DOCKET FILE

UNITED STATES TARIFF COMMISSION

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RAYON STAPLE FIBER FROM BELGIUM

Determination of No Injury or Likelihood Thereof

On February 21, 1961, the United States Tariff Commission was advised by the Acting Secretary of the Treasury that rayon staple fiber from Belgium is being, or is likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted an investigation to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

A public hearing in connection with the investigation was held on May 3, 1961. Notices of the investigation and hearing were published in the Federal Register (26 F.R. 1848 and 26 F.R. 2495).

In arriving at a determination in this case, due consideration was given by the Tariff Commission to all written submissions from interested parties, all testimony adduced at the hearing, and all factual information obtained by the Commission's staff.

On the basis of the investigation, the Commission has unanimously determined that an industry in the United States is not being, and is not likely to be, injured, or prevented from being established, by reason of the importation of rayon staple fiber from Belgium sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons

Imports of rayon staple fiber from Belgium, which were determined by the Acting Secretary of the Treasury to have been sold at less than "fair value," were made as early as January 1960 and ceased as of the middle of October 1960.

The Commission could find no evidence that during this period the importer had a competitive price advantage over the domestic producers by reason of his purchases of the rayon staple fiber at prices less than "fair value." In fact, during this period domestic producers, as a result of aggressive pricing practices of that industry, had lowered their prices to such levels that the importer did not generally meet the lower average domestic prices and, as a consequence thereof, his sales in the United States of the imported fiber declined sharply compared to sales of the like domestic fiber. The importer gained no new customers during this period and there is no evidence that he sold at a price lower than that charged by the domestic producers for the same type fiber. Therefore, the Commission determines that there has been no injury in this case.

The importer and exporter made diligent efforts to ensure that the purchase price would equal or exceed the home market value. The "margin of difference" between these values arose from the allowance of a quantity discount based upon a purchase order for a year's supply of such fiber. Imports pursuant to this order were subsequently curtailed because of market conditions in the United States; consequently, the importer's purchase price had to be compared with a higher home market value applicable to smaller quantity purchases. Had the importer accepted the full order for rayon staple fiber and brought such larger quantity into the United States market for sale, there would have been no "sales at less than fair value." Such sales are characterized by the Commission as "technical sales at less than fair value" (i.e., sales which were made at less than fair value under circumstances which are inculpable). To avoid possible recurrences of "sales at less than fair value," the importer and exporter have arranged their price agreements for future deliveries to ensure that no quantity discount will be allowed in the purchase price until after the discount has been earned by actual completed transactions. The importer has no significant inventory of the fiber purchased "at less than fair value." Under these circumstances there is no "likelihood" of injury from the importation of the rayon staple fiber that was purchased "at less than fair value."

This determination and statement of reasons are published pursuant to section 201(c) of the Antidumping Act, 1921, as amended.

By the Commission:

Donn N. Bent

DONN N. BENT
Secretary