STANDARD HOUSEHOLD INCANDESCENT LAMPS FROM HUNGARY

Determination of No Reasonable Indication of Injury in Inquiry No. AA1921-Inq.-18 Under the Antidumping Act, 1921, as Amended

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This report was prepared principally by
John T. Cutchin, Jr., Commodity Industry Analyst

Charles Ervin, Supervisory Investigator

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(AA1921-Inq.-18)

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Commission Determines "No Reasonable Indication of Injury"

On August 4, 1978, the United States International Trade Commission received advice from the Department of the Treasury that an antidumping investigation had been initiated on August 1, 1978 with respect to standard household incandescent light bulbs from Hungary, in accordance with section 201(c)(1) of the Antidumping Act, 1921, as amended. Pursuant to section 201(c)(2) of the Act, information developed during the Treasury's preliminary investigation led to the conclusion that there is substantial doubt that 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 standard incandescent light bulbs from Hungary that may be sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended.

The Treasury Department had instituted its investigation after receiving a properly filed complaint on June 21, 1978, from counsel acting on behalf of Westinghouse Electric Corporation. The Treasury notice of its antidumping proceeding was published in the Federal Register of August 7, 1978 (43 F.R. 34861).

Accordingly, on August 10, 1978, the Commission instituted inquiry No. AA1921-Inq.-18 under section 201(c)(2) of the Act to determine whether there is no reasonable indication that 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 was held on August 22, 1978, in Washington, D.C. Public notice of both the institution of the inquiry and of the hearing was duly given by posting copies of the notice at the Secretary's Office in the Commission in Washington, D. C., and at the Commission's office in New York City, and by publishing the original notice in the Federal Register August 16, 1978 (43 F.R. 36336).

On the basis of information developed during the course of this inquiry, the Commission determines that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of standard incandescent light bulbs from Hungary allegedly sold at less than fair value as indicated by the Department of the Treasury. */

*/ Vice Chairman Bill Alberger and Commissioners George M. Moore and Catherine Bedell determine that, on the basis of information developed during the course of this inquiry, there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of standard household incandescent lamps from Hungary allegedly sold at less than fair value as indicated by the Department of the Treasury. Chairman Joseph O. Parker, voting in the statutory language, does not determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of standard household incandescent lamps from Hungary allegedly sold at less than fair vlaue, as indicated by the Department of the Treasury. Commissioner Italo H. Ablondi, dissenting in this determination, determines that there is a reasonable indication that an industry in the United States is being, or is likely to be injured by reason of the importation of standard household incandescent lamps from Hungary allegedly sold at less than fair value as indicated by the Department of the Treasury. Commissioner Daniel Minchew did not participate in the determination.

Statement of Reasons of Vice Chairman Bill Alberger and Commissioners George M. Moore, and Catherine Bedell

Statutory criteria of section 201(c)(2)

If the Secretary of the Treasury concludes during a preliminary investigation under the Antidumping Act, 1921, as amended, that there is substantial doubt regarding possible injury to an industry in the United States, he shall forward to the U.S. International Trade Commission (Commission) his reasons for such doubt. Within 30 days of receipt of the Secretary's reasons, the Commission shall determine whether there is no reasonable indication that 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 merchandise allegedly sold in the United States at less than fair value (LTFV). Therefore, the Commission, on August 10, 1978, instituted inquiry AA1921-Inq.-18, under section 201(c)(2) of that act, concerning standard household incandescent lamps (light bulbs) from Hungary.

Determination

On the basis of information developed during the course of this inquiry, we determine that there is no reasonable indication that an industry in the United States is being or is likely to be injured by reason of the importation of light bulbs into the United States from Hungary allegedly sold at less than fair value, as indicated by the Department of the Treasury.

The imported article and the domestic industry

Standard household incandescent bulbs consist of single wattage light bulbs ranging from fifteen to one hundred and fifty watts, as well as three-way bulbs which offer a choice of three wattages, all the above operating at more than 100 volts. Eight companies currently report production of standard household incandescent bulbs in the United States. Four of these companies also produce special application bulbs, which differ from "standard" bulbs in their longer life, reliability characteristics, and are produced by lower speed processes which are also more labor intensive. Consequently, these special bulbs command higher prices than "standard" household bulbs and are marketed for commercial and industrial applications.

Four companies, General Electric Co. (GE), GTE Sylvania (Sylvania), Westinghouse Electric Corporation (Westinghouse), and North America Philips (Philips) account for more than 95 percent of domestic shipments of standard incandescent bulbs. Of the four companies, only Westinghouse filed a petition with the Treasury Department.

Information received from the Department of the Treasury on LTFV sales

In this investigation, we are dealing with imports from a Hungarian company which is wholly owned by and part of a state-controlled economy country. Because of this Westinghouse asserted that the foreign market value of the light bulbs should be measured by prices of similar merchandise sold in a non-state controlled economy. Using prices charged by a major West German supplier and comparing their foreign market prices to the estimated prices paid to the Hungarian company, Tungsram, by the importer, Action Industries, dumping margins as computed by Westinghouse allege a range from 234 percent to 357 percent.

<u>No reasonable indication of injury or likelihood of injury to U.S. industry</u>

<u>Imports from Hungary</u>--Over the period 1973-1977, total imports of household lightbulbs steadily declined from 187 million units in 1973 to 89.5 million units in 1977 - a decrease of 52 percent. Despite this decline in overall imports, the volume of imports from Hungary increased over the same period by 73% - from 31 million units to 53 million units.

<u>U.S. production and shipments</u>--After reaching a peak in the boom year, 1973, U.S. production of light bulbs dropped nearly 20 percent (from 1.4 billion units to 1.1 billion units) by the recession year, 1975. Output improved after that, increasing by 19.2 percent from 1975 through 1977 -- with the 1977 level being only 3.4 percent below 1973's peak. Half-yearly data for 1978 indicate that current output is running at a level slightly higher than that of 1977. Shipments, by volume, have followed a pattern similar to that of production, except that by 1977 the recovery to the 1973 level was virtually complete.

Utilization of productive capacity--Capacity utilization has changed little since 1973, the year in which most agree that output represented maximum economic use of capacity. Since then, capital expenditures by U.S. producers have been concentrated on increased automation and efficiency for existing production lines rather than on the creation of new capacity.

U.S. producers' inventories--U.S. producers' inventories have paralleled trends in production and shipments, falling from 1973-1975, then rising from 1976 through the first half of 1978. The inventory to sales ratios fell from about 27 percent in 1973 to about 24 percent in 1977.

Employment--The data available show that since 1973 employment and man-hours worked by production and related workers making standard household lamps have decreased by 11.2 percent and 15.3 percent, respectively, or by 329 persons and 891,000 man-hours. The number of workers did not change from the January-June 1977 period to the corresponding period of 1978, but man-hours worked during the first half of 1978 decreased by 39,000 (1.5 percent) from the first half of 1977. These declines in employment and man-hours have been accompanied by substantial increases in productivity, however; implying that it was automation, not import competition, that displaced the employees. Productivity increased over 17 percent in the 4-1/2 years between 1973 and June 1978.

Profitability--Profit and loss figures for the domestic light bulb industry are not available since Westinghouse was the only respondent to the Commission questionnaire supplying such data.

Westinghouse's profit experience has been * * * since 1973 with a * * * * since 1976. Based on the information developed during this inquiry, we cannot attribute these * * * to import competition.

Market share--In terms of volume, Hungary increased its share of the U.S. import market from 16 percent in 1973 to 59 percent in 1977. Imports from Hungary also increased as a percentage of apparent domestic consumption - from 2.1 percent in 1973 to 3.9 percent in 1977 - but this increase in market share displaced other imports, not domestic producers. U.S. producers' share of apparent domestic consumption during this period actually increased from 87.3 percent to 93.4 percent.

Lost sales--Westinghouse cited 11 instances of sales allegedly lost to imported Hungarian light bulbs. The Commission verified that four of these accounts did place some orders for Hungarian light bulbs, but that they nevertheless continued to place orders with Westinghouse and/or other domestic manufacturers. A fifth purchaser (of the 11 cited) stated that he still dealt exclusively with Westinghouse, while another indicated that he had switched to a different domestic producer.

General Electric cited five customers with whom sales had been lost to Hungarian light bulbs. The two customers who could be reached stated that GE was still their principal supplier and that they did not purchase light bulbs from Action Industries (the importing agent of Hungarian bulbs).

North American Philips listed 4 customers with whom it had allegedly lost sales to Hungarian light bulbs. One of the two companies reached had not yet purchased any bulbs from Action, while the other had turned to Hungarian light bulbs for reasons of both * * * * on the part of Philips.

Prices--G.E. light bulbs were priced anywhere from * * cents to * * cents * * light bulbs from Hungary during the period 1976 to June 1978. These differentials are not insignificant, but they may be explained by the fact that there are actually two distinct U.S. light bulb markets - the on-counter market (e.g., supermarkets) and the off-counter, promotion market (e.g. discount stores). G.E., selling at or near list price, dominates the on-counter market; while Hungarian light bulbs are sold at lower prices in the off-counter market. It is more appropriate, therefore, to compare Hungarian prices to the prices of domestic companies that sell in the off-counter market, and in so doing, the price differentials become minimal. * * * prices on white lamps, for example, were actually * * than those of Hungarian bulbs in some cases and * * * than * * cents * * * the Hungarian price from 1976 through June of 1978.

* * * 3-way lamps were priced from * * cents to * * cents * * Hungarian 3-way lamps during this period; while the price differences on inside frost lamps were from * * cent to * * cents (* * * being higher).

Westinghouse prices fell roughly between those of G.E. and Philips.

Conclusion

The indices we have examined do not reveal any injury within the domestic light bulb industry that may be attributed to imports of lightbulbs from Hungary.

As for likelihood of injury, the most significant evidence is a report that Hungary intends to expand its capacity to 840 million units with a 2.4 fold increase in exports to capitalist countries over the next five years. There is no evidence, however, that the expanded capacity will be devoted entirely to incandescent lamps. Nor is it likely that the 2.4 fold increase in exports to "capitalist countries" will go exclusively to the U.S.. These imports could be allocated to Western European countries, the U.S., or any other of a number of potential markets. In testimony before the Commission, Counsel for Action Tungsram stated that imports of incandescent bulbs from Hungary into the U.S. would not exceed

65 million bulbs each year. As long as that objective prevails, and we have no reason for believing otherwise, imports of light bulbs from Hungary will not injure the domestic industry.

We have therefore determined that the Treasury Department investigation of incandescent lamps from Hungary allegedly sold at LTFV should be terminated on the basis that there is no reasonable indication that an industry in the U.S. in being, or is likely to be, injured by reason of such imports.

Views of Chairman Joseph O. Parker and Commissioner Italo H. Ablondi

On August 4, 1978, the United States International Trade Commission received advice from the Secretary of the Treasury that, in the course of a preliminary investigation with respect to standard incandescent lamps from Hungary, he had concluded on the basis of the information developed that there is substantial doubt whether an industry in the United States is being or is likely to be injured by reason of the importation of this merchandise into the United States. Acting upon this advice, the Commission, on August 10, 1978, instituted inquiry No. AA1921-Inq.-18 under section 201(c)(2) of the Antidumping Act, as amended, to determine whether there is no reasonable indication that 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. The preliminary antidumping investigation was initiated by the Secretary of the Treasury upon the basis of a petition filed by Westinghouse Electric Corp.

Determination

On the basis of information developed during the course of inquiry No. AA1921-Inq.-18, I determine that the standards set forth in section 201(c)(2) of the Antidumping Act, 1921, as amended, for continuing the investigation have been met.

Discussion

Pursuant to section 201(c)(2) of the Antidumping Act, an investigation under the Antidumping Act may be terminated if the United States International Trade Commission determines there is "no reasonable indication that an industry in the United States is being or is likely to be injured . . . by reason of the importation" of the subject merchandise into the United States. In my judgment, this investigation has not established that there is no reasonable indication that an industry is likely to be injured by reason of the importation of standard incandescent lamps (light bulbs) from Hungary alleged to be sold at less than fair value (LTFV).

The petitioner, Westinghouse Electric Corp., has alleged that light bulbs from Hungary are being imported with margins of dumping ranging from 234 to 357 percent. The light bulbs allegedly sold at LTFV are produced by United Incandescent Lamp & Electrical Co., Ltd. (commonly known as Tungsram), Budapest, Hungary. This is a state-owned and state-controlled organization. It is the sole manufacturer and exporter of light bulbs from Hungary. Tungsram is one of Hungary's largest manufacturing organizations and is among the top 10 light bulb manufacturers in the world. During the course of the Commission's investigation, information was received which indicates that Tungsram may increase its annual productive capacity and significantly increase its exports to the United States.

Imports of light bulbs from Hungary increased consistently during 1973-76. In 1973, approximately 31 million units were imported from Hungary. Such imports increased steadily during the next 3 years and totaled 60 million units in 1976, or more than 4.5 percent of apparent U.S. consumption. Although imports of light bulbs from Hungary decreased slightly in 1977, they still accounted for approximately 4 percent of apparent U.S. consumption. The evidence indicates that the share of apparent U.S. consumption accounted for by such imports in January-June 1978 increased over the 1977 level.

Pricing information gathered during the Commission's investigation indicates that light bulbs from Hungary generally undersell domestically produced light bulbs. Because of the present structure of the domestic light bulb market, imports from Hungary appear to be directly competitive with light bulbs produced by Westinghouse and North American Philips and undersell the products of both these producers. The limited information available from this 30-day inquiry also indicates an increase in inventory levels for January-June 1978, although apparent U.S. consumption appears to continue to be rising.

In my judgment the information developed during the Commission's investigation does not warrant a determination that there is no reasonable indication that an industry in the United States is likely to be injured. There is unrebutted evidence that establishes the fact that imports from Hungary are increasing and capturing a larger share of the market. There is also evidence which indicates underselling in the market with alleged LTFV margins ranging from 234 to 357 percent. In addition, there is evidence which indicates that the capacity of Tungsram, a state-controlled company, may be substantially expanded with increased production available for export to the United States. These facts, in my opinion, are indicative of injury and compel the conclusion that the investigation should be continued to determine whether the Antidumping Act is being violated.

INFORMATION OBTAINED IN THE INQUIRY

Summary

On August 10, 1978, the Commission instituted inquiry No. AA1921-Inq.-18 on standard household incandescent lamps -- dutiable under item 686.90 of the TSUS -- after receiving advice from Treasury on August 4, 1978, that there is substantial doubt that imports of subject goods from Hungary alleged to be sold at LTFV are the cause of present or likely injury to an industry in the United States. Treasury's advice is consequent to a preliminary antidumping investigation it initiated in response to a petition it received on June 21, 1978, from counsel acting on behalf of Westinghouse Electric Corporation. The petitioner contends that, because of the importation of standard household incandescent lamps from Hungary at LTFV, it and other domestic producers are being injured by reason of lost sales, reduced market share, and price suppression.

Standard household incandescent bulbs ("light bulbs") are used primarily in households to provide ambient as well as reading or work illumination. Most light bulbs have a teardrop exterior configuration and are manufactured in fairly standard stages of processing. Light bulb manufacture is a highly automated, capital intensive operation.

Eight firms currently produce standard household incandescent lamps in the United States at 17 plant sites, most of which are in Pennsylvania, New Jersey, and Massachusetts. The industry is highly concentrated. Four firms -- General Electric, GTE-Sylvania, Westinghouse, and North American Philips -- account for over 95 percent of U.S. capacity and all are large, diversified multinationals. Their market shares are estimated as * * * percent for GE, * * * percent for Sylvania, * * * percent for Westinghouse, and * * * percent for Philips. GE holds about 80 percent of the important supermarket trade, which constitutes half of all light bulb sales. In this market, a lucrative "suggested retail price" system prevails.

North American Philips Lighting Corp., a wholly-owned subsidiary of North American Philips Corp. (itself the affiliate of a Dutch multinational firm), is the most recent entrant to the U.S. industry, having started significant operations in 1970. Since then, this firm has been able to establish itself as the fourth largest domestic producer and as a significant competitor in this highly concentrated industry.

Action Industries, Inc., of Cheswick, Pa., was the exclusive importer of Hungarian light bulbs produced by a firm commonly known by its brand name "Tungsram" from 1972 through 1977. In mid-1977, Action and Tungsram formed a joint venture, Action-Tungsram, Inc., headquartered in East Brunswick, N.J. Since the start of 1978, Action-Tungsram has been the exclusive importer and distributor of Tungsram lamps. Before the end of 1978, the firm will commence domestic production of household light bulbs. Ultimately, its production operations are expected to increase domestic U.S. capacity by an estimated * * *.

U.S. domestic light bulb demand has passed through a cycle in the past five years. Consumption output, and domestic shipments all peaked in 1973, a boom year, and fell substantially until the recession bottomed out in 1975. By 1977, all had recovered to positions at or near their levels of 1973. Due largely to continuing increases in productivity in the industry, employment levels and hours worked have climbed much more sluggishly.

Overall imports of household light bulbs have declined sharply since 1973. Imports' market share fell from 12.7 percent in 1973 to only 6.6 percent in 1977. Imports from Hungary, however, have run completely counter to this trend. Hungary's share of U.S. light bulb consumption rose from 2.1 percent in 1973 to a peak of 4.6 percent in 1976, whence it fell off to 3.9 percent in 1977; it was 5.3 percent during the first half of 1978. As this occurred, Hungary steadily pushed other exporters out of the U.S. market. Its share of total imports skyrocketed between 1973 and 1977 from 16 percent to 59 percent in volume terms and from 9 percent to 44 percent of the value of U.S. light bulb imports.

Only Westinghouse provided the Commission with financial information on its operations. This firm has enjoyed generally * * * over the period under review, * * * its profitability, while relatively * * *, has been * * *. Rates of return on sales were * * * percent or more in 1973, 1974, and 1976, * * * percent in 1975, and * * * percent in 1977--but net profit before taxes as a percent of sales * * * percent during the first six months of 1978. The firm appears to be * * * * * * which has seen the ratio of cost of goods sold to net sales * * * * * * in 1973 to * * * percent in 1977 and * * * percent in the first half of 1978.

Price competition in household light bulb markets is most pronounced in the promotional, off-shelf market segment outside the supermarkets and similar on-shelf sales outlets. With GE holding the major share of the on-shelf market, other producers compete more directly in the promotional market, which is in fact the only segment open to small domestic producers and importers. Philips is Tungsram's most direct competitor in this market. Westinghouse lies somewhere between Philips and GE with respect to its market positioning.

Prices as reported by the domestic producers and Tungsram reflect these market positions. * * *. In general, however, the price data reported to the Commission show imported Hungarian household light bulbs consistently underselling the domestic product.

The Commission received a total of twenty specific allegations by domestic producers of sales lost to light bulbs imported from Hungary. Five of these allegations were verified, four of them having taken place on the basis of price competition and the fifth because of * * *.

Introduction

On August 4, 1978, the United States International Trade Commission received advice from the Department of the Treasury that there is substantial doubt that 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 standard household incandescent lamps from Hungary that may be sold in the United States at less than fair value (LTFV) within the meaning of the Antidumping Act, 1921, as amended. 1/ Accordingly, on August 10, 1978, the Commission instituted an inquiry, AA1921-Inq.-18, under section 201(c) of said act, to determine whether there is no reasonable indication that 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. By statute the Commission must render its determination within 30 days of its receipt of advice from Treasury -- in this case by September 3, 1978.

In connection with the investigation, a public hearing was held in Washington, D.C., on August 22, 1978. Notice of the institution of the investigation and the public hearing was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington D.C., and at the Commission's office in New York City, and by transmitting the original notice to the Federal Register on August 11, 1978. 2/

Treasury's advice is consequent to a preliminary antidumping investigation it initiated in response to a petition it received on

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1/ The Department of the Treasury's letter of notification to the U.S. International Trade Commission is presented in Appendix A.
2/ A copy of the Commission's notice of investigation and hearing is presented in Appendix B.

June 21, 1978, from counsel acting on behalf of Westinghouse Electric Corporation, Pittsburgh, Pennsylvania. 1/ The petitioner contends that because of the importation of standard household incandescent lamps from Hungary at LTFV, it and other domestic producers are being injured by reason of lost sales, reduced market share, and price suppression. 2/

In the event that the U.S. International Trade Commission finds in the affirmative -- that there is no reasonable indication that 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 standard household incandescent lamps from Hungary that may be sold at less than fair value -- Treasury's investigation as to the fact or likelihood of sales at LTFV will be terminated. If the Commission finds in the negative, Treasury's investigation will continue.

Description and Uses

Standard household incandescent lamps (bulbs), hereafter termed household light bulbs, consist of single wattage light bulbs from 15 to 150 watts, and three-wattage or "three-way" bulbs, all operating at more than 100 volts. Single wattage bulbs are of two general types, "white lamps" and other general lighting lamps. White lamps have an inside coating of powdered silica (glass) which is white in appearance and provides a soft, diffuse, white light. Other bulbs -- commonly referred to as "frost" or "inside frost" lamps -- have envelopes that receive an internal acid etching which does not absorb a measurable amount of light but does diffuse the light from the filament. Three-way lamps are comparable to single wattage bulbs except that they provide three different levels

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1/ Treasury's notice of antidumping proceeding is presented in Appendix C.

2/ Appendix D contains letters to the Commission which set forth the views on these issues of two other major U.S. producers of lamps, General Electric Company and GTE Products Corporation, Lighting Group.

of illumination at three different wattages, almost always within the 30-250 watt range. Household light bulbs, while used primarily in the home, are of course also used in such commercial settings as offices and restaurants.

Household light bulbs differ generally from both nonhousehold bulbs and nonincandescent lamps in use, design, performance, and manufacture. Fluorescent lamps and high-intensity discharge lamps (H.I.D.) find their primary applications in commercial establishments, street lighting, and industrial uses because of their poor color-rendering qualities and their relatively high price. Most nonhousehold incandescent lamps are used for special commercial lighting applications such as sign and decorative lamps, appliance and indicator lamps, signal lamps, precision design lamps, aviation lamps, and showcase lamps.

The performance and operating characteristics of household light bulbs also distinguish them as a product class. They are designed to operate most efficiently on standard household voltage supplies. Bulbs intended for commercial or industrial applications, however, often are designed with low-voltage filaments for battery-powered operation, or with high-voltage filaments for heavy industrial use. Household bulbs generally have wattages ranging from 15 to 150, although some three-way lamps go up to 200 or 250 watts. Wattages under 15 or over 250 are too dim or too brilliant for ordinary household use. Standard household bulbs usually are designed to last from 750 to 1,350 hours, with newer (and more expensive) varieties lasting up to 3,000 hours. Bulbs for commerce or industry can have extremely short lives as in the case of photoflood lamps (as little as three hours) or relatively long ones as in street lighting lamps (3,000-12,000 hours). In either case, an inverse relationship exists between bulb life and light output. The design of household bulbs reflects a compromise between the inconvenience of replacing short-lived lamps and the relatively greater expense of longer-lived bulbs.

The household bulb usually has a teardrop shape and is coated or etched inside to minimize glare generated by the filament. Incandescent lamps for industrial use often have different shapes and may not be coated. household light bulbs use screw-type bases of medium size and a relatively simple filament configuration consisting of a glass stem, two lead visors, and a vertically mounted filament. Nonhousehold lamps can have a variety of base sizes and styles, as well as unique filament configurations designed for special applications.

The production of household light bulbs is highly capital intensive and employs high-speed, automated machinery in large plants.The processes used to manufacture household light bulbs differ substantially from those employed to make nonincandescent lamps. The basic manufacturing stages -- common to most types of incandescent lamps -- involve first the preparation of a "mount" consisting of the filament assembly. A glass envelope is placed over the mount and sealed, and the bulb is cemented to the base. Despite these commonalities in the manufacture of most incandescent bulbs, however, the machinery used to produce household bulbs is extremely specialized and cannot economically be used to make other types of incandescent lamps. Household bulbs are the simplest to make; more complicated varieties of incandescent lamps call for different equipment and in some cases different manufacturing processes.

U.S. Tariff Treatment

Standard household incandescent lamps are dutiable under the provisions of item 686.90 -- covering filament lamps designed to operate at 100 volts or more -- of the Tariff Schedules of the United States (TSUS). Since 1976, two statistical annotations, items 686.9010 and 686.9030, have been recognized in the annotated TSUS (TSUSA). TSUSA item 686.9010 applies to 3-way bulbs and item 686.9030 covers other, including standard household, general lighting lamps. TSUSA provision 686.9030 includes the two most common types of single wattage household lamps, namely the "inside frost" and "soft white" varieties. The column 1 (most-favored-nation) rate of duty for TSUS item 686.90 is 4 percent ad valorem and the column 2 (statutory) rate is 20 percent ad valorem. Since July 7, 1978, the effective date of the U.S.-Hungarian Trade Agreement, imports from Hungary have received most-favored-nation treatment. Imports of standard household incandescent lamps under item 686.90 are eligible for duty-free treatment under the Generalized System of Preferences (GSP). Hungary, however, has not been designated as a country eligible for GSP treatment.

Nature and Extent of Alleged LTFV Sales

In its petition to Treasury, Westinghouse asserted that because Hungary is a state-controlled economy country, the foreign market value of lamps that it exports to this country should be measured in terms of prices at which similar merchandise is sold in a non-state-controlled economy country. Westinghouse contended that the most appropriate country of comparison should be West Germany.

Westinghouse obtained information on the prices charged by a major * * * manufacturer, * * *, to its customers in West Germany. The data obtained were actual wholesale prices (discounted approximately 50-60 percent from retail list). Westinghouse compared these foreign market prices against the estimated purchase prices paid to the Hungarian exporter by the U.S. importer. These purchase prices were computed using two different sources of price data: (1) Department of Commerce import value figures, and (2) wholesale prices charged by the importer to its retailer customers. Both yield essentially the same results, namely dumping margins as computed by Westinghouse that range from 234 percent to 357 percent.

In an independent analysis to shed additional light on the Westinghouse results, the Commission has examined the unit values of West German and U.S. imports of light bulbs in comparable tariff headings over the five-year period from 1973 through 1977. With the West German data adjusted roughly to an f.a.s. basis comparable to the U.S. figures, the results suggest sizeable discrepancies or "margins" between Hungary's export prices for West Germany and the prices of its light bulb sales to the United States, although the figures are not as high as those calculated by Westinghouse by its method. Weighted by the quantities of U.S. light bulb imports over the five years, the average difference in unit values is about 48 percent based on the unit values for West Germany and about 94 percent based on U.S. import unit values. In 1977, the estimated f.a.s. value of West German imports of Hungarian light bulbs was 14.5 U.S. cents each; the comparable figure for U.S. imports of the product from Hungary was 7.6 cents.

Furthermore, a check of similar import unit values for four other European importers of Hungarian light bulbs reveals values ranging from an estimated 4.9 cents for Italy to 21.4 cents for the Netherlands. The figure for Denmark was 12.2 cents and that for Austria was 13.6 cents -- quite close to West Germany's 14.5 cents. All these figures refer to imports of Hungarian light bulbs in 1977. Of the five countries analyzed, West Germany and Austria accounted for nearly equal and by far the larger volumes of lamp imports from Hungary. Hence, all the data analyzed suggest (1) that the choice of West Germany for purposes of margin comparisons is reasonable, and (2) that in general sizeable differences do exist between the prices of Hungarian lamp exports to Western Europe and the prices of similar exports to the United States.

The Domestic Industry

Eight companies currently report 1/ production of standard household incandescent lamps in the United States, although technically the predominant output of four of these firms is of a "specialty" rather than a "standard" bulb. "Specialty" bulbs generally have the same appearance as

1/ Bureau of the Census Current Industrial Report M-36B (Electric Lamps).

standard lamps but are manufactured by slower, more labor intensive, and more exacting processes which are designed to guarantee longer life, greater reliability, or more precise lighting characteristics than those normally found in the home. "Specialty" bulbs usually command much higher prices than standard household lamps and are sold primarily in commercial and industrial markets.

Four companies -- General Electric Co., Inc. (GE); GTE Sylvania (Sylvania); Westinghouse Electric Corporation (Westinghouse); and North American Philips Lighting Corp. (NAPLC) -- account for over 95 percent of domestic shipments of standard incandescent household lamps. All four companies are large, diversified, multinational corporations. GE alone is estimated to account for more than 50 percent of the $500 million annual retail market and about * * * percent of the quantity of shipments. Sylvania holds * * * place with * * * percent of shipments, Westinghouse * * * percent, and NAPLC has a * * * percent share.

GE owes its dominant position in the industry largely to its control of at least 80 percent of the lucrative supermarket sales of light bulbs. Annual retail sales in supermarkets currently account for half of all light bulbs sold and have consistently represented higher profits for both producers -- who * * * of "suggested retail prices" -- and retailers -- who generally purchase their bulbs from manufacturers at discounts of 55-60 percent from suggested retail prices.

Sylvania and Westinghouse are established producers of light bulbs as well as a wide range of other lighting products. Sylvania probably has a * * * than Westinghouse because its * * * are * * *. Westinghouse has moved increasingly out of consumer product markets to the point where its electric lamp business (which includes standard household bulbs) represents its sole remaining consumer product line. There are strong indications that this shift is the result of an overall corporate policy of * * *.

NAPLC, a wholly owned subsidiary of North American Philips Corp., is the most recent entrant in the U.S. industry, having started significant operations in 1970. With the backing of its parent firm, N.V. Philips Gloielampenfabrieken of the Netherlands, NAPLC has successfully established itself as the fourth largest U.S. producer and as a significant part of the highly concentrated light bulb industry. It is a direct competitor of Westinghouse in the mass merchandising, discount store segment of the market -- i.e. that segment not heavily controlled by GE.

The U.S. Justice Department's Antitrust Division currently is investigating pricing policies within the electric lamp industry. The last major investigation of the industry by Justice began in 1966 and ended in 1974 when a Federal judge found that "prices of GE light bulbs have been stabilized and maintained at artificially high levels" as the result of "agency" agreements between GE and its wholesale and retail accounts. These agency agreements, which were common for Westinghouse and Sylvania as well, allowed the manufacturers nearly complete control over of the selling prices of their products. GE subsequently was ordered to cease dictating the wholesale and retail prices at which its products would be resold; Westinghouse and Sylvania later agreed voluntarily to discontinue their agency marketing practices.

The Hungarian Industry

The sole Hungarian manufacturer and exporter of the household lamps subject to this inquiry is the United Incandescent Lamp and Electrical Co., Ltd., with headquarters in Budapest. The company is commonly known as

Tungsram, after the brand name under which its incandescent lamps and other electrical equipment are sold. Tungsram, one of Hungary's largest firms and among the ten largest lamp manufacturers in the world, employs approximately 35,000 workers.

Tungsram is the only industrial enterprise authorized by the Hungarian Ministry of Foreign Trade to export incandescent lamps. In 1975, almost three-quarters of Tungsram's total incandescent lamp output was exported. Western Europe and the United States represent Tungsram's largest export markets.

Like many major West European manufacturers and some U.S. companies, Tungsram is vertically integrated as a maker of incandescent lamps. It not only produces all of the basic materials and components used in its incandescent lamp operations -- tungsten filament wire, glass envelopes, bases, etc. -- but also the machinery, production lines, and plant equipment as well. It is believed that of the estimated 22 plants operated by Tungsram, at least 6 make incandescent lamps or components.

Tungsram's capacity to produce light bulbs is approximately * * * million units per year. No specific percentage of this capacity is allocated to the U.S. market but, because of current worldwide demand, Tungsram's agreement with Action Tungsram, Inc. (its U.S. importer), stipulates that Tungsram's exports to the United States will not exceed 65 million units (they currently are running at an annual rate of 56-57 million units). This agreed level represents about * * * percent of capacity. According to a confidential response by Tungsram to a Commission inquiry through the U.S. Department of State, * * * expansion is planned within the next year. Nevertheless, other information (see Appendix D) cites 1977 statements by the president of Tungsram to the effect that, over the course of Hungary's present Five Year Plan (1976-1980), the firm plans capacity expansion to a total of 840 million units annually, with a 2.4-fold increase in exports to "capitalist" countries. It is not clear how these enlarged exports are to be allocated among West European, U.S., and other markets but there is a reference to an expected 20 percent growth in "dollar accounting export," which does not necessarily imply that the entire increase will affect the United States.

Action Industries, Inc., of Cheswick, Pa., was the exclusive importer of Hungarian light bulbs produced by Tungsram from 1972 through 1977. In mid-1977, Action and Tungsram formed a joint venture, Action-Tungsram, Inc., a U.S. corporation headquartered in East Brunswick, N.J. Since January 1, 1978, Action-Tungsram has been the exclusive importer and distributor of Tungsram lamps, 95 percent of which, from 1972 to the present, are estimated to have been standard household lamps.

Action-Tungsram is about to become a domestic producer as well. It currently is setting up * * * for light bulbs, with the first output expected this fall; * * * are planned. Action-Tungsram's work force is expected to reach 100 in the early years of factory operation. While planned capacity has not been revealed by the firm, a rough estimate, based on projected employment and assuming that the firm's productivity will be about in line with that of its U.S. counterparts, suggests that this new plant will represent an increase in overall U.S. capacity of * * * or * * * million units annually, or about * * * percent of present total U.S. capacity. Most of the production machinery for Action-Tungsram's new plant has been purchased from Tungsram of Hungary, but Action-Tungsram is sourcing all of its components (glass envelopes, tungsten wire, etc.) from U.S. firms.

Action Industries and Action-Tungsram have sold and are selling almost exclusively to mass merchandising and discount retail outlets in the

United States. Competition through these outlets is highly price-promotional; this fact, together with the market structure of the industry, places Tungsram most directly in rivalry with Westinghouse and NAPLC, both of which compete in the same market segment.

Channels of Distribution

The standard household lamp market generally consists of a commercial-industrial sector (controlled by GE, Sylvania, and Westinghouse) and a consumer sector. Within the consumer sector there are two recognized selling methods: on-shelf and promotional (non-shelf). GE, Westinghouse, and Sylvania dominate the on-shelf market, with GE holding the lion's share. The promotional consumer selling channel is the single most competitive segment of the overall market, with price competition playing an essential role. This segment is the only market easily open to the smaller U.S. producers as well as to importers.

The consumer usually purchases light bulbs at retail outlets such as supermarkets, department stores, drug stores, discount chains, hardware stores, and other general housewares outlets. The supermarkets once accounted for as much as 60 percent of consumer sales, but aggressive merchandising by discount and department stores has cut this figure to about 50 percent and is continuing to make inroads. Nevertheless, supermarkets are expected to maintain their leadership, because householders tend to buy light bulbs in the stores they frequent the most. Most supermarkets carry only a single national brand of light bulbs, which tends to reinforce the discipline of the manufacturer's suggested retail price. GE currently holds an estimated 80 percent of supermarket sales.

Consideration of Injury or Likelihood Thereof by Reason of Alleged LTFV Sales

U.S. production and utilization of productive facilities

Table 1, below, tells a story familiar to many U.S. industries during the 1970's. After reaching a peak in the boom year, 1973 domestic production of household light bulbs dropped by nearly 20 percent to a low in the recession year 1975. Output improved after that, increasing by 19.2 percent from 1975 through 1977 -- although the 1977 level remained 3.4 percent below 1973's peak. Half-yearly data for 1978 indicate that current output is running at a level practically unchanged from that of 1977.

Movements of the production figures since 1973 follow fairly closely the demand trends evidenced by overall consumption figures, indicating that business cycle forces have provided the major influence on the level of activity in this industry, although Westinghouse alleges in its complaint that production declines in 1974 and 1975 were due in significant part to LTFV imports from Hungary. The household light bulb is a staple item in the consumer's budget, and bulb sales ought to be fairly resistant to cyclical forces. These forces doubtlessly were exacerbated, however, by the effects of the energy crisis of late 1973 and 1974, with its accompanying increases in electricity costs and rising light bulb prices, both of which dampened light bulb sales and output.

Table 1.--Light bulbs: U.S. production and period-to-period change in production, 1973-77 and January-June 1977 and 1978

Period	Production	Period-to-period change	Index 1973=100
	1,000 units	Percent	Percent
1973	1,369,142	-	100.0
1974	1,112,884	-18.7	81.3
1975	1,102,179	- 1.0	80.5
1976	1,238,778	+12.4	90.5
1977	1,322,777	+ 6.8	96.6
January-June --			
1977	685,324	-	50.1
1978	1/ 687,924	+ .4	50.2

1/ Estimated.

Capacity in the U.S. light bulb industry has changed little since 1973, according to industry officials contacted by the Commission. There is general agreement that output in that year represented maximum economic use of capacity, and current production data show that producers now are operating fairly close to that level. Since 1973, capital expenditures by U.S. producers have been concentrated on increased automation and efficiency for existing production lines rather than on the creation of new capacity. With the notable exception of * * *, * * *, 1/ the producers have focused on the use of automated, high-speed equipment, changing their operations to new assembly line techniques in place of older staged or stratified processing concepts.

U.S. producers' shipments and exports

Generally, U.S. producers' total shipments, by volume, have followed a pattern over time similar to that of production, except that by 1977 the recovery to the 1973 level was virtually complete. (See table 2.) Thanks to substantial price increases, however, total shipments increased in value by 42 percent between 1973 and 1977. Although they do not represent an important factor in the U.S. producers' light bulb business, accounting for less than 2 percent of total shipments, exports have done well over the period, showing an increase in volume of nearly 40 percent and almost doubling in value.

1/ * * *, indicated that the capital investment channeled into its household lamp operations in 1976 was * * * percent of its 1973 level. At * * * percent of the 1973 level, its capital expenditures in 1977 were * * *.

Table 2.--Light bulbs: Total shipments and exports, and average unit values of shipments and exports, 1973-77 and January-June 1977 and 1978

Period	Shipments		Exports		Average unit values	
	Quantity	Value	Quantity	Value	Shipments	Exports
	1,000 units	1,000 dollars	1,000 units	1,000 dollars	Cents	Cents
1973	1,294,645	207,758	13,629	1,866	16.1	13.7
1974	1,155,142	200,656	13,251	2,141	17.4	16.2
1975	1,118,700	233,272	11,279	2,206	20.1	19.6
1976	1,229,688	274,491	16,977	3,307	22.3	19.5
1977	1,291,743	295,669	18,972	3,659	22.9	19.3
January-June--						
1977	617,610	142,847	9,877	1,985	23.1	20.1
1978	621,360	150,675	11,320	2,313	24.2	20.4

Source: U.S. Bureau of Census Current Industrial Report M36-B.

Inventories

U.S. light bulb producers have been fairly successful in holding their inventory levels for household bulbs under control, so that stocks have more or less paralleled trends in production and shipments. (Table 3.) In fact, good inventory control has permitted a decline in inventory/sales ratios, from about 27 percent in 1973 to about 24 percent in 1977; this drop in the size of inventories relative to shipments, in turn, explains why shipments in 1977 showed a virtual recovery to 1973 levels whereas production remained a few percentage points below those levels. Data for January-June of 1977 and 1978, however, may signal a reversal of this overall improvement; the inventory/sales ratio for January-June 1978 was at 30 percent, compared with 28 percent in the corresponding period of 1977.

Table 3.--Light bulbs: U.S. producers' inventories as of Dec 31 of 1973-77 and June 30 of 1977 and 1978

(In thousands of units)

Lamp types	As of Dec. 31--					As of June 30--	
	1973	1974	1975	1976	1977	1977	1978
White lamps-----	114,452	103,882	113,201	104,930	113,221	144,299	148,554
Other lamps-----	219,973	171,569	145,634	160,191	184,218	187,352	211,112
3-way lamps-----	15,074	12,490	11,007	13,811	10,880	14,995	15,217
Total--	349,499	287,941	269,842	278,932	308,319	346,646	374,883

Source: U.S. Bureau of Census Current Industrial Report M36-B.

U.S. imports for consumption

Although classification changes over the 1973-77 period probably cause some overstatement of household light bulb imports in the available data for 1973-75 (see footnote to table 4), the overall trend is unmistakably downward. The figures in table 4 show total imports down 52 percent in volume and almost 60 percent in value between 1973 and 1977. Nevertheless, in this declining market for imports in general, the Hungarian exporter has performed well. Despite a slackening in the pace of U.S. imports of light bulbs from Hungary between 1976 and 1977 (and again in the first half of 1978 as compared with the first half of 1977), imports from Hungary in 1977 were 73 percent higher in volume and 92 percent higher in value than they had been in 1973. The result for Hungary was a substantial increase in import market share wrested from other countries; Hungary's slice of total U.S. household light bulb imports jumped from 16 percent to 59 percent in volume terms and from 9 percent to 44 percent in value between 1973 and 1977. During the first half of 1978, Hungary accounted for 55 percent of the total import quantity and 39 percent of the value.

Table 4.--Light bulbs: 1/ U.S. imports for consumption, by principal sources, 1973-1977 and January-June 1977 and 1978

Source	1973	1974	1975	1976	1977	January-June-- 1977	January-June-- 1978
	Quantity (1,000 units)						
Hungary	30,754	26,182	33,456	59,914	53,152	34,699	28,274
Canada	30,343	20,313	18,314	9,195	4,181	3,117	458
Republic of China	15,141	18,198	10,345	8,042	11,398	5,442	7,746
Japan	35,739	20,859	16,255	8,119	9,523	4,747	5,430
Republic of Korea	9,091	10,314	14,166	10,539	9,450	3,827	8,065
All other	60,001	30,413	17,735	4,148	1,889	566	1,594
Total	187,069	126,279	110,271	99,957	89,593	52,398	51,567
	Value (1,000 dollars)						
Hungary	2,104	1,792	2,232	3,809	4,046	2,345	2,146
Canada	4,827	2,308	2,044	1,030	549	397	176
Republic of China	688	1,271	940	583	741	362	633
Japan	5,062	3,790	3,085	1,460	1,974	948	1,024
Republic of Korea	733	1,135	1,642	1,447	1,229	483	1,028
All other	9,406	7,649	7,641	999	635	227	511
Total	22,820	17,945	17,584	9,328	9,174	4,762	5,518
	Unit value (cents)						
Hungary	6.8	6.8	6.7	6.4	7.6	6.8	7.6
Canada	13.3	11.4	11.2	11.2	13.1	12.7	38.4
Republic of China	4.5	7.0	9.1	7.2	6.5	6.7	8.2
Japan	14.2	18.2	19.0	18.0	20.1	20.0	18.9
Republic of Korea	8.1	11.0	11.6	13.7	13.0	12.6	12.8
All other	15.7	25.2	43.1	24.1	33.6	40.1	32.1
Total	12.2	14.2	15.9	9.3	10.2	9.1	10.7
	Percent of total quantity						
Hungary	16.4	20.7	30.3	59.9	59.3	66.2	54.8
Canada	19.4	16.1	16.6	9.2	4.7	6.0	1.0
Republic of China	8.1	14.4	9.4	8.1	12.7	10.4	15.0
Japan	19.1	16.5	14.7	8.1	10.6	9.0	10.5
Republic of Korea	4.9	8.2	12.9	10.5	10.6	7.3	15.6
All other	32.1	24.1	16.1	4.2	2.1	1.1	3.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Data for 1973-75 represent all imports under TSUS item 686.9000 (filament electric lamps for operation over 100 volts). Data from 1976 through June 1978 represent only TSUSA items 686.9010 and 686.9030 (3-way and standard household lamps). It is estimated that at least 95 percent of total imports from Hungary since 1973 have been standard household lamps.

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

U.S. consumption

Domestic demand for household light bulbs dropped by about 17 percent between 1973 and 1975, then began a recovery which brought total consumption up to 93 percent of its 1973 level by 1977 (see table 5). Half-yearly data for 1977 and 1978 suggest that demand has changed little in the current year. These data reflect the various forces impacting on demand which were discussed in the earlier section on U.S. production.

Because imports declined precipitously over the 1973-77 period, the overall ratios of imports to domestic consumption fell steadily. The following tabulation illustrates this decline:

	Ratio of total imports to consumption (in percent)
1973	12.7
1974	10.0
1975	9.1
1976	7.6
1977	6.6
January-June--	
1977	7.9
1978	7.8

The Hungarian exporter, on the other hand, has succeeded in gaining a larger share of the U.S. market over the past 4-1/2 years (table 5). Hungary's 2.1 percent share of the U.S. light bulb market more than doubled to 4.6 percent in 1976, whence it fell off to just under 4 percent in 1977 despite substantial growth during the first half of that year. In the first half of 1978, there was another drop in Hungary's market share as compared with the first six months of 1977, but this is an unclear indication; it could just as well be interpreted as a rise from 1977 as a whole and as a substantial jump from the unusually low 2.8 percent recorded in the second half of 1977.

Table 5.--Light bulbs: U.S. consumption and imports for consumption from Hungary, 1973-1977 and January-June 1977 and 1978

Period	U.S. consumption	Imports for consumption from Hungary 1/	Ratio of imports from Hungary to U.S. consumption
	1,000 units	1,000 units	Percent
1973	2/ 1,467,836	30,754	2.1
1974	2/ 1,268,170	26,182	2.1
1975	2/ 1,217,692	33,456	2.7
1976	1,312,666	59,913	4.6
1977	1,362,364	53,152	3.9
January-June--			
1977	660,131	34,699	5.3
1978	661,607	28,274	4.3

1/ It is estimated that at least 95 percent of total imports from Hungary for all periods were standard household light bulbs.
2/ U.S. consumption for these years was computed using TSUS item 686.9000 (all filament electric lamps over 100 volts, approximately 60 percent of which were standard household light bulbs). The estimated effect of the inclusion of other than standard household lamps in these years is a depression of the import-to-consumption ratios of 0.1 percent for 1973-75.

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

Employment

The data in table 6 indicate the employment experience of about * * * of the U.S. lightbulb industry from 1973 through 1977 and during January-June of 1977 and 1978. The data show that since 1973, employment and man-hours worked by production and related workers engaged in making standard household lamps decreased by 11.2 percent and 15.3 percent, respectively, or by 329 persons and 891,000 man-hours. Over the same period, employment and man-hours worked by production and related workers engaged in producing all products manufactured in light bulb-producing establishments decreased by only

176 workers (3.7 percent) and 450,000 man-hours (5 percent), respectively. The number of workers employed on standard household lamp operations did not change from January-June 1977 to the corresponding period of 1978, but man-hours worked during the first half of 1978 decreased by 39,000 (1.5 percent) from the number in the first half of 1977. Employment and hours worked for all products, on the other hand, decreased by 212 persons and 89,000 man-hours over the same two periods.

Table 6.--Light bulbs: Average number of persons employed and man-hours worked by production and related workers in establishments in which light bulbs were produced, 1/ 1973-77 and January-June 1977 and 1978

Period	Production and related workers: All products	Production and related workers: Standard household incandescent lamp	Man-hours worked by production and related workers producing--: All products	Man-hours worked by production and related workers producing--: Standard household incandescent lamps
	Number	Number	1,000 hours	1,000 hours
1973	4,728	2,944	9,104	5,824
1974	4,479	2,612	8,359	4,893
1975	3,979	2,323	7,831	4,557
1976	4,295	2,425	8,666	4,883
1977	4,552	2,615	8,652	4,933
January-June--				
1977	4,521	2,541	4,442	2,534
1978	4,309	2,541	4,353	2,495

1/ Data represent approximately * * * of the U.S. industry.

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

Declines in employment and man-hour inputs for production of standard household light bulbs have been accompanied by substantial increases in productivity, which amount to over 17 percent in the 4-1/2 years between 1973 and June 1978. The indexes of output, man-hours, and output per man-hour (from tables 1 and 6) have developed as follows (1973=100):

	Production	Man-hours worked	Productivity
1973-----------	100.0	100.0	100.0
1974-----------	81.3	84.0	96.8
1975-----------	80.5	78.2	102.9
1976-----------	90.5	83.8	108.0
1977-----------	96.6	84.7	114.0
Jan.-June--			
1977---------	50.1	43.5	115.2
1978---------	50.2	42.8	117.3

Financial experience of U.S. producers

Westinghouse was the only respondent to the Commission's questionaires which supplied profit-and-loss information relative to its standard household lamp operations. These data are tabulated in summary fashion in table 7.

Over the period covered by this inquiry, Westinghouse enjoyed generally * * * * of household light bulbs, * * its profit experience was * * * * In 1973 and 1976, net profits were * * * million and * * * million, respectively, before taxes. In 1974, 1975, and 1977, they were practically identical (despite * * * * except in 1974) at * * million in 1975-75 and * * million in 1977. Both sales and net profit * * * * in January-June of 1978 as compared with January-June 1977. Ratios of net profit before taxes to net sales were * * * in 1973-76 (near or above ** percent), but * * to just under ** percent in 1977 and * * * * * percent in the first half of 1978.

Westinghouse's profit-and-loss figures show ample evidence of an * * * * * of the classical type. Steadily rising * * * * * * have more or less steadily * * * * * * to

Table 7.--Financial experience of Westinghouse on its standard household lamp operations, 1973-77, January-June 1977, and January-June 1978

Item	1973	1974	1975	1976	1977	Jan.-June-- 1977	Jan.-June-- 1978
Net sales---------million dollars--	***	***	***	***	***	***	***
Cost of goods sold-----------do----	***	***	***	***	***	***	***
Gross profit----------------do----	***	***	***	***	***	***	***
Administrative, shipping, and selling expenses million dollars--	***	***	***	***	***	***	***
Net operating profit million dollars--	***	***	***	***	***	***	***
Net profit before taxes million dollars--	***	***	***	***	***	***	***
Ratio of net profit to--							
Net sales---------------percent--	***	***	***	***	***	***	***
Book value of fixed assets percent--	1/	***	***	***	***	***	***

1/ Not available.

Source: Compiled from data submitt ed in confidence by Westinghouse in response to questionnaires of the U.S. International Trade Commission.

net sales * * * from ** percent in 1973 to ** percent in 1977 -- and as much as ** percent in the first half of 1978. In the development of this * * * , * * * * * * costs -- which have stabilized and in some years dropped -- have played a lesser role than * * * costs, factory-operating and engineering expenses, and product warranty costs. At the same time, the company has kept its * * * * * * expenses under contol. As a proportion of net sales, administrative, selling, shipping, and expenses * * * * percent in 1975 from ** percent in 1973, but then * * to * * * percent in 1976, ** percent in 1977, and ** percent in the first half of 1978.

Prices

Table 8 compares the weighted average net selling prices of comparable U.S.-made and imported household light bulbs. The data displayed were requested for the specific lamp types footnoted for each of the three major light bulb categories below. All respondents were instructed to report their actual realized prices for shipments of the specifically indicated lamp types f.o.b. their shipping platforms. Pricing information for U.S.-produced light bulbs could be obtained from only three companies which represent approximately 75 percent of the U.S. industry. Action Industries and Action Tungsram both supplied information on prices of Hungarian light bulbs.

*   *   *   *   *   *   *

Table 8.--Light bulbs: Average unit net selling prices of U.S.-made and imported Hungarian standard household lamps. by producers 1/ and by quarters, January 1976-June 1978

(In cents)

Period	3-way lamps 2/				White lamps 3/				Other lamps 4/			
	General Electric	Westing-house	Philips	Imported (Hungarian)	General Electric	Westing-house	Philips	Imported (Hungarian)	General Electric	Westing-house	Philips	Imported (Hungarian)
1976:												
January-March	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***	***	***	***	***
1977:												
January-March	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***
July-September	***	***	***	***	***	***	***	***	***	***	***	***
October-December	***	***	***	***	***	***	***	***	***	***	***	***
1978:												
January-March	***	***	***	***	***	***	***	***	***	***	***	***
April-June	***	***	***	***	***	***	***	***	***	***	***	***

1/ Response not received from GTE Sylvania.
2/ Specifically, prices of 50-100-150-watt, standard life, inside frost lamps.
3/ Specifically, prices of 60-watt, standard life, white lamps.
4/ Specifically, prices of 60-watt, standard life, inside frost lamps.

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

*   *   *   *   *   *   *

Lost sales

In its response to the Commission's questionnaire, Westinghouse cited 11 instances of sales allegedly lost to imported Hungarian light bulbs and an additional case in which Westinghouse was forced to lower its existing price in order to retain an account against competition from Hungarian light bulbs. The Commission staff was able to verify that four of these accounts did place some orders for Hungarian light bulbs. In all cases however, the buyers contacted indicated that they still placed orders with Westinghouse and/or other domestic manufacturers. The overwhelming reason cited by buyers for changing their sourcing for light bulbs was price. In addition to the four verified lost accounts, one purchaser indicated that he still dealt exclusively with Westinghouse, and another had switched from Westinghouse to another U.S. producer. The staff was either unable to make contact with or elicit responses from the purchasing agents for the remaining accounts.

The actual volume of sales lost by Westinghouse could not be specifically verified by the staff. Westinghouse's questionnaire response alleged that sales lost to Hungarian light bulbs represented approximately 3 million units in both 1977 and 1978. On the basis of contacts made to verify these lost sales it would appear as though the estimates are very high.

General Electric provided the Commission with a list of five customers to which sales were known by them to have been lost to Hungarian lamps. The two of the five which could be reached indicated that GE still was their principal domestic supplier and that while they had been approached by Action they still had not purchased any lamps from them.

The other U.S. respondent, Philips, cited four coustomers from which it had allegedly lost sales as a result of Hungarian light bulb imports. One of the two companies reached indicated that it purchased from both Philips and GE, and that while it had received an offer from Action, it had as yet not purchased from them. The other company contacted indicated that it was no longer purchasing from Philips for reasons of * * *. The volume of sales lost by Philips could not be determined.

Action Tungsram also supplied the Commission with internal reports from its field sales representatives which allude to at least seven sales which it was not able to procure as the result of encountering prices of U.S. produced light bulbs significantly below its own. The evidence of these lost sales was supplied to the Commission by Action Tungsram in a confidential submission dated August 21, 1978.

APPENDIX A

TREASURY DEPARTMENT'S LETTER OF NOTIFICATION TO THE U.S. INTERNATIONAL TRADE COMMISSION

THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

AUG 1978 PM 12 : 18

Dear Mr. Chairman:

In accordance with section 201(c) of the Antidumping Act of 1921, as amended, an antidumping investigation is being initiated with respect to light bulbs from Hungary. Pursuant to section 201(c)(2) of the Act, you are hereby advised that the information developed during our preliminary investigation has led me to the conclusion that there is substantial doubt that an industry in the United States is being, or is likely to be, injured by reason of the importation of this merchandise into the United States.

The bases for my determination are summarized in the attached copy of the Antidumping Proceeding Notice in this case. Additional information will be provided by the U.S. Customs Service.

Some of the information involved in this case is regarded by Treasury to be of a confidential nature. It is therefore requested that the Commission consider all the information provided for its investigation to be for the official use of the ITC only, not to be disclosed to others without prior clearance from the Treasury Department.

Sincerely,

Robert H. Mundheim

Robert H. Mundheim

The Honorable
Joseph O. Parker, Chairman
U.S. International Trade
Commission
Washington, D.C. 20436

Enclosure

#5329

APPENDIX B

U.S. INTERNATIONAL TRADE COMMISSION NOTICE OF INQUIRY AND HEARING

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(AA1921-Inq.-18)

STANDARD HOUSEHOLD INCANDESCENT LAMPS (BULBS)
FROM HUNGARY

Notice of Inquiry and Hearing

The United States International Trade Commission (Commission) received advice from the Department of the Treasury (Treasury) August 4, 1978, that, during the course of determining whether to institute an investigation with respect to standard household incandescent lamps from Hungary in accordance with section 201(c) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(c)), Treasury had concluded from the information developed during its preliminary investigations that there is substantial doubt that an industry in the United States is being or is likely to be injured by reason of the importation of the merchandise into the United States. Therefore, the Commission on August 10, 1978, instituted inquiry AA1921-Inq.-18, under section 201(c)(2) of that act, to determine whether there is no reasonable indication that 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. For purposes of this inquiry, the term "standard household incandescent lamps (bulbs)" means lamps, medium-base household type, designed to operate at one or more wattages over 14 but not over 150, provided for in item 686.90 of the Tariff Schedules of the United States. The Treasury advice to the Commission was published on August 7, 1978 (43 F.R. 34861).

Hearing.--A public hearing in connection with the inquiry will be held in Washington, D.C., on Tuesday, August 22, 1978, at 10:00 a.m., E.D.T. The hearing will be held in the Hearing Room, United States International Trade Commission Building, 701 E Street, NW., Washington, D.C. All parties will be given an opportunity to be present, to produce evidence, and to be heard at such hearing. Requests to appear at the public hearing should be received in writing in the Office of the Secretary to the Commission not later than noon Thursday, August 17, 1978.

Written statements. Interested parties may submit statements in writing in lieu of, and in addition to, appearance at the public hearing. A signed original and nineteen true copies of such statements should be submitted. To be assured of their being given due consideration by the Commission, such statements should be received not later than Tuesday, August 22, 1978.

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: August 11, 1978

APPENDIX C

TREASURY DEPARTMENT'S NOTICE OF ANTIDUMPING PROCEEDING

area. Comments received after the closing date will be considered to the extent practicable. Comments received too late for consideration in developing a proposed decision on this petition will be considered in reaching a final decision.

Issued in Washington, D.C. on August 2, 1978.

MICHAEL M. FINKELSTEIN,
Acting Associate Administrator for Rulemaking.

[FR Doc. 78-21680 Filed 8-4-78; 8:45 am]

[4810-22]

DEPARTMENT OF THE TREASURY

Office of the Secretary

ADVISORY COMMITTEE ON THE INTERNATIONAL MONETARY SYSTEM

Meeting

Notice is hereby given that the Advisory Committee on the International Monetary System will meet at the Treasury Department on September 15, 1978.

The meeting is called in order to obtain the opinions of the participants in the Advisory Committee regarding international monetary questions to be discussed at the annual meeting of the Board of Governors of the International Monetary Fund on September 25-28 and the related meeting of the Interim Committee of the Board of Governors.

A determination as required by section 10(d) of the Federal Advisory Committee Act (Pub. L. 92-463) has been made that this meeting is for the purpose of considering matters falling within the exemption to public disclosure set forth in 5 U.S.C. 552b(c)(1) and that the public interest requires such meeting be closed to public participation.

Any comment or inquiry with respect to this notice can be addressed to Donald Syvrud, Director, Office of International Monetary Affairs, U.S. Department of the Treasury, Washington, D.C. 20220, 202-566-5365.

Dated: July 26, 1978.

ANTHONY M. SOLOMON,
Under Secretary for Monetary Affairs.

[FR Doc. 78-21863 Filed 8-4-78; 8:45 am]

[4810-22]

ADVISORY COMMITTEE ON THE INTERNATIONAL MONETARY SYSTEM

Meeting

Pursuant to the authority placed in Heads of Departments by section 10(d) of Pub. L. 92-463 entitled "Federal Advisory Committee Act" and the authority vested in me by Treasury Department Order 190 (revision 14) dated July 1, 1977, I hereby determine that the meeting of the Advisory Committee on the International Monetary System to be held on September 15, 1978, in Washington, D.C., with officials of the Treasury Department, is concerned with matters falling within the exemptions to public disclosure listed in subsection (c) of 552b of Title 5 of the United States Code, and that the public interest requires that such meeting be closed to public participation.

My reasons for this determination are as follows: Meetings of the Interim Committee of the Board of Governors of the International Monetary Fund (IMF), and of the Board of Governors itself, are scheduled, respectively, for September 24 and September 25-28, 1978. The Secretary of the Treasury is U.S. Governor of the IMF and, in that position, is the U.S. representative to the Interim Committee, and has primary responsibility for implementing U.S. policy with respect to the International Monetary Fund. It would be helpful and prudent for the Secretary to obtain the opinion and advice of leading members of the U.S. international financial community, the academic community, and representatives of important sectors of the economy, concerning the formulation of United States' views and positions regarding issues that may arise at the upcoming IMF meeting.

The forthcoming international monetary discussions bear upon important aspects of the relationship between the economies of the United States and other countries, including the relationship between the U.S. financial system and the international financial system. The discussions will cover subjects under negotiation with other governments, in particular, the size and distribution of a further increase in IMF quotas and the question of future allocations of Special Drawing Rights.

The advice to be rendered by the Advisory Committee relating to U.S. views and positions to be taken in these discussions, if it became public prematurely, could adversely affect the course of these discussions and negotiations, and consequently the interests of the United States.

Therefore, the meeting of the Advisory Committee on the International Monetary System will concern matters involving our relations with foreign governments and which, pursuant to Executive Order 11652 (March 8, 1972), fall within the area of exemption covered by section 552b(c)(1) of Title 5 of the United States Code.

The Director, Office of International Monetary Affairs, is responsible for maintaining records of the meeting of the committee and for providing the annual report setting forth a summary of the committee's activities and such other matters as may be informative to the public consistent with the provisions of 5 U.S.C. 552.

Dated: July 26, 1978.

ANTHONY M. SOLOMON,
Under Secretary for Monetary Affairs.

[FR Doc. 78-21864 Filed 8-4-78; 8:45 am]

[4810-22]

LIGHT BULBS FROM HUNGARY

Antidumping Proceeding Notice

AGENCY: U.S. Treasury Department.

ACTION: Initiation of Antidumping Investigation.

SUMMARY: This notice is to advise the public that a petition in proper form has been received and an antidumping investigation is being initiated for the purpose of determining whether imports of light bulbs from Hungary are being, or are likely to be, sold at less than fair value within the meaning of the Anitdumping Act, 1921, as amended. Sales at less than fair value generally occur when the prices of the merchandise sold for exportation to the United States are less than the prices in the home market.

There appears to be substantial doubt that imports of the subject merchandise allegedly sold at less than fair value have caused injury or are likely to cause injury to an industry in the United States. This case is therefore being referred to the U.S. International Trade Commission for an investigation to determine whether there is reasonable indication of injury or likelihood of injury.

EFFECTIVE DATE: August 7, 1978.

FOR FURTHER INFORMATION CONTACT:

David P. Mueller, Operations Officer, U.S. Customs Service, Office of Operations, Duty Assessment Division, Technical Branch, 1301 Constitution Avenue NW., Washington, D.C. 20229, 202-566-5492.

SUPPLEMENTARY INFORMATION: On June 21, 1978, information was received in proper form pursuant to §§ 153.26 and 153.27, Customs Regulations (19 CFR 153.26, 153.27), from counsel on behalf of Westinghouse Electric Corp. indicating a possibility that light bulbs from Hungary are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended (19 U.S.C. 160 et seq.).

The merchandise under consideration is described as, "lamps, medium base, household type, designed to operate at one or more wattages over 14 but not over 150, provided for in item 686.90 of the Tariff Schedules of the United States." This merchandise is commonly referred to as light bulbs.

Petitioner alleges that margins of dumping ranged from 234 percent to 357 percent, based on a comparison between Hungarian light bulb prices to the United States and prices of similar light bulbs in West Germany.

In the petition, Hungary was characterized as a state-controlled economy within the meaning of section 205(c) of the Act (19 U.S.C. 164(c)). As such, it was alleged that Hungarian home market prices could not properly be used in determining foreign market value and pursuant to § 153.7, Customs Regulations (19 CFR 153.7), the home market prices of the West German manufacturer were chosen by petitioner as a surrogate. Although Treasury has accepted the methodology of the petitioner in establishing the possibility that sales of light bulbs exported from Hungary to the United States may have been at less than fair value, further investigation will be undertaken to determine, first, whether the economy of Hungary is state-controlled to the extent that under section 205(c) of the Act (19 U.S.C. 164(c)), sales or offers of sale of such or similar merchandise in Hungary may not be used in the determination of foreign market value and, thus, fair value. If that is found to be the case, a determination will be made as to whether sales by an unrelated third party, producing and selling similar merchandise in West Germany, form an appropriate basis for calculating foreign market value and, thus, fair value.

Petitioner has furnished information concerning alleged injury or likelihood of injury to a domestic industry as a result of imports of light bulbs from Hungary at less than fair value. This information relates primarily to increase in Hungarian light bulb imports, alleged underselling of comparable products sold by petitioner by the allegedly dumped Hungarian light bulbs, decreased capacity utilization and reduced capital investment. However, a review of all information presently available indicates that domestic production and sales of petitioner and the entire U.S. industry have increased each year from 1975 through 1977 while Hungarian light bulb imports declined from 1976 to 1977 both absolutely and as a share of the U.S. market. It also appears that the market share held by petitioner and other domestic producers combined has consistently been above 90 percent since 1975 and has increased each year from 1975-1977. Petitioner's market share declined slightly from 1975 to 1976 but then increased in 1977 to virtually the same level as 1974. During this same period, imports of light bulbs from Hungary were at no time more than 5 percent of the U.S. market. Much of petitioner's information regarding reduced capacity utilization, employment and hours worked uses 1973 as a base year. The most significant decline in sales and production faced by petitioner and the domestic industry occurred from 1973 to 1974, during which period Hungarian imports and total imports declined both absolutely and as a share of the U.S. market. Petitioner has been able to increase both its list and net prices over the past three calendar years, including periods in which Hungarian light bulb sales were occurring.

Therefore, it has been concluded that there is substantial doubt of injury, or likelihood of injury, to an industry in the United States as a result of imports of such merchandise from Hungary. Accordingly, the U.S. International Trade Commission is being advised of such doubt pursuant to section 201(c)(2) of the Act.

Having conducted a summary investigation as required by § 153.29 of the Customs Regulations (19 CFR 153.29) and having determined as a result thereof that there are grounds for so doing, the U.S. Customs Service is instituting an inquiry to verify the information submitted and to obtain the facts necessary to enable the Secretary of the Treasury to reach a determination as to the fact or likelihood of sales at less than fair value. Should the International Trade Commission, within 30 days of receipt of the advice cited in the preceding paragraph, advise the Secretary that there is no reasonable indication that an industry in the United States is being, or is likely to be, injured by reason of the importation of such merchandise into the United States, the Department will publish promptly in the FEDERAL REGISTER a notice terminating the investigation. Otherwise the investigation will continue to conclusion.

This notice is published pursuant to § 153.30 of the Customs Regulations (19 CFR 153.30).

Dated: August 1, 1978.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[FR Doc. 78-21862 Filed 8-4-78; 8:45 am]

[4810-40]

[Supplement to Department Circular Public Debt Series—No. 17-78]

TREASURY NOTES

Series N-1981

AUGUST 2, 1978.

The Secretary of the Treasury announced on August 1, 1978, that the interest rate on the notes designated Series N-1981, described in Department Circular—Public Debt Series—No. 17-78, dated July 27, 1978, will be 8¾ percent. Interest on the notes will be payable at the rate of 8¾ percent per annum.

L. W. PLUMLY,
Acting Fiscal Assistant Secretary.

[FR Doc. 78-21853 Filed 8-4-78; 8:45 am]

[1505-01]

INTERSTATE COMMERCE COMMISSION

[Notice No. 118]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

Correction

In FR Doc. 78-19631 appearing on page 30638 in the issue of Monday, July 17, 1978 on page 30641 in the 1st column, the 1st full paragraph, the 13th line should read, "MC 143127 (Sub-6TA) * * * United States in and east of MN, IA, * * *".

APPENDIX D

COPIES OF LETTERS TO THE COMMISSION SETTING FORTH THE VIEWS OF GE AND GTE SYLVANIA

A-40

GENERAL ELECTRIC

LIGHTING BUSINESS GROUP

LEGAL OPERATION

GENERAL ELECTRIC COMPANY, NELA PARK, CLEVELAND, OHIO 44112
Phone (216)

266-2500

August 21, 1978

U. S. International Trade Commission
Washington, D. C.

Att: Mr. John Cutchin

Re: Inquiry No. AA1921 - INQ.-18

Gentlemen:

Although General Electric believes there is no present injury to the industry, there are "reasonable indications"1/ that incandescent household lamp bulbs will be imported into the United States in substantially increased quantities at "less than fair value prices." If this were to occur it would cause future "likely injury" to the industry.

Such reasonable indications may be found in the following:

A. A 1977 Prospectus with data supplied by the Hungarian National Bank manifests the intent of Hungary to extend credits to organizations such as Tungsram who would undertake to "increase their production capacity of competitive goods and services exportable on any market and promising a rapid return." Express reference is made to "lighting tubes" and the frankly stated objective is to expand Hungary's potential in "freely convertible currencies."2/

B. In a 1977 interview3/ the President of Tungsram disclosed Tungsram's plans for the current Hungarian Five-Year Plan (1976-1980) as including

(1) An increase of "our export to capitalist countries 2.4-fold ..."

(2) "First of all we are increasing the export of light sources."

(3) An increase of "the dollar accounting export by more than 20%."

GE 100 ANNIVERSARY

(4) Commencing operation of the second large capacity American ribbon (glass bulb) machine and doubling production of light bulbs so as to be able "to produce 840,000,000 annually."

C. If Tungsram succeeds in its Five-Year Plan to increase its lamp exports 2.4-fold, its 1976 U.S. imports of 61.8 million lamps would amount proportionally to approximately 150,000,000 in 1980.

It is respectfully submitted that the steps already achieved by Tungsram toward accomplishing its goals under the Hungarian Five-Year Plan carries with it the likelihood of substantially increased export of Hungarian-made lamps to the United States. The statement of Action Industries that "... import of Tungsram household light bulbs will not increase above their current level of U.S. sales"4/ cannot be considered by the Commission as binding upon Tungsram.

Very truly yours,

William J. Barron

William J. Barron
Counsel - Lighting Business Group

WJB:et

1/ Title 19 USC, Sec. 160(c)(2).

2/ Prospectus, National Bank of Hungary (Magyar Nemzeti Bank) Budapest FT 2,000,000 term loan, August, 1977. See "Purpose of the Loan" and p. 6.

3/ Interview of Bela Dienes, Tungsram President, Budapest Nepszabadsag, January 20, 1977.

4/ Answer of Tungsram to Complaint in this case, p. 3.

Paul F. Cameron
President
Lighting Group
GTE Products Corporation
100 Endicott Street
Danvers MA 01923
617 777 1900

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Distb. Comm. Staff
OFFICE OF THE SECRETARY
Div. U.S. INTL. TRADE COMMISSION

DOCKET FILE

GTE

August 15, 1978

United States International
Trade Commission
Washington, D. C. 20436

Dear Sirs:

With reference to your recent correspondence concerning your investigation into whether the lighting industry has been injured as a result of the importation of certain lamp types from Hungary, our company in the past was concerned about the adverse effects this importation might have upon our lighting business.

However, based upon assurances given by Congressman Michael Harrington, that the importer of the Hungarian lamps has agreed not to import more lightbulbs to the United States in any future year than they imported in 1976 and not to lower its U.S. price of lightbulbs even if the U. S. tariff is lowered, we feel there is substantial doubt that there will be injury to our company or to the industry from this importation in the future. We may, of course, wish to reconsider our position in the event these circumstances change and the threat of material injury does develop in the future.

Very truly yours,

Paul F. Cameron

PFC/g

APPENDIX

PROBABLE ECONOMIC EFFECTS OF TARIFF CHANGES UNDER TITLE I AND TITLE V OF THE TRADE ACT OF 1974 FOR TRADE AGREEMENT DIGEST No. 60314, JULY 1975

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Library Cataloging Data

U.S. International Trade Commission.
Standard household incandescent lamps from Hungary. Determination of no reasonable indication of injury in Inquiry no. AA1921-Inq.-18 under the Antidumping act, 1921, as amended. Washington, 1978.

illus. 28 cm. (USITC Publication 912)

1. Electric lamps, incandescent--Hungary.
2. Electric lamps, incandescent--U.S.
3. Electric lamps, incandescent--Tariff.
4. Electric lamps, incandescent--Prices.
I. Title.

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

OFFICIAL BUSINESS

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U.S. International Trade Commission

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NEWS
UNITED STATES INTERNATIONAL TRADE COMMISSION • Office of the Secretary • Washington, D.C. 20436

FOR RELEASE
September 5, 1978

CONTACT: Kenneth R. Mason
(202) 523-0161

USITC 78-110

USITC REPORTS ON DUMPING INQUIRY
ON LIGHT BULBS FROM HUNGARY

Treasury Investigation To Stop

The United States International Trade Commission today notified the Secretary of the Treasury that the pending Treasury Department investigation on light bulbs from Hungary under the Antidumping Act, 1921, can be terminated.

The Commission by a vote of 3 to 2 determined that there is no reasonable indication of injury or the likelihood of injury to an industry in the United States from such imports possibly sold at less than fair value.

Vice Chairman Bill Alberger and Commissioners George M. Moore and Catherine Bedell concurred in the determination. Chairman Joseph O. Parker and Commissioner Italo H. Ablondi dissented. Commissioner Daniel Minchew did not participate.

As a result of the determination, the Treasury Department will stop its investigation, which it instituted under the Antidumping Act upon receipt of a complaint from Westinghouse Electric Corp. The Commission's inquiry began on August 10, 1978, and a public hearing in connection with the inquiry was held on August 22, 1978, in Washington, D.C.

more

Standard household incandescent bulbs, or electric light bulbs, are teardrop shaped and coated or etched inside to minimize glare generated by the filament. Eight firms currently produce standard household light bulbs in the United States at 17 plant sites, most of which are in Pennsylvania, New Jersey, and Massachusetts. Four firms--General Electric, GTE-Sylvania, Westinghouse, and North American Philips--account for more than 95 percent of U.S. capacity in a market having an estimated annual value of more than $500 million.

Domestic light bulb demand has passed through a cycle in the past 5 years. Consumption, output, and domestic shipments all peaked in 1973, a boom year, and fell substantially until the recession bottomed out in 1975. By 1977, all had recovered positions at or near their 1973 levels. Employment levels have climbed sluggishly largely because of continuing industry productivity increases. Half-yearly data for 1978 indicate that current domestic output is running at a level practically unchanged from that of 1977.

Since 1973, overall imports of household light bulbs have declined sharply, and the overall ratios of imports to consumption have fallen steadily. The imports' market share fell from 12.7 percent in 1973 to only 6.6 percent in 1977. Principal sources of imported light bulbs are Hungary, which has captured the dominant U.S. import market share from other countries, and Canada, Taiwan, Japan, and Korea. Hungary's share of U.S. consumption rose from 2.1 percent in 1973 to a peak of 4.6 percent in 1976, but fell to 3.9 percent in 1977. Imports of light bulbs from Hungary totaled about $4 million last year.

The Commission's report, Standard Household Incandescent Lamps From Hungary (USITC Publication 912), contains the views of the Commissioners and information developed in the inquiry (No. AA1921-Inq.-18). Copies may be obtained by calling (202) 523-5178 or from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436.

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