, 1993.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

EFFECTIVE DATE: October 13, 1993.

FOR FURTHER INFORMATION CONTACT: Jonathan Seiger (202-205-3183), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the

¹ For purposes of this investigation, "certain paper clips" are defined as paper clips made wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal, with a wire diameter between 0.04 and 1.01 millimeters, the foregoing including, without limitation, all paper clips commercially referred to as "No. 1 clips," "No. 3 clips," "jumbo clips," and "giant clips," and further including, without limitation, all such paper clips reported under HTS statistical reporting number 8305.90.3010.

Commission should contact the Office of the Secretary at 202-205-2000.

SUPPLEMENTARY INFORMATION:

Background

This investigation is being instituted in response to a petition filed on October 13, 1993, by ACCO USA, Inc., Wheeling, IL, and Noesting Incorporated, Bronx, NY.

Participation in the Investigation and Public Service List

Persons (other than petitioners) wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in §§ 201.11 and 207.10 of the Commission's rules, not later than seven (7) days after publication of this notice in the Federal Register. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this preliminary investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than seven (7) days after the publication of this notice in the Federal Register. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference

The Commission's Director of Operations has scheduled a conference in connection with this investigation for 9:30 a.m. on November 3, 1993, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Jonathan Seiger (202-205-3183) not later than November 1, 1993, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation 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. A nonparty who has testimony that may aid the Commission's deliberations may request

permission to present a short statement at the conference.

Written submissions

As provided in §§ 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before November 8, 1993, a written brief containing information and arguments pertinent to the subject matter of the investigation. Parties may file written testimony in connection with their presentation at the conference no later than three (3) days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules.

By order of the Commission.

Issued: October 15, 1993.

Deanna R. Koschke,

Secretary.

[FR Doc. 93-25812 Filed 10-19-93; 8:45 am]

SEALING CODE 7000-00-P

[A-570-825]

Initiation of Antidumping Duty Investigation: Certain Paper Clips From the People's Republic of China

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: November 8, 1993.

FOR FURTHER INFORMATION CONTACT: Mark Wells or Erik Werga, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC, 20230; telephone (202) 482-3003 or 482-0822.

INITIATION OF INVESTIGATION:

The Petition

On October 13, 1993, we received a petition filed in proper form by ACCO USA Inc. and Noesting, Incorporated (petitioners). Petitioners submitted an amendment to the petition on October 25, 1993. In accordance with 19 CFR 353.12, petitioners allege that imports of certain paper clips ("paper clips") from the People's Republic of China (PRC) 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 (the Act), and that such imports are materially injuring, or threatening material injury to, a U.S. industry.

Petitioners stated that they have standing to file the petition because they are interested parties, as defined under section 771(9)(C) of the Act, and the petition is filed on behalf of the U.S. industry producing the product subject to this investigation. If any interested party, as described under paragraph (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, it should file a written notification with the Assistant Secretary for Import Administration.

Scope of Investigation

The products covered by this investigation are certain paper clips, wholly of wire of base metal, whether or not galvanized, whether or not plated with nickel or other base metal (e.g.,

copper), with a wire diameter between 0.025 inches and 0.075 inches (0.64 to 1.91 millimeters), regardless of physical configuration, except as specifically excluded. The products subject to this investigation may have a rectangular or ring-like shape and include, but are not limited to, clips commercially referred to as "No. 1" clips, "No. 3" clips, "Jumbo" or "Giant" clips, "Gem" clips, "Frictioned" clips, "Perfect Gems," "Marcel Gems," "Universal" clips, "Nifty" clips, "Pearless" clips, "Ring" clips, and "Glide-On" clips.

Specifically excluded from the scope of this investigation are plastic and vinyl covered paper clips, butterfly clips, binder clips, or other paper fasteners that: (a) Are not made wholly of wire of base metal and (b) are covered under a subheading of the Harmonized Tariff Schedule of the United States (HTSUS) separate from that described below.

The products subject to this investigation are classified under subheading 8305.90.3010 of the HTSUS. Although the HTSUS subheading is provided for convenience and customs purposes, our written description of the scope of this investigation is dispositive.

United States Price and Foreign Market Value

Petitioners based United States prices (USP) on one 1993 sales confirmation and two 1993 invoices, all for PRC paper clips.

Petitioners contend that the foreign market value (FMV) of PRC-produced imports subject to this investigation must be determined in accordance with section 773(c) of the Act, which concerns non-market economy (NME) countries. The PRC is presumed to be an NME within the meaning of section 771(18)(C) of the Act, and the Department has treated it as such in previous investigations (see, e.g., *Final Determination of Sales at Less Than Fair Value: Certain Compact Ductile Iron Waterworks Fittings and Accessories Thereof from the PRC*, 58 FR 37908 (July 14, 1993)) (*CDIW Fittings*). In the course of this investigation, parties will have the opportunity to address this NME determination and provide relevant information and argument on this issue. In addition, parties will have the opportunity in this investigation to submit comments on whether FMV should be based on prices or costs in the NME (see Amendment to *Final Determination of Sales at Less Than Fair Value and Amendment to Antidumping Duty Order: Chrome-Plated Lug Nuts from the People's Republic of China*, 57 FR 15052 (April 24, 1992)).

Because of the extent of central control in the NME, the Department further considers that a single antidumping margin, should there be one, is appropriate for all exporters from the NME. Only if individual NME exporters are free of central government ownership and can demonstrate an absence of central governmental control with respect to the pricing of exports, both in law and in fact, will they be considered eligible for separate, owner-specific deposit rates. (See Final Determination of Sales at Less Than Fair Value: Helical Spring Lock Washers from the People's Republic of China, September 20, 1993, (58 FR 48833) for a discussion of the information the Department considers appropriate to warrant calculation of separate rates.)

In accordance with section 773(c) of the Act, FMV in NME cases is based on NME producers' factors of production (valued in a market economy country). Absent evidence that the PRC government determines which factories shall produce for export to the United States, we intend, for purposes of this investigation, to base FMV only on those factories in the PRC which are known to produce paper clips for export to the United States.

Petitioners calculated FMV on the basis of the valuation of the factors of production. The factors of production used by petitioners were based on information available about production processes in the PRC, as well as on petitioners' experience at a manufacturing facility in Mexico.

In valuing the factors of production, petitioners used India, Pakistan, and Mexico as surrogate countries. For purposes of this initiation, we have, pursuant to section 773(c)(4) of the Act, accepted India and Pakistan as appropriate surrogate countries because their economies are comparable to the PRC's. We have not accepted factor values based on prices in Mexico because petitioners did not support the choice of Mexico as surrogate country.

Petitioners' FMV consisted of the sum of materials, labor, general expenses, profit, and packing. Petitioners conservatively omitted any amount for overhead from their calculations.

In accordance with the hierarchy preferred for valuing factors (set forth in the notice of Final Determination of Sales at Less Than Fair Value: Certain Carbon Steel Butt-Weld Pipe Fittings From the People's Republic of China, 57 FR 21058 (May 18, 1992) (Comment 4)), petitioners relied where possible on publicly available information. Where such information was unavailable, petitioners resorted to proprietary information from ACCO Mexicana, a

subsidiary of one of the petitioners located in Mexico. As noted above, Mexican factor values were rejected and the calculations revised accordingly.

Pursuant to section 773(c)(1) of the Act, petitioners added to the labor and material costs the statutory minima of 10 percent for general expenses and eight percent for profit, as well as an amount for packing based on import statistics from India.

Fair Value Comparisons

Based on the comparison of USP and FMV, petitioners allege dumping margins ranging from 122.22 percent to 148.94 percent. We recalculated the margins in petition, disallowing petitioners' factors valued in Mexico and additional costs required to draw the steel wire for No. 1 paper clips. The revised margins range from 102.94 to 128.94 percent.

Initiation of Investigation

We have examined the petition on paper clips and have found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether imports of paper clips from the PRC are being, or are likely to be, sold in the United States at less than fair value.

ITC Notification

Section 732(d) of the Act requires us to notify the International Trade Commission (ITC) of this action, and we have done so.

Preliminary Determination by the ITC

The ITC will determine by November 29, 1993, whether there is a reasonable indication that imports of paper clips from the PRC are materially injuring, or threaten material injury to, a U.S. industry. Any ITC determination which is negative will result in this investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 2, 1993.

Joseph A. Spetrini,

Acting Assistant Secretary for Import Administration.

[FR Doc. 93-27433 Filed 11-5-93; 8:45 am]
GSA GEN. REG. NO. 274-00-00

APPENDIX B
CALENDAR OF THE PUBLIC CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

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

Subject : CERTAIN PAPER CLIPS FROM THE PEOPLE'S REPUBLIC OF CHINA
Inv. No. : 731-TA-663 (Preliminary)
Date and Time : November 3, 1993 - 9:30 a.m.

The session was held in connection with the investigation in the Main Hearing Room (room 101) of the U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C.

In support of imposition of antidumping duties:

Ackerson & Bishop
Washington, D.C.
On behalf of

ACCO USA, Inc.
Noesting Incorporated

Desmond R. LaPlace, Vice Chairman of the Board, ACCO World Corporation
Gershen M. Abraham, Vice President of Manufacturing and Engineering,
ACCO World Corporation
Peter B. Levy, President, Noesting Incorporated
Charles H. Frohman, Executive Vice President, Noesting Incorporated

M. Roy Goldberg)
Alexandre D'Ambrosio)--OF COUNSEL

In opposition to the imposition of antidumping duties:

Crowell & Moring
Washington, D.C.
On behalf of

United Stationers Supply Co.

Barry E. Cohen)--OF COUNSEL

Andrew R. Wechsler, Law & Economics Consulting Group

APPENDIX C
SUMMARY DATA

Table C-1

Certain paper clips: Summary data concerning the U.S. market (QUANTITIES IN POUNDS), 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹

(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit COGS are per pound, period changes=percent, except where noted)

Item	Reported data			Jan.-Sept.--		Period changes			
	1990	1991	1992	1992	1993	1990-92	1990-91	1991-92	Jan.-Sept. 1992-93
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	+8.1	-6.6	+15.8	-0.8
Producers' share ²	***	***	***	***	***	-3.5	-1.0	-2.6	+16.9
Importers' share ²									
China.....	***	***	***	***	***	+6.2	+0.9	+5.3	-1.8
Other sources.....	***	***	***	***	***	-2.7	(³)	-2.8	-15.1
Total.....	***	***	***	***	***	+3.5	+1.0	+2.6	-16.9
U.S. consumption value:									
Amount.....	***	***	***	***	***	+0.5	-4.5	+5.2	-2.3
Producers' share ²	***	***	***	***	***	-5.5	-3.4	-2.1	+14.7
Importers' share ²									
China.....	***	***	***	***	***	+9.6	+1.9	+7.7	-3.4
Other sources.....	***	***	***	***	***	-4.1	+1.5	-5.6	-11.3
Total.....	***	***	***	***	***	+5.5	+3.4	+2.1	-14.7
U.S. importers' imports from--									
China:									
Imports quantity.....	7,000	6,727	9,031	6,136	5,784	+29.0	-3.9	+34.2	-5.8
Imports value.....	3,753	3,911	5,494	3,803	3,274	+46.4	+4.2	+40.5	-13.9
Unit value.....	\$0.54	\$0.58	\$0.61	\$0.62	\$0.57	+13.5	+8.4	+4.6	-8.7
Ending inventory qty.....	1,378	876	372	250	136	-73.0	-36.4	-57.6	-45.4
Other sources:									
Imports quantity.....	4,330	4,049	4,045	3,697	1,103	-6.6	-6.5	-0.1	-70.1
Imports value.....	4,097	4,177	3,383	2,989	1,441	-17.4	+1.9	-19.0	-51.8
Unit value.....	\$0.95	\$1.03	\$0.84	\$0.81	\$1.31	-11.6	+9.0	-18.9	+61.6
Ending inventory qty.....	31	34	22	13	23	-30.3	+8.2	-35.6	+75.7
All sources:									
Imports quantity.....	11,330	10,776	13,075	9,833	6,887	+15.4	-4.9	+21.3	-30.0
Imports value.....	7,850	8,087	8,877	6,792	4,715	+13.1	+3.0	+9.8	-30.6
Unit value.....	\$0.69	\$0.75	\$0.68	\$0.69	\$0.68	-2.0	+8.3	-9.5	-0.9
U.S. producers'--									
Average capacity quantity..	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization ²	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Exports/shipments ²	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Ending inventory quantity..	***	***	***	***	***	***	***	***	***
Inventory/shipments ²	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Total comp. (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly total compensation..	***	***	***	***	***	***	***	***	***
Productivity (Lbs./hour)...	***	***	***	***	***	***	***	***	***
Unit labor costs.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Net sales--									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)...	***	***	***	***	***	***	***	***	***
Gross profit (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income (loss)....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
COGS/sales ²	***	***	***	***	***	***	***	***	***
Op.income (loss)/sales ²	***	***	***	***	***	***	***	***	***

¹ January-September 1993 data on imports are estimated.

² 'Reported data' are in percent and 'period changes' are in percentage-point.

³ An increase of less than 0.05 percentage points.

⁴ Not applicable.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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.

Table C-2

Certain paper clips: Summary data concerning the U.S. market (QUANTITIES IN UNITS), 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹

(Quantity=million units, value=1,000 dollars, unit values, unit labor costs, and unit COGS are per 1,000 units, period changes=percent, except where noted)

Item	Reported data			Jan.-Sept.--		Period changes			
	1990	1991	1992	1992	1993	1990-92	1990-91	1991-92	1992-93
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	-7.5	-4.8	-2.8	+2.2
Producers' share ²	***	52.2	56.9	53.0	***	***	***	+4.6	***
Importers' share ²	***	***	***	***	***	+1.2	+5.0	-3.8	-16.0
China.....	***	***	***	***	***	***	***	-0.8	***
Other sources.....	***	***	***	***	***	***	***	-4.6	***
Total.....	***	47.8	43.1	47.0	***	***	***	-4.6	***
U.S. consumption value:									
Amount.....	***	***	***	***	***	-2.8	-2.8	+0.1	+5.9
Producers' share ²	***	***	***	***	***	-5.0	-5.7	+0.7	+13.1
Importers' share ²	***	***	***	***	***	+6.8	+6.9	-0.1	-13.8
China.....	***	***	***	***	***	-1.8	-1.2	-0.6	+0.7
Other sources.....	***	***	***	***	***	+5.0	+5.7	-0.7	-13.1
Total.....	***	***	***	***	***	***	***	***	***
U.S. importers' imports from--									
China:									
U.S. shipments quantity..	4,840	5,168	4,605	3,807	2,548	-4.9	+6.8	-10.9	-33.1
U.S. shipments value.....	3,183	4,009	4,001	3,266	2,004	+25.7	+26.0	-0.2	-38.7
Unit value.....	\$1.23	\$1.27	\$1.23	\$1.21	\$1.28	+0.2	+3.8	-3.4	+5.8
Ending inventory qty.....	1,625	854	695	193	***	-57.2	-47.4	-18.6	***
Other sources:									
U.S. shipments quantity..	480	***	***	***	71	***	***	-47.8	***
U.S. shipments value.....	392	216	141	94	169	-64.0	-44.8	-34.8	+79.7
Unit value.....	\$2.18	***	***	***	\$2.78	***	***	+32.5	***
Ending inventory qty.....	35	***	***	***	***	***	***	-7.1	-34.5
All sources:									
U.S. shipments quantity..	5,320	***	***	***	2,619	***	***	-12.3	***
U.S. shipments value.....	3,574	4,226	4,142	3,360	2,173	+15.9	+18.2	-2.0	-35.3
Unit value.....	\$1.29	***	***	***	\$1.34	***	***	-3.3	***
U.S. producers'--									
Average capacity quantity..	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization ³	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Exports/shipments ¹	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity..	***	***	***	***	***	***	***	***	***
Inventory/shipments ¹	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	***	***	***	***	***	***	***	***	***
Total comp. (\$1,000).....	***	***	***	***	***	***	***	***	***
Hourly total compensation..	***	***	***	***	***	***	***	***	***
Productivity (1,000 units	***	***	***	***	***	***	***	***	***
per hour).....	***	***	***	***	***	***	***	***	***
Unit labor costs.....	***	***	***	***	***	***	***	***	***
Net sales--									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)..	***	***	***	***	***	***	***	***	***
Gross profit (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income (loss)....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
COGS/sales ²	***	***	***	***	***	***	***	***	***
Op.income (loss)/sales ²	***	***	***	***	***	***	***	***	***

¹ Import data presented in this table are based on questionnaire data and are, therefore, significantly understated.

² 'Reported data' are in percent and 'period changes' are in percentage-point.

³ Not applicable.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Table C-3

No. 1 paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹(Quantity=million units, value=1,000 dollars, unit values, unit labor costs, and unit
COGS are per 1,000 units, period changes=percent, except where noted)

Item	Reported data			Jan.-Sept.--		Period changes			
	1990	1991	1992	1992	1993	1990-92	1990-91	1991-92	Jan.-Sept. 1992-93
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	-12.0	-7.1	-5.2	-0.8
Producers' share ²	***	***	***	***	***	+1.8	-2.2	+4.0	+15.7
Importers' share: ²									
China.....	***	***	***	***	***	+0.4	+3.5	-3.1	-15.8
Other sources.....	***	***	***	***	***	-2.2	-1.3	-0.9	+0.2
Total.....	***	***	***	***	***	-1.8	+2.2	-4.0	-15.7
U.S. consumption value:									
Amount.....	***	***	***	***	***	-9.4	-4.5	-5.1	+1.0
Producers' share ²	***	***	***	***	***	-6.1	-5.4	-0.7	+14.1
Importers' share: ²									
China.....	***	***	***	***	***	+6.8	+5.2	+1.6	-14.7
Other sources.....	***	***	***	***	***	-0.7	+0.2	-0.9	+0.6
Total.....	***	***	***	***	***	+6.1	+5.4	+0.7	-14.1
U.S. importers' imports from--									
China:									
U.S. shipments quantity..	3,409	3,447	3,034	2,537	1,624	-11.0	+1.1	-12.0	-36.0
U.S. shipments value....	1,377	1,640	1,653	1,402	743	+20.0	+19.1	+0.8	-47.0
Unit value.....	\$0.79	\$0.79	\$0.77	\$0.77	\$0.78	-1.8	+0.2	-2.0	+1.6
Ending inventory qty....	1,241	678	501	144	***	-59.6	-45.4	-26.1	***
Other sources:									
U.S. shipments quantity..	282	***	***	35	***	***	***	-49.3	***
U.S. shipments value....	***	***	***	***	***	-44.8	+7.8	-48.8	+59.9
Unit value.....	\$***	\$1.53	\$1.92	\$***	\$1.87	***	***	+25.3	***
Ending inventory qty....	18	***	***	***	***	***	***	-17.9	-38.6
All sources:									
U.S. shipments quantity..	3,691	***	***	2,571	***	***	***	-13.6	***
U.S. shipments value....	***	***	***	***	***	+15.0	+18.2	-2.7	-43.3
Unit value.....	***	\$0.81	\$0.79	***	\$0.83	***	***	-3.2	***
U.S. producers'--									
Average capacity quantity..	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization ²	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Exports/shipments ²	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Ending inventory quantity..	***	***	***	***	***	***	***	***	***
Inventory/shipments ²	***	***	***	***	***	***	***	***	***

¹ Import data presented in this table are based on questionnaire data and are, therefore, significantly understated.² 'Reported data' are in percent and 'period changes' are in percentage-point.³ Not applicable.

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Table C-4

No. 3 paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹(Quantity=1,000 units, value=dollars, unit values, unit labor costs, and unit
COGS are per 1,000 units, period changes=percent, except where noted)

Item	Reported data			Jan.-Sept.--		Period changes			
	1990	1991	1992	1992	1993	1990-92	1990-91	1991-92	1992-93
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	+2.8	+0.7	+2.1	+0.2
Producers' share ²	56.0	54.5	***	53.8	***	***	-1.5	***	***
Importers' share: ²									
China.....	24.4	22.1	***	28.1	***	***	-2.3	***	***
Other sources.....	19.6	23.5	***	18.1	***	***	+3.9	***	***
Total.....	44.0	45.5	***	46.2	***	***	+1.5	***	***
U.S. consumption value:									
Amount.....	***	***	***	***	***	+7.9	+4.9	+2.9	+3.9
Producers' share ²	61.6	57.7	59.7	57.3	62.6	-1.9	-3.9	+2.0	+5.3
Importers' share: ²									
China.....	19.2	19.3	24.4	24.8	23.9	+5.1	+0.1	+5.0	-0.9
Other sources.....	19.2	23.0	16.0	17.8	13.5	-3.3	+3.8	-7.1	-4.3
Total.....	38.4	42.3	40.3	42.7	37.4	+1.9	+3.9	-2.0	-5.3
U.S. importers' imports from--									
China:									
U.S. shipments quantity..	***	***	***	***	***	+23.7	-8.9	+35.8	+16.0
U.S. shipments value.....	***	***	***	***	***	+36.7	+5.4	+29.6	(²)
Unit value.....	\$0.84	\$0.97	\$0.92	\$0.99	\$1.08	+10.5	+15.7	-4.5	+9.8
Ending inventory qty.....	***	***	***	***	***	+69.3	+10.7	+53.0	(⁴)
Other sources:									
U.S. shipments quantity..	***	***	***	***	***	-14.6	+20.5	-29.1	-19.5
U.S. shipments value.....	***	***	***	***	***	-10.4	+25.6	-28.7	-21.4
Unit value.....	\$1.04	\$1.08	\$1.09	\$1.10	\$1.09	+4.9	+4.3	+0.6	-0.5
Ending inventory qty.....	***	***	***	***	***	+52.8	+13.3	+34.8	-5.3
All sources:									
U.S. shipments quantity..	***	***	45,581	***	33,570	***	+4.2	***	***
U.S. shipments value.....	***	***	***	***	***	+13.1	+15.5	-2.1	-8.9
Unit value.....	\$0.93	\$1.03	\$***	\$1.03	\$***	***	+10.9	***	***
U.S. producers'--									
Average capacity quantity..	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization ²	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Exports/shipments ²	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Ending inventory quantity..	***	***	***	***	***	***	***	***	***
Inventory/shipments ²	***	***	***	***	***	***	***	***	***

¹ Import data presented in this table are based on questionnaire data and are, therefore, significantly understated.² 'Reported data' are in percent and 'period changes' are in percentage-point.³ A decrease of less than 0.05 percent.⁴ Not applicable.

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Table C-5

Jumbo paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹(Quantity=million units, value=1,000 dollars, unit values, unit labor costs, and unit
COGS are per 1,000 units, period changes=percent, except where noted)

Item	Reported data					Period changes			
	1990	1991	1992	Jan.-Sept.--		1990-92	1990-91	1991-92	Jan.-Sept. 1992-93
				1992	1993				
U.S. consumption quantity:									
Amount.....	***	***	***	***	***	+5.4	+1.8	+3.6	+9.4
Producers' share ²	***	***	52.4	49.4	66.7	***	-3.6	***	+17.3
Importers' share: ²									
China.....	***	***	***	***	***	+2.0	+8.9	-6.8	-17.6
Other sources.....	***	***	***	***	***	***	-5.3	***	+0.3
Total.....	***	***	47.6	50.6	33.3	***	+3.6	***	-17.3
U.S. consumption value:									
Amount.....	***	***	***	***	***	+3.8	-1.4	+5.2	+10.4
Producers' share ²	70.6	64.4	66.8	65.0	78.6	-3.8	-6.3	+2.5	+13.6
Importers' share: ²									
China.....	***	***	***	***	***	+6.9	+9.0	-2.2	-13.9
Other sources.....	***	***	***	***	***	-3.0	-2.8	-0.3	+0.3
Total.....	29.4	35.6	33.2	35.0	21.4	+3.8	+6.3	-2.5	-13.6
U.S. importers' imports from--									
China:									
U.S. shipments quantity..	1,353	1,646	1,491	1,212	863	+10.2	+21.6	-9.4	-28.8
U.S. shipments value.....	1,711	2,280	2,249	1,791	1,183	+31.4	+33.2	-1.4	-33.9
Unit value.....	\$2.25	\$2.31	\$2.19	\$2.20	\$2.13	-2.8	+2.4	-5.0	-3.2
Ending inventory qty.....	380	172	***	49	***	***	-54.8	***	***
Other sources:									
U.S. shipments quantity..	176	19	***	***	***	***	-89.1	***	+258.9
U.S. shipments value.....	***	***	***	***	***	-84.3	-77.5	-30.1	+92.7
Unit value.....	\$***	\$***	\$5.80	\$5.33	\$6.50	***	+27.4	***	+22.1
Ending inventory qty.....	***	***	***	***	3	+37.8	-27.3	+89.6	***
All sources:									
U.S. shipments quantity..	1,530	1,665	***	***	***	***	+8.9	***	-27.9
U.S. shipments value.....	***	***	***	***	***	+17.3	+19.7	-2.0	-32.6
Unit value.....	\$***	\$***	\$2.21	\$2.21	\$2.18	***	-0.9	***	-1.8
U.S. producers'--									
Average capacity quantity..	***	***	***	***	***	***	***	***	***
Production quantity.....	***	***	***	***	***	***	***	***	***
Capacity utilization ²	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Exports/shipments ²	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	\$***	\$***	\$***	\$***	\$***	***	***	***	***
Ending inventory quantity..	***	***	***	***	***	***	***	***	***
Inventory/shipments ²	***	***	***	***	***	***	***	***	***

¹ Import data presented in this table are based on questionnaire data and are, therefore, significantly understated.² 'Reported data' are in percent and 'period changes' are in percentage-point.³ Not applicable.⁴ A decrease of less than 0.05 percentage points.

Note.--Period changes are derived from the unrounded data. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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

Table C-6

Other wire paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Table C-7

Other metal paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Table C-8

Plastic paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

Table C-9

All metal paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993¹(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit
COGS are per 1,000 pounds, period changes=percent, except where noted)

COGS are per 1,000 pounds, period changes-Percent, except where noted									
Item	Reported data					Period changes			
	1990	1991	1992	Jan.-Sept.--		1990-92	1990-91	1991-92	Jan.-Sept. 1992-93
				1992	1993				
U.S. consumption value:									
Amount.....	***	***	***	***	***	-2.2	-5.6	+3.6	+6.2
Producers' share ²	***	***	***	***	***	-3.8	-2.5	-1.2	+8.9
Importers' share: ²									
China.....	***	***	***	***	***	+9.5	+2.0	+7.5	-5.0
Other sources.....	***	***	***	***	***	-5.7	+0.6	-6.3	-3.9
Total.....	***	***	***	***	***	+3.8	+2.5	+1.2	-8.9
U.S. importers' imports from--									
China:									
Imports quantity.....	7,000	6,727	9,031	6,136	5,784	+29.0	-3.9	+34.2	-5.8
Imports value.....	3,753	3,911	5,494	3,803	3,274	+46.4	+4.2	+40.5	-13.9
Unit value.....	\$0.54	\$0.58	\$0.61	\$0.62	\$0.57	+13.5	+8.4	+4.6	-8.7
Other sources:									
Imports quantity.....	4,337	4,059	4,065	3,697	1,104	-6.3	-6.4	+0.2	-70.1
Imports value.....	5,873	5,646	4,637	4,073	3,723	-21.0	-3.9	-17.9	-8.6
Unit value.....	\$0.95	\$1.03	\$0.84	\$0.81	\$1.31	-11.6	+9.0	-18.8	+61.5
All sources:									
Imports quantity.....	11,336	10,786	13,096	9,833	6,888	+15.5	-4.9	+21.4	-30.0
Imports value.....	9,626	9,557	10,132	7,875	6,997	+5.3	-0.7	+6.0	-11.1
Unit value.....	\$0.69	\$0.75	\$0.68	\$0.69	\$0.68	-2.0	+8.3	-9.5	-0.9
Net sales value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)...	***	***	***	***	***	***	***	***	***
Gross profit (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income (loss)....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
COGS/sales ²	***	***	***	***	***	***	***	***	***
Op.income (loss)/sales ²	***	***	***	***	***	***	***	***	***

¹ January-September 1993 data on imports are estimated.² 'Reported data' are in percent and 'period changes' are in percentage-point.

Note.--Period changes are derived from the unrounded data. Period changes involving negative period data are positive if the amount of the negativity decreases and negative if the amount of the negativity increases. Because of rounding, figures may not add to the totals shown. Unit values and other ratios are calculated from the unrounded figures, using data of firms supplying both numerator and denominator information. Part-year inventory ratios are annualized.

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.

Table C-10

Metal and plastic paper clips: Summary data concerning the U.S. market, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

* * * * *

APPENDIX D

ESTIMATES OF APPARENT U.S. CONSUMPTION USING INFORMATION SUPPLIED IN RESPONSE TO COMMISSION QUESTIONNAIRES

Table D-1

Certain paper clips: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept.-- 1992	1993
	<i>Quantity (million units)</i>				
Certain paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	4,840	5,168	4,605	3,807	2,548
Other sources	480	***	***	***	71
Total	5,320	***	***	***	2,619
Apparent consumption	***	***	***	***	***
No. 1 paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	3,409	3,447	3,034	2,537	1,624
Other sources	282	***	***	35	***
Total	3,691	***	***	2,571	***
Apparent consumption	***	***	***	***	***
No. 3 paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	46	***	34
Apparent consumption	***	***	***	***	***
Jumbo paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	1,353	1,646	1,491	1,212	863
Other sources	176	19	***	***	***
Total	1,530	1,665	***	***	***
Apparent consumption	***	***	***	***	***
Other wire paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	***	***	***	***	***

Table continued on next page.

Table D-1--Continued

Certain paper clips: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept.- 1992	1993
<i>Value (1,000 dollars)</i>					
Certain paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	3,183	4,009	4,001	3,266	2,004
Other sources	392	216	141	94	169
Total	3,574	4,226	4,142	3,360	2,173
Apparent consumption	***	***	***	***	***
No. 1 paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	1,377	1,640	1,653	1,402	743
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	***	***	***	***	***
No. 3 paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	***	***	***	***	***
Jumbo paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	1,711	2,280	2,249	1,791	1,183
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	***	***	***	***	***
Other wire paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Apparent consumption	***	***	***	***	***

Table continued on next page.

Table D-1--Continued

Certain paper clips: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept.-- 1992	1993
	Share of the quantity of U.S. consumption (percent)				
Certain paper clips:					
Producers' U.S. shipments	***	52.2	56.9	53.0	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	47.8	43.1	47.0	***
No. 1 paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
No. 3 paper clips:					
Producers' U.S. shipments	56.0	54.5	***	53.8	***
Importers' U.S. shipments:					
China	24.4	22.1	***	28.1	***
Other sources	19.6	23.5	***	18.1	***
Total	44.0	45.5	***	46.2	***
Jumbo paper clips:					
Producers' U.S. shipments	***	***	52.4	49.4	66.7
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	47.6	50.6	33.3
Other wire paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***

Table continued on next page.

Table D-1--Continued

Certain paper clips: U.S. shipments of domestic product, U.S. shipments of imports, and apparent U.S. consumption, by products, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept. -- 1992	1993
	Share of the value of U.S. consumption (percent)				
Certain paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
No. 1 paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
No. 3 paper clips:					
Producers' U.S. shipments	61.6	57.7	59.7	57.3	62.6
Importers' U.S. shipments:					
China	19.2	19.3	24.4	24.8	23.9
Other sources	19.2	23.0	16.0	17.8	13.5
Total	38.4	42.3	40.3	42.7	37.4
Jumbo paper clips:					
Producers' U.S. shipments	70.6	64.4	66.8	65.0	78.6
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	29.4	35.6	33.2	35.0	21.4
Other wire paper clips:					
Producers' U.S. shipments	***	***	***	***	***
Importers' U.S. shipments:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***

Note.--Because of rounding, figures may not add to the totals shown; shares are computed from the unrounded figures.

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

APPENDIX E

**IMPACT OF IMPORTS ON U.S. PRODUCERS' GROWTH, INVESTMENT,
ABILITY TO RAISE CAPITAL, AND EXISTING DEVELOPMENT
AND PRODUCTION EFFORTS**

* * * * *

APPENDIX F

**DATA ON U.S. IMPORTS USING INFORMATION
SUPPLIED IN RESPONSE TO COMMISSION QUESTIONNAIRES**

Table F-1

Certain paper clips: U.S. imports, by products and by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept. -- 1992	1993
<i>Quantity (1,000 units)</i>					
Certain paper clips:					
China	5,646,678	3,818,404	4,576,318	3,311,215	2,120,628
Other sources	294,873	***	***	***	28,807
Total	5,941,551	***	***	***	2,149,435
No. 1 paper clips:					
China	4,049,655	2,471,695	2,901,336	2,078,578	1,389,800
Other sources	170,845	***	***	***	15,854
Total	4,220,500	***	***	***	1,405,654
No. 3 paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Jumbo paper clips:					
China	1,534,273	1,296,109	1,554,182	1,147,037	682,928
Other sources	113,410	***	***	2,568	***
Total	1,647,683	***	***	1,149,605	***
Other wire paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
<i>Value (dollars)</i>					
Certain paper clips:					
China	***	3,370,173	4,489,519	3,280,520	2,007,635
Other sources	***	350,963	75,084	37,856	104,604
Total	3,568,525	3,721,136	4,564,603	3,318,376	2,112,239
No. 1 paper clips:					
China	***	1,540,855	1,946,816	1,436,130	839,854
Other sources	153,302	***	***	***	***
Total	***	***	***	***	***
No. 3 paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***
Jumbo paper clips:					
China	1,516,447	1,783,830	2,451,792	1,777,836	1,118,564
Other sources	***	***	***	***	17,162
Total	***	***	***	***	1,135,726
Other wire paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Total	***	***	***	***	***

Table continued on next page.

Table F-1--Continued

Certain paper clips: U.S. imports, by products and by sources, 1990-92, Jan.-Sept. 1992, and Jan.-Sept. 1993

Item	1990	1991	1992	Jan.-Sept.-- 1992	1993
	Unit value (per 1,000 units)				
Certain paper clips:					
China	\$***	\$0.88	\$0.98	\$0.99	\$0.94
Other sources	***	***	***	***	3.63
Average . . . . .	.70	***	***	***	.98
No. 1 paper clips:					
China	***	.62	.67	.69	.60
Other sources . . . . .	.90	1.05	.73	1.31	***
Average	***	.66	.67	.69	***
No. 3 paper clips:					
China . . . . .	.61	.69	.58	.63	.62
Other sources . . . . .	.61	.60	.68	.69	.85
Average . . . . .	.61	.63	.61	.65	.67
Jumbo paper clips:					
China	1.22	1.38	1.58	1.55	1.64
Other sources	***	3.29	5.43	***	***
Average	***	1.41	1.59	***	***
Other wire paper clips:					
China	***	***	***	***	***
Other sources	***	***	***	***	***
Average	6.44	1.23	.96	.90	3.33

¹ Not applicable.

Note.--Unit values are calculated using data of firms supplying both quantity and value information.

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