

UNITED STATES TARIFF COMMISSION

COLD-ROLLED STAINLESS STEEL SHEET
AND STRIP FROM FRANCE

Determination of No Injury or Likelihood Thereof in
Investigation No. AA1921-126
Under the Antidumping Act, 1921,
as Amended



TC Publication 615
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UNITED STATES TARIFF COMMISSION

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[AA1921-126]

COLD-ROLLED STAINLESS-STEEL SHEET AND STRIP FROM FRANCE

Determination of No Injury or Likelihood Thereof

On July 11, 1973, the Tariff Commission received advice from the Treasury Department that cold-rolled stainless-steel sheet and strip from France are being, or are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. ^{1/} In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted investigation No. AA1921-126 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

Notice of the investigation and hearing was published in the Federal Register of July 26, 1973 (38 F.R. 20004). The public hearing was held September 11-12, 1973.

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

^{1/} Notice of the Treasury Department's determination of sales at less than fair value, and the reasons therefor, was published in the Federal Register of July 5, 1973 (38 F.R. 17852).

On the basis of the investigation, the Commission 1/ has unanimously determined that an industry in the United States is not being or is not likely to be injured, or is not prevented from being established, by reason of the importation of cold-rolled stainless-steel sheet and strip from France sold, or likely to be sold, at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

1/ Vice Chairman Parker and Commissioner Young did not participate in the decision.

Statement of Reasons

The Antidumping Act, 1921, as amended, requires that the Tariff Commission find two conditions satisfied before an affirmative determination can be made. If either condition is not satisfied, an affirmative determination cannot be made.

First, there must be injury or likelihood of injury to an industry in the United States. 1/ Second, such injury or likelihood of injury must be by reason of the importation into the United States of the class or kind of foreign merchandise which the Secretary of the Treasury has determined is being, or is likely to be, sold at less than fair value (LTFV).

In the Commission's judgment, the second of the aforementioned conditions is not satisfied in the instant case. Accordingly, for the reasons set forth below, we have determined that an industry in the United States is not being and is not likely to be injured by reason of the importation of cold-rolled stainless-steel sheet and strip from France sold, or likely to be sold, at LTFV within the meaning of the Antidumping Act, 1921, as amended.

Cold-rolled stainless-steel sheet and strip imported from France and found to have been sold, or likely to be sold, at less than fair value by the Treasury Department is like that produced and sold by the U.S. producers of cold-rolled stainless-steel sheet and strip. For

1/ Prevention of the establishment of an industry is not an issue in the instant case.

the purposes of the Commission's determination, the industry to be considered in this investigation consists of those facilities in the United States that are engaged in the production of cold-rolled stainless-steel sheet and strip.

U.S. imports for consumption of cold-rolled stainless-steel sheet and strip from France amounted to 2.7 percent of U.S. apparent consumption in 1971 and declined to 2.5 percent of U.S. apparent consumption in 1972. LTFV imports from France amounted to, at the most, 9,060 short tons in 1972, the year in which the Treasury Department found that imports from France were being sold at LTFV. In 1972, LTFV imports from France amounted to only 1.6 percent of U.S. apparent consumption of cold-rolled stainless-steel sheet and strip (560,115 short tons).

An analysis of U.S. producers' allegations of sales lost to French imports revealed several U.S. producers' sales lost to LTFV imports but such lost sales were so few and so scattered that they cannot have been the cause of any injury to U.S. producers. Although U.S. producers' prices were lower, on the average, in 1972 than they had been in earlier years, there is no convincing evidence that such lower prices were the result of sales of LTFV imports from France.

It is significant that in 1972, the year in which LTFV imports from France occurred, U.S. producers' shipments of cold-rolled

stainless-steel sheet and strip (528,176 short tons) were higher than in any of the preceding 4 years. In addition, the financial condition of the industry in 1972 was substantially better than it had been in 1971 and earlier years.

Furthermore, nearly all U.S. producers of cold-rolled stainless-steel sheet and strip are currently producing at full capacity and they are unable to fill new orders until many months into the future. U.S. producers' shipments during the first half of 1973 were substantially greater than they had been during the first 6 months of 1972 and, in fact, were at record levels. U.S. producers' prices were also increasing.

Early in 1973 both French firms that exported cold-rolled stainless-steel sheet and strip to the United States provided the Treasury Department with assurances that in the future they would not sell cold-rolled stainless-steel sheet and strip in the United States at less than fair value. There is no evidence that there are presently any LTFV sales of French merchandise.

A substantial expansion of French capacity to produce cold-rolled stainless-steel sheet and strip is expected in the near future. However, because of a rapidly expanding market for cold-rolled stainless-steel sheet and strip outside the United States--especially in Eastern and Western Europe--and the devaluation of the U.S. dollar

vis-a-vis the French franc, it is expected that the French will not be in a position to expand their exports to the U.S. market, particularly at LTFV.

In view of the foregoing, the Commission concludes that a domestic industry is not being or is not likely to be injured by reason of imports of cold-rolled stainless-steel sheet and strip from France sold, or likely to be sold, at LTFV.