

UNITED STATES TARIFF COMMISSION

HAND-OPERATED PLASTIC PISTOL-GRIP LIQUID SPRAYERS  
FROM JAPAN

Determination of No Injury or Likelihood Thereof  
in Investigation No. AA1921-138  
Under the Antidumping Act, 1921,  
as Amended



TC Publication 662  
Washington, D. C.  
April 1974

**UNITED STATES TARIFF COMMISSION**

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United States Tariff Commission  
Washington, D.C.  
[AA1921-138]

April 15, 1974

HAND-OPERATED PLASTIC PISTOL-GRIP LIQUID  
SPRAYERS FROM JAPAN

Determination of No Injury or Likelihood Thereof

The Treasury Department advised the Tariff Commission on January 14, 1974, that hand-operated plastic pistol-grip liquid sprayers from Japan are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act of 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 investigation AA1921-138 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 institution of the investigation and of a public hearing to be held in connection therewith was published in the Federal Register of January 22, 1974 (39 F.R. 2522). The hearing was held on February 26, 1974.

In arriving at its determination, 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.

On the basis of the investigation, the Commission 1/ has unanimously determined that an industry in the United States is not being injured or is not likely to be injured, or is not prevented from being established, by reason of the importation of hand-operated plastic pistol-grip liquid sprayers from Japan that are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

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1/ Commissioners Leonard and 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. First, there must be injury, or likelihood of injury, to an industry in the United States, or an industry in the United States must be prevented from being established. Second, such injury or likelihood of injury or prevention of establishment of an industry 1/ 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 instant investigation there is insufficient evidence to warrant the conclusion that the first condition, that of injury, is satisfied or that the second condition, that of causation, is satisfied. Accordingly, for the reasons set forth below, we have determined that an industry in the United States is not being nor is it likely to be injured by reason of importation of hand-operated plastic pistol-grip liquid sprayers from Japan found by the Secretary of the Treasury to have been sold, or likely to be sold, at LTFV within the meaning of the Antidumping Act, 1921, as amended.

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1/ Prevention of the establishment of an industry is not an issue in the instant case and will not be discussed further.

The imported hand-operated plastic pistol-grip liquid sprayers that are made in Japan and sold in the United States at LTFV are reusable devices, the base of which is threaded to permit them to be attached to containers for holding liquids. They are used to dispense disinfectants, cleaning products, lubricants, insecticides, and other high-viscosity liquids. The imported sprayers are similar in appearance and performance to those produced in the United States by the AFA Corp., Miami Lakes, Fla., a wholly owned subsidiary of Thiokol Corp., Bristol, Penn. The AFA Corp. is the only U.S. producer of this type of sprayer.

It is acknowledged that imports of sprayers from Japan, some of which were sold at LTFV, have obtained a significant share of the U.S. market for these articles. Import penetration by itself, however, is not an adequate basis for determining injury. Other tests of injury applied by the Commission in this case, including but not limited to price depression, lost sales, and inadequate earnings, did not show that an industry in the United States is being injured or is likely to be injured.

Treasury's determination of sales at LTFV was based on price comparisons during the October 1972-February 1973 period. Separate comparisons were made on sprayers assembled in Japan, imports of which ceased in January 1973, and on those assembled in Korea from Japanese components. All of the sprayers imported since January 1973 have been assembled in Korea. Less than half of the sprayers assembled in Korea, which are the only ones to which antidumping duty could apply, were sold

below fair value, and the margin on those sales was small and could have had only a minimal effect on their price in the United States.

Annual U.S. consumption of sprayers increased by more than 25 percent over the years 1972-73. Imports of sprayers, which first entered the United States in February 1972, increased rapidly thereafter and accounted for a large share of the growth in the U.S. market. This is in large part attributable to the fact that the imported sprayers were marketed differently and reached different customers than the sprayers made by the domestic producer. The domestic producer sells its sprayer without other articles, primarily to 29 distributors. The importer sells the Japanese sprayer in conjunction with an extensive line of related products to a multitude of distributors and retailers, many of them handling such an article for the first time. In addition evidence was presented to the effect that the imported sprayers because they contained no rubber components are more suitable for dispensing certain liquids than the standard domestically produced sprayers.

Sales of domestically produced sprayers in the years 1972-73 were at a level substantially above that in 1969-71, when imports were not a factor. Moreover, list prices for the domestic sprayers were maintained and earnings on their manufacture in 1972 and 1973, as in earlier years, compared favorably with those on the manufacture of all plastic and related products.

The evidence indicates that U.S. imports of the Japanese sprayers will terminate with a shipment that is scheduled for mid-April 1974. Thereafter it is proposed that the importer's requirements for sprayers will be supplied by a production facility established jointly by the

importer and the Japanese producer in St. Louis, Mo. It is expected that this plant will begin producing sprayers in May 1974. The proposed elimination of imports would seem to preclude any likelihood of their injuring an industry in the United States.

Accordingly, we have determined, on the basis of all the facts, that an industry in the United States is not being and is not likely to be injured by reason of the importation of hand-operated plastic pistol-grip sprayers from Japan that are being, or are likely to be sold at LTFV within the meaning of the Antidumping Act, 1921, as amended.