

UNITED STATES TARIFF COMMISSION

TC Publication 24

AA1921--217

July 17, 1961

RAYON STAPLE FIBER FROM WEST GERMANY

Determination of No Injury or Likelihood Thereof

On April 17, 1961, the United States Tariff Commission was advised by the Acting Secretary of the Treasury that rayon staple fiber from West Germany, except as to importations of "Cuprama" rayon staple fiber manufactured by the firm of Farbenfabriken Bayer A.G., 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 June 13, 1961. Notices of the investigation and hearing were published in the Federal Register (26 F.R. 3549 and 26 F.R. 4410).

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^{1/} determined that an industry in the United States is not being, and is not likely to be, injured, or prevented from being established, by reason of the importation of rayon staple fiber from West Germany sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

^{1/} Due to illness, Commissioner Overton did not participate in the finding.

Statement of Reasons

Imports of rayon staple fiber from West Germany, which were determined by the Acting Secretary of the Treasury to have been sold at less than "fair value," were made as early as June 1960 and are continuing.

Imports of articles purchased from abroad at less than fair value are not ipso facto injurious when resold in the United States. The Commission found that the importers did not have a competitive price advantage over the domestic producers by reason of their purchases of the rayon staple fiber at prices less than "fair value." In fact, during the pertinent period the domestic producers, as a result of aggressive pricing practices of that industry, had lowered their prices to such levels that the importers did not generally meet the lower average domestic prices and, as a consequence, their sales in the United States of the imported fiber declined sharply compared to sales of the competitive domestic fiber. The exporters' sales prices under these conditions 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). The importers gained no new customers during this period; indeed, they lost a substantial number of customers; and two importers have ceased importing the fiber because of the serious decline in sales and loss of customers. Therefore, the Commission determines that there has been no injury in this case.

There is no evidence that the price-cutting practices of the importers and exporters of West German fiber were made other than in good

faith in an endeavor to meet the prices of comparable goods sold by domestic competitors. Under these circumstances there is no "likelihood" of injury from the importation of the rayon staple fiber that was or is being 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
Secretary