

REPORT NO. 770

**SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON POLYETHYLENE
TEREPHTHALATE (PET) CLASSIFIABLE UNDER TARIFF SUBHEADING
3907.6 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S
REPUBLIC OF CHINA ("PRC"): FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents its
**REPORT NO. 770: SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON
POLYETHYLENE TEREPHTHALATE (PET) CLASSIFIABLE UNDER TARIFF
SUBHEADING 3907.6 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S
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CHIEF COMMISSIONER

PRETORIA
23/02/ 2026

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

SUNSET REVIEW OF THE ANTI-DUMPING DUTY ON POLYETHYLENE TEREPHTHALATE (PET) CLASSIFIABLE UNDER TARIFF SUBHEADING 3907.6 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA ("PRC"): FINAL DETERMINATION

SYNOPSIS

On 21 June 2024, the Commission, through Notice No. 2585 in Government Gazette No. 50840, notified interested parties that unless a substantiated request by or on behalf of the Southern African Customs Union's industry was made before 22 July 2024, indicating that the expiry of the anti-dumping duties on PET originating in or imported from the PRC would likely result in the continuation or recurrence of dumping and material injury, the anti-dumping duties on such imports would expire on 18 May 2025.

Following the to notice No. 2585 in Government Gazette No. 50840 issued on 21 June 2024, the Commission received a request from Safripol Proprietary Limited ("Safripol") on 25 June 2024 to review the anti-dumping duties on polyethylene terephthalate (PET) originating in or imported from the People's Republic of China (the "Sunset Review").

Safripol, a division of Kap Diversified Industrial (formerly known as Hosaf, a division of Kap Diversified Industrial), the sole producer of Polyethylene Terephthalate (PET) in the Southern African Customs Union (SACU) lodged the application. Extrupet (Pty) Ltd, the other producer of PET and one of the oldest and largest plastic recycling companies in SACU, has expressed its support for the application.

The sunset review application of the anti-dumping was received from Safripol on 05 November 2024. After addressing the deficiencies identified by the investigating officers in the application, the information submitted by the Applicant was verified on 25 and 26 February 2025.

This report contains information regarding dumping for the period 01 September 2023 to 31 August 2024 and information regarding material injury for the period 01 September 2021 to 31 August 2024 along with an estimate to assess the potential impact if the anti-dumping duties were to expire.

At its meeting held on 08 April 2025, the Commission determined that the expiry of the anti-dumping duties on PET originating in or imported from the PRC would likely result in the continuation of dumping and material injury to the SACU industry.

Based on this determination, and in accordance with the relevant provisions of the ADR, the Commission decided to initiate a sunset review investigation into the alleged dumping of PET originating in or imported from the PRC. The investigation was formally initiated on 17 April 2025, by way of Notice No. 3140 published in Government Gazette No. 52523.

In compliance with the ADR, all known interested parties were notified of the initiation of the investigation on 17 April 2025. Interested parties were afforded 30 days from the date of initiation to submit responses, with a further 7-day period provided for the distribution of the initiation documentation (initiation pack), in line with the procedural requirements set out in the ADR.

No responses were received from any foreign producer.

On 06 May 2025, an extension request to submit a response to the Commission's importer questionnaire was received from Bowmans on behalf of Coca-Cola Beverages South Africa (**CCBSA**), which was granted on 08 May 2025. The due date for CCBSA's submission was 07 June 2025.

On 09 June 2025, an electronic importer's response from CCBSA was received and the hardcopy response was received on 10 June 2025, which was deemed deficient.

The deficiency letter was sent to the importer on 15 July 2025 and the due date for a response was 22 July 2025.

The importer's deficiency letter response was received on 22 July 2025.

On 18 August 2025, the Commission received comments from CCBSA.

On 03 October 2025, the Commission received comments from the Applicant responding to the comments by CCBSA.

Comments by the Applicant

- a) CCBSA's importer's questionnaire was deficient, and they failed to rectify the issues within the specified timeframe. Therefore, their questionnaire should be disregarded. The Commission's deficiency letter was dated 15 July 2025, and CCBSA's letter was submitted on August 18, 2025, exceeding the allowed timeframe by over a month.
- b) According to the Public File, CCBSA was granted an extension until 7 June 2025, to submit comments on the application. However, CCBSA's response was submitted on 9 June 2025, which was after the deadline.

Commission's consideration

- a) *The response addressing the deficiency was received on 22 July 2025, which was within 7 days of the deficiency letter. The letter received on 18 August 2025 was considered comments, and since the investigation is still ongoing, there is no deadline for submitting comments.*
- b) *The Applicant's observation is accurate, however the Commission noted that June 7th fell on a Saturday, making it impossible for the Commission to receive the response on that day, as working days are Monday to Friday. Given the practice of accepting submissions on the next working day when the deadline falls on a public holiday or weekend, the Commission considered the response received on June 9th to be timeous.*

On 11 November 2025, the Commission made a final determination before essential facts. On 17 November 2025, the Commission issued essential facts letters to all known interested parties to convey the essential facts it is considering for its final determination and inviting comments from interested parties within 14 days.

The due date for comments was 02 December 2025. Comments were received from the Applicant and interested parties.

On 28 January 2026, the Commission made a final determination to recommend to the Minister of Trade, Industry and Competition that anti-dumping duties on the subject product originating in or imported from the PRC be increased as follows:

Table synopsis: Recommended duty increase

Item	Tariff heading	Description	Originating in or imported from	Rate of anti-dumping duty
207.01	3907.6	Polyethylene terephthalate (excluding those produced by Zhejiang Wankai New Materials Co. Ltd, Far Eastern Industries (Shanghai) Ltd, Jiangyin Xingyu New Materials Co. Ltd, Jiangyin Xingtai New Material Co. Ltd and Jiangsu Xingye Plastic)	The People's Republic of China	43.77% <i>ad valorem</i>

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002, the International Trade Administration Commission (the Commission) of South Africa's Anti-Dumping Regulations (ADR) and giving due regard to the World Trade Organisation's Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement).

1.2 APPLICANT

The application was lodged by Safripol, a division of Kap Diversified Industrial (formerly known as Hosaf, a division of Kap Diversified Industrial), the sole producer of Polyethylene Terephthalate (PET) in the SACU. Extrupet (Pty) Ltd, one of the oldest and largest plastic recycling companies in SACU, has expressed its support for the application.

1.3 ACCEPTANCE OF APPLICATION

On 08 April 2025, the Applicant was notified that the Commission accepted the application as properly documented in accordance with ADR22.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that the expiry of the anti-dumping duties of the Subject Product, originating in or imported from the PRC will likely lead to the recurrence and/or continuation of dumping and material injury.

1.5 INVESTIGATION PROCESS

On 21 June 2024, the Commission through Notice No. 2585 in Government Gazette No. 50840 notified interested parties that unless a substantiated request by or on behalf of the Southern African Customs Union's (SACU) industry was made before 22 July 2024, indicating that the expiry of the anti-dumping duties on PET originating in or imported from the PRC would likely result in the continuation or recurrence of

dumping and material injury, the anti-dumping duties on such imports would expire on 18 May 2025.

The Commission at its meeting on 08 April 2025 determined that the expiry of the anti-dumping duties on PET originating in or imported from the PRC would likely result in the continuation of dumping and material injury to the SACU industry.

Based on this determination, and in accordance with the relevant provisions of the ADR, the Commission decided to initiate a sunset review investigation into the alleged dumping of PET originating in or imported from the PRC. The investigation was formally initiated on 17 April 2025, by way of Notice No. 3140 published in Government Gazette No. 52523.

In compliance with the ADR, all known interested parties were notified of the initiation of the investigation on 17 April 2025. Interested parties were afforded 30 days from the date of initiation to submit responses, with a further 7-day period provided for the distribution of the initiation documentation (initiation pack), in line with the procedural requirements set out in the ADR.

1.6 INVESTIGATION PERIOD

The investigation period for dumping covers the period from 01 September 2023 to 31 August 2024. The injury investigation, on the other hand, includes the evaluation of data for the period from 01 September 2021 to 31 August 2024 and estimates for 01 September 2024 to 31 August 2025 if the anti-dumping duties expire.

1.7 PARTIES CONCERNED

1.7.1 SACU industry

The application was lodged by Safripol (Pty) Ltd, being the major producer of the subject product in SACU, and supported by Extrupet (Pty) Ltd.

The Commission made a final determination that the application can be regarded as being made “by or on behalf of the domestic industry” under the provisions of the ADR.

1.7.2 Foreign Producers/Exporters

As of the deadline date of 24 May 2025, no responses were received from any foreign producer/exporter in relation to the initiation of the investigation.

1.7.3 Importers

On 06 May 2025, an extension request to submit a response to the Commission's importer questionnaire was received from Bowmans on behalf of Coca-Cola Beverages South Africa (**CCBSA**), which was granted on 08 May 2025. The due date for submission of a response was 07 June 2025.

On 09 June 2025, an electronic importer's response from CCBSA was received and the hardcopy response was received on 10 June 2025, which was deemed deficient.

On 18 August 2025, the Commission received comments from CCBSA.

On 03 October 2025, the Commission received comments from the Applicant responding to comments by CCBSA.

Comments by the Applicant

- a) CCBSA's importer's questionnaire was deficient, and they failed to rectify the issues within the specified timeframe. Therefore, their questionnaire should be disregarded. The Commission's deficiency letter was dated 15 July 2025, and CCBSA's letter was submitted on August 18, 2025, exceeding the allowed timeframe by over a month.
- b) According to the Public File, CCBSA was granted an extension until 7 June 2025, to submit comments on the application. However, CCBSA's response was submitted on 9 June 2025, which was after the deadline.

Commission's consideration

- a) *The response addressing the deficiency was received on 22 July 2025, which was within 7 days of the deficiency letter. The letter received on 18 August 2025, was considered comments, and since the investigation is still ongoing, there is no deadline for submitting comments.*

b) *The Applicant's observation is accurate, but the Commission noted that June 7th fell on a Saturday, making it impossible for the Commission to receive the response on that day, as working days are Monday to Friday. Given the practice of accepting submissions on the next working day when the deadline falls on a public holiday or weekend, the Commission therefore considered the response received on June 9th to be timeous.*

1.8 ESSENTIAL FACTS

On 11 November 2025, the Commission made a final determination before essential facts. On 17 November 2025, essential facts letters were sent to interested parties to convey the essential facts of its determination and providing interested parties 14 days for comments. The due date for comments was 02 December 2025. Comments were received from the Applicant and interested parties.

1.9 FINAL DETERMINATION

Taking into account all comments received and noting that no responses were received from any foreign producer or exporter, the Commission made a final determination that the expiry of the anti-dumping duty on the subject product originating in or imported from the PRC would likely lead to the continuation of dumping and the continuation of material injury.

The Commission made a final determination to recommend to the Minister of Trade, Industry and Competition that anti-dumping duties on the subject product originating in or imported from the PRC be increased as follows:

Table 1.9: Recommended duty increase

Item	Tariff heading	Description	Originating in or imported from	Rate of anti-dumping duty
207.01	3907.6	Polyethylene terephthalate (excluding those produced by Zhejiang Wankai New Materials Co. Ltd, Far Eastern Industries (Shanghai) Ltd, Jiangyin Xingyu New Materials Co. Ltd, Jiangyin Xingtai New Material Co. Ltd and Jiangsu Xingye Plastic)	The People's Republic of China	43.77% <i>ad valorem</i>

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCT

2.1.1 Description

The Applicant described the imported Subject Product as Polyethylene Terephthalate (PET), which is a large-volume commodity-grade thermoplastic polyester polymer.

2.1.2 Raw Materials or inputs

The two main raw materials used in the production of PET are mono ethylene glycol and pure terephthalic acid.

2.1.3 Production process

Mono ethylene glycol and pure terephthalic acid are combined under high temperatures and low vacuum pressure to form long chains of the polymer. As the mixture thickens the chains grow longer. Once the appropriate chain length is achieved the reaction is stopped. The resulting spaghetti-like strands of PET are then extruded or squeezed quickly cooled and cut into small resin pellets.

The resins are then heated to a molten liquid which can be easily extruded or moulded into items of any shape. When the resin pellets are reheated to a molten liquid stage, the polymer chains can be stretched in one direction (for fibres used in clothing) or in two directions (for bottles and films in the packaging industry). If the polymer is cooled quickly while it is stretched the chains are frozen with their orientation intact. Once set in stretched form the material is extremely tough.

If PET is held in the stretched form at elevated temperatures, it slowly crystallizes and starts to become opaque more rigid and less flexible. This crystalline form PET is often used for take-home and prepared food containers and trays that can be reheated in the oven or microwave.

2.1.4 Technical characteristics and appearance

PET is a general-purpose thermoplastic polymer which belongs to the polyester family of polymers; and is known for its excellent combination of properties such as mechanical thermal chemical resistance as well as dimensional stability.

It is highly flexible colourless and semi-crystalline resin in its natural state. Depending on how it is processed it can be semi-rigid to rigid and shows good dimensional stability resistance to impact moisture alcohols and solvents.

2.1.5 Application and end-use

PET is an excellent water and moisture barrier material. Plastic bottles made from PET are widely used for mineral water and carbonated soft drinks. Its high mechanical strength makes PET films ideal for use in tape applications.

Non-oriented PET sheet can be thermoformed to make packaging trays. Its chemical inertness together with other physical properties has made it particularly suitable for food packaging applications. Other packaging applications include rigid cosmetic jars, microwave containers and transparent films.

2.1.6 Country of origin or export

The Subject Product originates in or is imported from the PRC.

2.1.7 Tariff classification

The subject product is classifiable under the following tariff subheadings:

HS Tariff subheading	Description	Statistical unit	Rate of duty					
			General	EU/UK	EFTA	SA DC	MERCOSUR	AfCFTA
3907.6	Poly (ethylene terephthalate):							
3907.61	Having a viscosity number of 78 ml/g or higher:							
3907.61.10 3907.61.90	Liquids and pastes Other	kg	15% 15%	free free	free free	free free	free 15%	free 6%
3907.69	Other:							

3907.69.10	Liquids and pastes		15%	free	free	free	free	free
3907.69.90	Other	kg	15%	free	free	free	15%	6%
3907.70	Poly (lactic acid)		free	free	free	free	free	free
3907.9	Other polyesters:							
3907.91	Unsaturated Other	kg	10%	free	free	free	10%	6%
3907.99			free	free	free	free	free	free

2.1.8 Possible tariff loopholes

There are no known tariff loopholes that Safripol (Pty) Ltd is aware of at this stage.

2.1.9 Other applicable duties and rebates

The following anti-dumping duties are applicable:

Item	Tariff heading	Description	Originating in or imported from	Rate of anti-dumping duty
207.01	3907.6	Polyethylene terephthalate produced by Zhejiang Wankai New Materials Co. Ltd)	The People's Republic of China	28.26%
207.01	3907.6	Polyethylene terephthalate produced by Far Eastern Industries Shanghai) Ltd	The People's Republic of China	26.4%
207.01	3907.6	Polyethylene terephthalate (excluding those produced by Zhejiang Wankai New Materials Co. Ltd, Far Eastern Industries Shanghai Ltd, Jiangyin Xingyu New Materials Co. Ltd, Jiangyin Xingtai New Material Co. Ltd and Jiangsu Xingye Plastic)	The People's Republic of China	28.89%

2.2 SACU PRODUCT

2.2.1 Description

The Applicant described the SACU Subject Product as PET, which is a large-volume commodity-grade thermoplastic polyester polymer.

2.2.2 Raw Materials or inputs

The two main raw materials used in the production of PET are mono ethylene glycol and pure terephthalic acid.

2.2.3 Production process

Mono ethylene glycol and pure terephthalic acid are combined under high temperatures and low vacuum pressure to form long chains of the polymer. As

the mixture thickens the chains grow longer. Once the appropriate chain length is achieved the reaction is stopped. The resulting spaghetti-like strands of PET are then extruded or squeezed quickly cooled and cut into small resin pellets.

The resins are then heated to a molten liquid which can be easily extruded or moulded into items of any shape. When the resin pellets are reheated to a molten liquid stage the polymer chains can be stretched in one direction (for fibres used in clothing) or in two directions (for bottles and films in the packaging industry). If the polymer is cooled quickly while it is stretched the chains are frozen with their orientation intact. Once set in stretched form the material is extremely tough.

If PET is held in the stretched form at elevated temperatures, it slowly crystallizes and starts to become opaque more rigid and less flexible. This crystalline form PET is often used for take-home and prepared food containers and trays that can be reheated in the oven or microwave.

2.2.4 Technical characteristics and appearance

PET is a general-purpose thermoplastic polymer which belongs to the polyester family of polymers; and is known for its excellent combination of properties such as mechanical thermal chemical resistance as well as dimensional stability.

It is highly flexible colourless and semi-crystalline resin in its natural state. Depending on how it is processed it can be semi-rigid to rigid and shows good dimensional stability resistance to impact moisture alcohols and solvents.

2.2.5 Application and end-use

PET is an excellent water and moisture barrier material. Plastic bottles made from PET are widely used for mineral water and carbonated soft drinks. Its high mechanical strength makes PET films ideal for use in tape applications.

Non-oriented PET sheet can be thermoformed to make packaging trays. Its chemical inertness together with other physical properties has made it

particularly suitable for food packaging applications. Other packaging applications include rigid cosmetic jars microwave containers transparent films.

2.2.6 Differences between the imported product and the SACU like product

The Applicant indicated that there are no known differences between the imported Subject Product and the SACU like product.

2.3 LIKE PRODUCT ANALYSIS

In the original investigation the Commission decided that the SACU product and the imported Subject Product from PRC are “like products” for purposes of comparison in terms of Regulation 1 of the ADR.

3 INDUSTRY STANDING

The application was lodged by Safripol (Pty) Ltd, a major producer of the subject product in SACU and is supported by Extrupet (Pty) Ltd, the other producer of the subject product in SACU.

The Commission made a final determination that the application can be regarded as being made “by or on behalf of the domestic industry” in terms of ADR7.

4 CONTINUATION OF DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR THE PRC

As no responses were received from any producer or exporter in the PRC, the Commission made a final determination to rely on the best information available, in accordance with ADR 58.2, which in this instance was the information submitted by the Applicant.

4.1.1 Normal value

In determining the normal value, the Applicant submitted domestic selling prices derived from “Wood Mackenzie” (a leading provider of commercial intelligence in upstream and refining of chemicals, polymers, and fibres) for the period 01 September 2023 to 31 August 2024. The information is taken from weekly price reports that include a high and low domestic price for PET sold in the PRC. These prices are provided in Chinese Yuan (“CNY”) per tonne. The average domestic selling price in the PRC from the reports was calculated to be CNY7.40/kg for the period of investigation (POI).

The Applicant adjusted the domestic selling price for domestic transport cost of CNY0.11/kg based on the origin land freight costs of CNY2 350 per container of 22 tonnes provided by Hapag-Lloyd, an international shipping and container transportation company.

The above information is summarized as follows to calculate the ex-factory selling price per kilogram:

Table 4.1.1 Normal value: 01 September 2023 to 31 August 2024

Normal Value	(CNY/kg)
Normal value before adjustment	7.40
Less: transport cost adjustment	(0.11)
Ex-factory normal value	7.29

Commission’s determination

The Applicant stated that this is the same approach followed by Safripol and accepted by the Commission in the original anti-dumping investigation.

The Commission made a determination to allow the use of domestic selling price derived from Wood Mackenzie and the transport adjustment provided by the Applicant for the purposes of initiation of the investigation.

The Commission made a final determination to use the Applicant's provided information for normal value determination as the best available information, due to the absence of responses from PRC producers/exporters.

4.1.2 Export Price

The Applicant stated that the provided export price information is based on the official South African Revenue Service (“SARS”) import statistics. The export price was found to be R13,39/kg and it was converted to Chinese Yuan with an average exchange rate of 0,385797 for the period of investigation of dumping. Therefore, the export price was found to be CNY5,17/kg when converted to the Chinese Yuan.

The Applicant adjusted the export price for land freight costs of CNY2 350 per container, terminal handling charge of CNY673 per container and export service fee of CNY30 per container, with the weight of 22 tonnes provided by Hapag-Lloyd. Therefore, the adjustment value was calculated to be CNY0.14/kg (CNY3 053 /22 000kg). The PRC average ex-factory export prices to SACU of the Subject Product for the period 01 September 2023 to 31 August 2024 were calculated as follows:

Table 4.1.2: Export Price: 01 September 2023 to 31 August 2024

Export Price	CNY/Kg
Export Price (FOB)	5.17
Less: Adjustment from FOB to EXW	(0.14)
Ex-Factory Export Price	5.03

Therefore, the ex-factory export price is calculated to be CNY5.03/kg, after adjustments.

Commission’s determination

The Commission made a final determination to use the information provided by the Applicant for the export price determination as the best available information, due to the absence of a response from PRC producers/exporters.

4.1.3 Margin of dumping

The dumping margin was determined as follows:

Table 4.1.3: Margin of dumping

	Margin of dumping calculations
Ex-factory Normal Value (CNY/kg)	7.29
Ex-factory export price (CNY/kg)	5.03
Margin of dumping (CNY/kg)	2.26
Margin of dumping as a % of ex-factory export price	44.93%
Import FOB price (CNY/kg)	5.17
Margin of Dumping as a percentage of FOB export price	43.71%

Comments by CCBSA

- a) CCBSA opposes Safripol's application, arguing that extending or imposing duties would be unwarranted, unreasonable, and prejudicial. CCBSA imports PET due to the local supplier's inability to provide consistent and reliable supply and notes that the landed cost of imports already exceeds local supply costs. If the application is successful, it will likely lead to higher local PET resin prices, sheltered by tariffs, which would further disadvantage CCBSA and other producers in competing with imported products. This outcome would contradict national interests in promoting local manufacturing and ultimately harming South Africa's economy.

- b) While CCBSA recognises that an exemption or exclusion was afforded with respect to the supply from Jiangyin Xingtai New Material Co (SFX), such measures impacted the ability to gain supply from alternative sources at competitive prices. These factors bolster CCBSA's submission that, should duties on PET be extended or increased, such an exemption or exclusion must continue to apply (or itself be extended to several foreign suppliers) in order to maintain the option of alternative sources of supply for local producers who use PET.

Response by the Applicant

- a) Safripol disputes the claim, stating they have maintained consistent and reliable PET supply to CCBSA, except in extraordinary circumstances. Safripol contends

that it is able to supply PET to any such local producer at competitive rates to any imports which are not dumped. If any such producer, including CCBSA, wishes to import PET, it is able to import PET from countries or companies to which anti-dumping duties do not apply. They also argue that maintaining or increasing anti-dumping duties will not impact prices, as their pricing model is based on international PET prices, not duties.

- b) Producers exempted from anti-dumping duties cooperated with the investigation and were found not to be dumping. Duties were imposed on other companies found to be dumping. CCBSA wants to benefit from unfair trade practices by reducing prices, harming the local industry. However, CCBSA can still source PET from producers or exporters not subject to anti-dumping duties, as they have done before.

The Applicant also stated that Chinese producers and exporters continue to dump PET into the SACU market, despite the anti-dumping duties and to undercut Safripol's prices should the anti-dumping duties expire, this will lead to a flood of imports into SACU leading to a continuation or recurrence of dumping and injury.

Commission's consideration

Even with increased or maintained anti-dumping duties, CCBSA can still source from exporters found not to be dumping. The impact of increased or maintained duties will be on non-cooperating exporters found to be dumping. Moreover, duties only apply to one specific market (PRC), allowing CCBSA to import from other markets. It is also important to note that anti-dumping duties aim to level the playing field, ensuring fair competition.

Comments by CCBSA on essential facts letters

- a) CCBSA argues that no adverse inference should be drawn against exporters to South Africa for not engaging with the Commission's process. Various reasons may explain their non-engagement, including lack of incentive due to existing trade protections or low export volumes making engagement not worthwhile.

- b) CCBSA requested further clarification on the use of SARS information, as the current explanation is deemed insufficient for meaningful comment. Specifically, CCBSA would like the Commission to fully disclose how this information was used to determine import volumes, particularly regarding the role of Safripol as a potential importer. If Safripol is indeed the importer, the reliability of the SARS data for the Commission's assessment may be compromised.
- c) The letter contains no basis or reasons to justify reliance on information from “Wood Mackenzie”. In this context, it is appropriate to note, as far as CCBSA understands, Safripol uses international indices or benchmarks when establishing a supply price for PET grounded on information provided by Independent Commodity Intelligence Services (ICIS). ICIS is the reference in the supply agreements entered into by CCBSA with Safripol. In this regard, information derived from ICIS is reflecting that an average benchmark for the price of PET for the timeframe (September 2023 to August 2024) equates to a value in the region of USD 900 per ton – as opposed the values put forward by Safripol.
- d) The letter does not describe nor justify the use of the values reflected for domestic transport costs, landed freight costs, terminal handling charges and export service fees (in particular the reasons that values purported to be furnished by Hapag-Lloyd are appropriate).

Response by the Applicant

- a) The Commission's acceptance of Wood Mackenzie domestic price data as the basis for normal value determination is consistent with the methodology that Safripol has employed in its application and is the same approach that was accepted by the Commission in the original anti-dumping investigation. As stated in Safripol's application, Wood Mackenzie is a leading provider of commercial intelligence in upstream and refining of chemicals, polymers, and fibres and the Wood Mackenzie data represents actual domestic selling prices for PET in China in the ordinary course of trade during the period of investigation.

- b) The use of third-party pricing data from reputable commercial intelligence providers to establish normal value is well-established in ITAC practice, particularly in circumstances where exporters have failed to cooperate with the investigation. In ITAC Report 529 (PET from Chinese Taipei, South Korea, and India, 2016), the Commission accepted normal value determinations based on pricing data from PCI (Polymer Compliance International) and ICIS (Independent Commodity Intelligence Services) where exporters did not provide their own sales data. The Commission stated that these third-party sources provided reliable market price information for PET in the countries concerned. The Commission's acceptance of Wood Mackenzie's data in the present investigation is entirely consistent with that past practice and with regulation 58.2 of the Anti-Dumping Regulations regarding the use of the best information available.

Commission's consideration

- a) *The argument that exporters have no incentive to participate is not a valid reason for failing to respond to the Commission's questionnaire. Participating in the investigation provides an opportunity for exporters to prove they are not dumping and potentially avoid anti-dumping duties. By not participating, exporters risk being viewed as dumping. Arguably, their non-participation may be due to concerns that the evidence would have confirmed dumping, potentially resulting in a higher dumping margin than the current duty.*
- b) *CCBSA's claim that SARS data may be compromised is unsubstantiated, as they fail to provide details on how it may be compromised and do not offer an alternative reliable source. The Commission, therefore, dismissed this claim and relied on the data from SARS (bill of entry), which was used to assess imports of the Applicant. Moreover, the Applicant's imports did not originate from the subject country, and therefore, they do not impact the injury experienced by the Applicant.*
- c) *The Commission acknowledge receipt of ICIS data from CCBSA. However, the Applicant opted to use Wood Mackenzie's data as their reliable source of information. The Commission considered the Wood Mackenzie data*

provided by the Applicant as the best available information for initiation purposes and deemed it prima facie evidence. Although exporters were given the opportunity to provide actual pricing data through the exporter questionnaire, they did not utilize this opportunity to refute the Applicant's claims or provide accurate export prices and normal values. Given the absence of actual prices from the exporter the Commission relied on the information provided by the Applicant, which was accepted as prima facie evidence for initiation purposes, rather than the CCBSA data.

- d) *The basis and justification for the adjustments were outlined in the letter and further detailed in the non-confidential application, which was made available to all interested parties, including CCBSA.*

Based on the information supplied, the Commission made a final determination that the expiry of the anti-dumping duties on imports of the subject product originating in or imported from the PRC would likely lead to the continuation of dumping.

5 CONTINUATION OF MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to information submitted by Safripol (Pty) Ltd being the major producer of the subject product in the SACU.

The Commission made a final determination that Safripol's production constitutes "a major proportion" of the total domestic production, in accordance with ADR 7.

5.2 MATERIAL INJURY ANALYSIS

The Applicant has indicated that the subject product being imported into the SACU is PET. The injury information provided below pertains to data from the Applicant for the period 1 September 2021 to 31 August 2024 along with estimates in the event that the anti-dumping duties expire.

Table 5.2 (a): Import volumes

Import volumes(kg)	2022	2023	2024	Estimates if duties expire
Alleged dumped imports (PRC)	5 291 313	19 362 530	4 752 855	60 073 383
Other imports	33 419 321	32 496 072	26 842 226	26 842 226
Total imports	38 710 635	51 858 602	31 595 081	86 915 609
Alleged dumped imports as a % of total imports	13.67%	37.34%	15.04%	69.12%
Other imports as a % of total imports	86.33%	62.66%	84.96%	30.88%

5.2.1 The table above shows that imports from PRC increased by 265.93% from 2022 to 2023 then decreased by 75.45% from 2023 to 2024. During the period of investigation imports decreased by 10.18% and it is estimated that if the anti-dumping duties were to be removed imports would rise further.

5.2.2 The table above further indicates that imports from other countries decreased by 14.74% from 2022 to 2023 then further decreased by 5.80% from 2023 to 2024. During the period of investigation imports decreased by 19.68% and it is estimated that they would remain stable if the anti-dumping duties were removed. The table above also indicates that imports of the

alleged dumped imports as a percentage of total imports increased by 1.37 percentage point over the POI.

- 5.2.3 The Applicant stated that despite the imposition of anti-dumping duties, dumped imports have continued throughout the investigation period for injury. This shows that these dumped imports enter the SACU market at such low prices that imports can continue despite the imposition of anti-dumping duties.
- 5.2.4 The volume of dumped imports increased substantially in the non-calendar years (NCY) 2023, from 5 291 313 kg in NCY2022 to 19 362 530 kg in NCY2023 (the non-calendar years refers to the 12-month period ending August each year). This shows that the volume of dumped imports can easily increase, despite the anti-dumping duties. These increases can, therefore, be expected to occur more easily if the anti-dumping duties are not in place.
- 5.2.5 The Applicant further stated that if the anti-dumping duties expire, the increase in the import volume of dumped imports is expected to return to the same level as before the imposition of anti-dumping duties (60 073 383 kg) an increase of 1 035% from NCY2024 levels.
- 5.2.6 The forecast figure for import volume (dumped imports) is based on the NCY2019 (September 2018 to August 2019) total for import volume (dumped imports), which is based on trade statistics information provided by SARS. NCY2019 was the last non-calendar year before the imposition of the provisional payment and definitive anti-dumping duties.

5.2.7 **Commission's consideration**

The Applicant imported the Subject Product in November 2022 solely due to a prolonged shutdown of its PET plant, aimed at maintaining supply to the local market. Notably, these imports were excluded from the total import figures. This context is crucial, as it underscores that the Applicant's imports were a strategic response to ensure market stability, rather than indicative of market demand or dumping trends.

5.2.8 Comments by CCBSA

- a) It also appears that the import information provided by Safripol fails to account for the fact that not all imports from China are dumped imports, as was found by the Commission in its previous investigation. This is supported by the fact that the PET CCBSA imported from China during the relevant period (which was imported from a producer not subject to dumping duties) was more expensive than the PET sourced from Safripol.
- b) The Applicant imported the product in FY2023 but didn't account for these imports when calculating dumped import volumes.

5.2.9 Response by the Applicant

- a) Safripol is not able to determine individual exporters which exported during the POI. It can only rely on SARS export statistics. There are no exporters who have co-operated in this investigation to provide information that they are not dumping and accordingly the information provided by Safripol is the best information available.
- b) Safripol's own imports were not from China and therefore have no bearing on the dumped imports.

5.2.10 Commission's consideration

- a) *The Commission noted that CCBSA's comments included its import data for PET manufactured by Jiangyin Xingtai New Material Co., Ltd., which is exempt from anti-dumping duties as it was not found to be dumping. To verify the non-dumped export volumes from the PRC, the Commission relied on Bill of Entry (BOE) data obtained from SARS and the BOE number for import volume (covering 11 July 2022 to 18 March 2023) provided by the importer. The non-dumped import volume from the PRC were found to be 10 085 800Kg. Consequently, the imports for 2022 and 2023 were adjusted to exclude non-dumped imports (2022 - 1 518 000kg and 2023 - 8 567 800) sourced from Jiangyin Xingtai New Material Co., Ltd which was previously found not to be dumping in the original investigation.*

Table 5.2 (b): Import volumes (Excluding non-dumped imports - PRC)

Import volumes(kg)	2022	2023	2024	Estimates if duties expire
Total imports (PRC)	5 291 313	19 362 530	4 752 855	60 073 383
Non - dumped imports (PRC)	1 518 000	8 567 800	0	
Alleged dumped imports total (PRC)	3 773 313	10 794 730	4 752 855	60 073 383
Other imports	33 419 321	32 496 072	26 842 226	26 842 226
Total imports	38 710 635	51 858 602	31 595 081	86 915 609
Non - dumped imports (PRC) as a % of total imports	3.92%	16.52%	0	0
Alleged dumped imports PRC	9.75%	20.82%	15.04%	69.12%
Other imports as a % of total imports	86.33%	62.66%	84.96%	30.88%

5.2.11 The table above shows that imports from PRC increased by 186.08% from 2022 to 2023 then decreased by 55.97% from 2023 to 2024. During the period of investigation imports increased by 25.96% and it is estimated that imports would rise further if the anti-dumping duties were removed. The table also shows that the alleged dumped imports as a percentage of total imports increased by 5.30 percentage point.

5.2.12 The Applicant's imports, as evidenced by the details provided, originated from Egypt and not the PRC. As such, these imports are not relevant to the investigation, which focuses on imports from the PRC. The import volume was 2 001 000kg.

5.3 Effect on domestic prices

5.3.1 Price undercutting

Price undercutting refers to the difference between the price of the imported product and the price of the like product produced by the SACU industry, with the imported product's price being determined based on its landed cost.

Table 5.3.1: Price undercutting

R/kg	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Applicant's ex-factory selling price	100	106	98	98
Landed cost of imports from the PRC	100	113	81	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [UNCHANGED FROM NCY2024]
Price undercutting	[CONFIDENTIAL] [NEGATIVE]	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY 2022]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [UNCHANGED FROM NCY2024]
Price undercutting %	[CONFIDENTIAL] [NEGATIVE]	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [UNCHANGED FROM NCY2024]

The table above indicates that the Applicant experienced price undercutting in 2024.

The Applicant claims that the price undercutting places it under pressure to limit price increases in line with increases in costs, leading to price suppression and decreased profitability. The Applicant further stated that if the anti-dumping duties expire, they expect a continued price undercutting despite significant discounts which are offered to local customers which significantly decrease the Applicant's profitability and return on investment potentially forcing the Applicant to maintain or increase the discounts offered, leading to even more significant price suppression and/or depression.

The Applicant asserts that any attempt to increase prices to reflect rising costs would be self-defeating. Instead, it would accelerate the shift in sales volume to dumped imports, necessitating even higher prices. Ultimately, the Applicant's plant

would become economically unviable due to the unsustainable competition from dumped imports, potentially forcing its permanent closure and resulting in widespread job losses.

The Applicant claims that the continued dumping of the Subject Product has caused significant price disadvantage surpassing even the price undercutting. Despite the anti-dumping duties, the Applicant's price increase has not kept pace with rising costs. This is expected to continue and worsen if the anti-dumping duties expire.

5.3.2 Price depression

Price depression takes place where the SACU industry's ex-factory selling price decreases during the period of investigation.

Table 5.3.2: Price depression

R/kg	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Applicant's ex-factory selling price	100	106	98	98

The table above shows that the Applicant's ex-factory selling price increased by 6 index points from 2022 to 2023 then decreased by 8 index points from 2023 to 2024. During the period of investigation, the ex-factory selling price decreased by 2 index points and it is estimated that it would remain stable if the anti-dumping duties were removed. During the POI, a slight price depression was experienced by the SACU industry.

The Applicant claims that in addition to lowering its ex-factory price, it has also been forced to offer substantial discounts to customers as well as provide additional free stock. This reduces its profitability and return on investment, and it is expected that the expiry of the anti-dumping duties would result in further pressure on the Applicant to offer increased discounts.

The Applicant stated that it experienced material injury in the form of price depression during the investigation period for dumping, with ex-factory prices decreasing to below the levels achieved in the first and second years of the investigation period for injury.

If the anti-dumping duties are revoked it is estimated that the Applicant is expected to depress prices further as a consequence of the expected flood of dumped imports leading to further material injury.

5.3.3 Price suppression

Price suppression is the extent to which increases in the cost of production of the product concerned cannot be recovered in selling prices.

Table 5.3.3 Price suppression

R/kg	2021/22	2022/23	2023/24	Estimates if duties expire
Applicant's ex-factory selling price	100	106	98	98
Total operating profit R/kg	100	47	16	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Operating profit margin (%)	100	44	17	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Applicant ex-factory net profit R/kg	100	65	2	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Ex-factory net profit margin (%)	100	61	2	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Total cost of production as % selling price	100	106	116	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2024]

The table above shows that the total cost of production as a percentage of the ex-factory selling price increased during the period of investigation and is estimated to further increase if the anti-dumping duties are removed. The table also indicates that without the duties, the industry will be unable to recover the cost of production from the selling price.

The Applicant claims that it experienced material injury in the form of price suppression

in NCY2023 (increase from base and previous year) and NCY2024 (increase from base and previous year). If the anti-dumping duties expire, Applicant's sales volumes are expected to decline as downstream users can be expected to increase their imports from the dumping country at dumped prices. This will lead to increase in per unit costs as the Applicant will be unable to achieve economies of scale. The expected decrease in volumes is also below the minimum volume at which the Applicant can run the plant continuously whilst still producing prime products and, as result, the Applicant will also have to institute temporary shutdowns of the plant. These would involve significant additional expenses and would further increase the cost of production. The Applicant's operations will not be sustainable in the long term if it cannot maintain optimum production volumes.

The Applicant stated that the expiry of the anti-dumping duties will lead to a continuation of and increase in material injury in the form of price suppression as the Applicant will be unable to increase its prices in line with increases in costs due to unfair competition from dumped imports being imported at dumped prices and will likely be forced to sell the Subject Product at a loss.

5.4 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE SACU INDUSTRY

5.4.1 Actual and potential decline in volumes

The following table shows the Applicant's sales volume of PET in 2022 to 2024 and an estimate in the event the duties expire:

Table 5.4.1 (a): Sales volumes

Kg	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Applicant's sales volume	100	90	104	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Non-Participating SACU Producers' sales volume	77 456 333	76 944 667	78 140 000	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Sales volume all SACU producers	[CONFIDENTIAL] [POSITIVE]	CONFIDENTIAL [POSITIVE] [DECREASE FROM NCY2022]	CONFIDENTIAL [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

The table above indicates that total SACU sales volumes decreased by 10 index points from 2022 to 2023 then increased by 14 index points from 2023 to 2024 followed by a further increase of 4 index points during the period of investigation. It is estimated that sales volumes will decrease if the anti-dumping duties are removed.

The Applicant also stated that should the anti-dumping duties be revoked or expire, its sales volumes are expected to decline as downstream users can be expected to increase their imports from the PRC at dumped prices leading to a recurrence of material injury in the form of a significant decrease in sales volume.

Table 5.4.1 (b): Sales values

Rand	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Applicant's sales value	100	96	102	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Non-Participating SACU Producers' sales value	100	104	98	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Total SACU sales values	100	98	101	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

The table above indicates that total SACU sales values decreased by 2 index points from 2022 to 2023, increased by 3 index points from 2023 to 2024 and increased by 1 index points during the period of investigation and estimated to decrease should the anti-dumping duties be removed.

The Applicant stated that if the anti-dumping duties are revoked the sales volumes are expected to decline as downstream users can be expected to increase their imports from the dumping countries at dumped prices leading to increase per unit costs as they will be unable to achieve economies of scale.

5.4.2 Profit

The following table shows the Applicant's profit before interest and tax for the years 2022 to 2024 and an estimate in the event the duties expire:

Table 5.4.2: Profit

Rand	2021/22	2022/23	2023/24	Estimates if duties expire
Applicant's operating profit (R)	100	42	17	(25)
Operating profit (R/kg)	100	47	16	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Operating profit margin (%)	100	44	17	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Applicant's net profit (R)	100	59	2	(49)
Net profit per (R/kg)	100	65	2	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Net profit margin (%)	100	61	2	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

The table above indicates that both gross and net profits were positive but showed a steep decline during the period of investigation. It is estimated that these profits would continue decreasing if the anti-dumping duties were removed.

The Applicant indicated that it has experienced material injury in the form of decline in operating and net profit throughout the investigation period for injury and this had a significant negative impact on its return on investment.

The Applicant stated that sales volumes are expected to decline as downstream users can be expected to increase their imports from the PRC at dumped prices. This will lead to increase in per unit costs as the Applicant will be unable to achieve economies of scale. The Applicant indicated that the forecast figures for profitability are based on the forecast figures for sales volumes, sales values, and costs.

5.4.3 Output

The following table outlines the Applicant's production volumes of the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire.

Table 5.4.3: Output

Kg	2021/22	2022/23	2023/24	Estimates if duties expire
Production volumes	100	87	88	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

The table above shows that the Applicant's production volumes decreased by 13% from 2022 to 2023 then increased by 1% from 2023 to 2024 followed by a decrease of 12% during the period of investigation. However, it is estimated that production volumes would continue decreasing if the anti-dumping duties are removed.

The Applicant claimed that it experienced material injury in the form of a decrease in production volume over the POI. If the anti-dumping duties expire, its sales volumes are expected to decline as downstream users can be expected to increase their imports from the PRC at dumped prices. As a result, the Applicant will be forced to reduce their production volumes, since these cannot be sustained at current levels if they are not able to sell the Subject Product and prevent the Applicant from achieving economies of scale.

5.4.4 Market share

The following table presents the market share for the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire.

Table 5.4.4: Market share (Volumes)

Kg	2021/22	2022/23	2023/24	Estimates if duties expire
Applicant's sales Volume (kg)	100	90	104	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Non-participating SACU producers' sales volume (kg)	77 456 333	76 944 667	78 140 000	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Total sales volume all SACU producers (kg)	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Volume dumped imports (kg)	3 773 313	10 794 730	4 752 855	60 073 383
Other imports	33 419 321	32 496 072	26 842 226	26 842 226
Total import Volume (kg)	38 710 635	51 858 602	31 595 081	86 915 609
Total SACU Market Volume (kg)	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [UNCHANGED FROM NCY2024]
Applicant's market share %	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Non-participating SACU producer's market Share %	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [DECREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

All SACU producers' market share (%)	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Market share dumped imports (%)	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2024]
Market Share other imports %	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [UNCHANGED FROM NCY2024]
Market Share total import (%)	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [INCREASE FROM NCY2022] [INCREASE FROM NCY2024]

5.4.4.1 There was a slight increase on market share for both the Applicant's and the alleged dumped imports over the period of investigation (POI).

5.4.4.2 The Applicant stated that even if the SACU market does not continue to decrease in size it is expected to lose a significant portion of its market share to dumped imports if the anti-dumping duties expire. This loss of market share would be even greater if the SACU market continues to decrease in size.

5.4.5 Productivity

The following table presents the SACU industry's productivity, based on output and the number of employees in manufacturing, for the years 2021/22 to 2023/24, along with an estimate for the period if the duty expires.

Table 5.4.5: Productivity

Kg	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Total production volume (kg)	100	87	88	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
No. of production employees	100	98	97	97
Production per employee	100	89	91	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

The table above shows that employee productivity decreased during the period of investigation. It is estimated that employee productivity would continue to decline if the anti-dumping duties are removed.

The Applicant stated that despite decreasing production volumes it will not be able to significantly reduce its number of production employees whilst continuing to operate the plant. Thus, a decrease in production volumes will lead to a significant decline in productivity.

Commission’s consideration

It was explained during verification that decline in employment is not a true reflection as the same employees are still working in the plant. The difference is that they are no longer on Applicant’s payroll but on the sister company’s payroll which is responsible for transportation. Therefore, the Commission in analysing productivity, employment was based on constant employment throughout the POI. Consequently, productivity will show a decline in 2023 with a slight increase in 2024, and it is estimated to decline further should the duty expire. However, even with constant employment figure, the Applicant still shows material injury in terms of productivity.

5.4.6 Return on investment

The following table presents the Applicant’s return on investment for the years 2022 to 2024 along with an estimate for the period if the duties expire.

Table 5.4.6: Return on investment

Rand	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Net profit (Subject Product)	100	59	2	(49)
Net assets	100	164	127	(8)
Return on net assets (Subject Product)	100	36	2	(602)

The table above shows that the return on net assets decreased by 64 index points from 2022 to 2023 further decreased by 34 index points from 2023 to 2024 and resulting in a decrease of 98 index points during the POI. It is estimated that the return on net assets will continue to decrease significantly if the anti-dumping duties are removed. The table above indicated that the Applicant is experiencing material injury in the form of a reduction on return on investment over the POI.

The Applicant claims that, if the anti-dumping duties expire, it expects a significant decline in sales volume as downstream users will shift to imported Subject Product from the PRC at dumped prices, leading to increase in per unit costs, temporary plant shutdowns and unsustainable operations. The Applicant will be unable to increase prices due to unfair competition, resulting in selling at a loss, negatively impacting net assets, and declining return on investment. Ultimately, this will limit the Applicant's ability to raise capital, sustain operations, and maintain business viability, leading to a continuation and increase in material injury.

5.4.7 Utilization of production capacity

The following table presents the Applicant's production capacity utilisation for the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire:

Table 5.4.7: Utilisation of production capacity

Kg	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Applicant's capacity	100	92	104	104
Applicant's actual production	100	87	88	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Capacity utilisation (%)	100	95	85	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

The table above shows that the Applicant's capacity utilisation decreased by 5 index points from 2022 to 2023 and further decreased by 10 index points from 2023 to 2024 and resulting in 15 index points decrease during the POI. It is estimated that capacity utilisation will continue to decrease if the anti-dumping duties are removed.

5.4.8 The magnitude of the margin of dumping

The following margin of dumping was calculated:

Table 5.4.8: Margin of dumping

Tariff- Sub-heading	Product description	Margin of dumping expressed as % of ex-factory export price
3907.6	PET	44.93%

5.4.9 Actual and potential negative effects of cash flow

The following table presents the Applicant's cash flow for the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire:

Table 5.4.9: Cash flow

Rand	2021/22	2022/23	2023/24	Estimates if duties expire
Cash flow: incoming	100	50	41	41
Cash flow: outgoing	(100)	(50)	(41)	(72)
Net cash flow	(100)	(108)	13	(154 399 184)

5.4.9.1. The table above shows that the Applicant's net cash flow increased from negative 100 in 2022 to a positive 13 in 2024. However, it is estimated that the net cash flow will turn negative again if the anti-dumping duties are removed.

5.4.9.2. The Applicant stated that, should the anti-dumping duties expire, it will continue to face increased expenses as a result of inflationary pressures and fixed costs will not decrease as volumes decrease which will lead to increased outgoing cashflow per unit sold.

5.4.10 Inventories

The Applicant provided the following inventory levels for the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire.

Table 5.4.10: Inventories

	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Volumes (kg)	100	186	136	124
Value (R)	100	209	146	134

5.4.10.1 The table above shows that inventory volumes increased by 86 index points from 2022 to 2023 and decreased by 50 index points from 2023 to 2024 resulting in an overall increase of 36 index points during the POI. It is estimated that inventory volumes will continue to rise if the anti-dumping duties are removed. Similarly, inventory values increased by 109 index points from 2022 to 2023 but then decreased by 63 index points from 2023 to 2024 resulting in a 46 index points increase over the POI. It is also estimated that inventory values will increase should the anti-dumping duties be removed.

5.4.10.2 The Applicant stated that it has assumed that the SACU producers will be able to reduce production by the same volume as sales. However, it is likely that the Applicant and the non-participating SACU producers will not be able to reduce production volumes by as much as sales volumes therefore it is likely that the Applicant and the non-participating SACU producers may produce stock which it is unable to sell, resulting in increased inventory volume. The Applicant further stated that even if the absolute volume of inventories were to remain similar to current levels, there would still be an increase relative to sales volumes.

5.4.10.3 **Commission's consideration**

It was explained during verification that the increase in inventory is due to a decline in sales because of increased imports by the customers. It was also explained that the floods in April 2023 also contributed to the finished goods stockpile going up.

5.4.11 **Employment**

The following table presents the Applicant's employment levels for the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire.

Table 5.4.11: Employment

	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Direct production employees	100	98	95	95
Indirect production employees	100	100	101	101
Total production employees	100	98	97	97

5.4.11.1 The table above shows that the total number of employees involved in production decreased by 2 index points from 2022 to 2023 further decreased by 1 index points from 2023 to 2024 resulting in an overall decrease of 3 index points during the POI. However, it is estimated that the number of employees will remain the same if the anti-dumping duties are removed.

5.4.11.2 The Applicant stated that should the anti-dumping duty be removed despite decreasing production volumes in the short term, the Applicant will not be able to reduce their number of production employees whilst continuing to operate the plant. As such the expiry of anti-dumping duties will not have an immediate impact on employment in the short term. However, in the long term the Applicant will not be able to sustain operations at its plant whilst facing unfair competition from dumped imports and will likely have to consider closing the plant permanently and retrenching all employee expected to decrease.

5.4.11.3 **Commission's consideration**

During verification, it was explained that in reality, there is no decline in employment as same employees are still working in the plant. They were

taken out of Safripol payroll as they were absorbed by Unitrans who pays their salaries.

These jobs fall within delivery and storage of the products which is the responsibilities of Unitrans. It was explained that this move was due to Unitrans wanting to take full responsibility for the storage and handling of materials so as not to confuse Safripol of bags coming out of Safripol plant because they have a different software. Therefore, it cannot be treated as material injury.

The Commission made a final determination not to consider employment to be an injury indicator for the analysis of the material injury.

5.4.12 Wages

The following table presents the Applicant’s wages for the Subject Product from 2022 to 2024 along with an estimate for the period if the duties expire:

Table 5.4.12: Wages

Rand	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Remuneration production employees	100	104	110	117
Remuneration per production employee	100	106	113	120

The table above shows that total wages increased by 4 index points from 2022 to 2023 and further rose by 6 index points from 2023 to 2024 resulting in an overall increase of 10 index points during the POI. It is estimated that total wages will continue to increase if the anti-dumping duties are removed. While wages per employee shows an increase of 6 index points from 2022 to 2023 and 7 index points from 2023 to 2024 with an overall increase of 13 index points during the POI. It is estimated that wages per employee will also continue to increase even if the anti-dumping duties are removed.

The Applicant claimed that despite decreasing production volumes, they will not be able to significantly reduce their number of production employees in the short-term whilst continuing to operate the plant. At the same time, the Applicant will have to continue paying increased wages to employees. This will lead to an increase in wages which when

combined with expected lower sales volumes will result in increased costs and reduced profitability and return on investment.

5.4.13 Growth

The following table presents the Applicant's growth information for the subject product from 2021/2022 to 2023/2024, along with an estimate for the period if the duty expires.

Table 5.4.13: Growth

Kg	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Size of the SACU market	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [UNCHANGED FROM NCY2024]
% growth from previous year	[CONFIDENTIAL] [POSITIVE]	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022]	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [INCREASE FROM NCY2023]	[CONFIDENTIAL] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Alleged dumped imports PRC(Kg)	5 291 313	19 362 530	4 752 855	60 073 383
% growth from previous year		265.93%	(75.45%)	1 163.94%
Other imports (kg)	33 419 321	32 496 072	26 842 226	26 842 226
% Growth from previous year		(2.76%)	(17.40%)	0 00%
Applicant's sales volume (kg)	100	90	104	[CONFIDENTIAL] [POSITIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]
Applicant's growth %	0	0	0	[CONFIDENTIAL] [NEGATIVE] [DECREASE FROM NCY2022] [DECREASE FROM NCY2024]

5.4.13.1 The Applicant stated that if the anti-dumping duties are revoked or expired, the Applicant is expected to lose a significant portion of its market share to

dumped imports. This loss of market share would be even greater if the SACU market decreases in size.

5.4.14 Ability to raise capital or investments

The following table presents the Applicant's ability to raise capital and investment for the subject product from 2021/22 to 2023/24, along with an estimate for the period if the duty expires.

Table 5.5.14: Ability to raise capital or investments

Rand	2021/2022	2022/2023	2023/2024	Estimates if duties expire
Total capital/investment on the subject product	100	88	101	101
Capital expenditure during year on subject product	100	0	0	0

5.4.14.1 The table above indicates that the Applicant's investment on the subject product decreased by 12 index points from 2021/22 to 2022/23 and increased by 13 index points from 2022/23 to 2023/24. During the POI investment increased by 1 index point. However, it is estimated that investment will remain the same if the anti-dumping duty is removed.

5.4.14.2 The table above shows that the Applicant's capital expenditure on the subject product declined by 100% from 2022 to 2024 and that there will be no capital expenditure should the anti-dumping duties expire.

5.4.14.3 The Applicant further stated that it will not be able to achieve returns on its investment which will limit its ability to raise capital for future investments in maintaining or expanding capacity, as needed, leading to a continuation of material injury.

5.5 SUMMARY – CONTINUATION OF MATERIAL INJURY

If the anti-dumping duty is revoked, it is anticipated that dumped imports from the PRC will continue, resulting in material injury to the SACU.

5.5.1 The information shows that the industry is continuing to experience material injury in the form of:

- Increase in dumped imports,

- Decrease in sales volume,
- Price suppression,
- Negative profits,
- Decrease in output,
- Decline in productivity,
- Decline in market share,
- Negative return on investment,
- Increase on salaries and wages,
- Decline in capacity utilisation, and
- Decline in SACU market growth.

5.5.2 It is anticipated that should anti-dumping duties be revoked, dumped imports from the PRC will surge resulting in further material injury to the SACU industry once again.

5.5.3 Comments by CCBSA

Safripol has failed to establish that it is suffering injury. The Panel in India – Certain Measures on Imports of Iron and Steel Products held:

“A competent authority should take into account the totality of the trends in injury factors and their interaction. If a number of injury trends show a positive trend or an improvement in the situation of the domestic industry, the competent authority would need to provide a compelling explanation of why and how the domestic industry is injured despite such positive trends”. (Our emphasis)

Safripol’s performance indicators suggest a positive trend, including with respect to volume and profitability.¹⁴ In this context, Safripol has failed to provide an explanation, based on positive evidence and reasoned arguments, as to why injury is being suffered despite these positive trends.

Furthermore, Safripol’s argument regarding the continuation of injury, is fundamentally flawed as it is based on assumptions and conjecture instead of reasoned arguments or positive evidence. It is not sufficient for an Applicant to simply state that the situation will revert to how it was prior to the imposition of the dumping duties, which is a central feature upon which Safripol relies, in seeking to justify and extract an ongoing remedy.

5.5.4 Response by the Applicant

CCBSA only challenges Safripol's analysis of present injury. It does not deal with the reasons and substantiated submissions of Safripol that the removal of the anti-dumping duties is likely to lead to the continuation or continuation of injurious dumping. In its prospective analysis, Safripol demonstrated, with reference to each of the injury factors, that the removal of the anti-dumping duties will probably lead to the continuation of dumping. Safripol has, however, also demonstrated present material injury.

5.5.5 Commission's consideration

A sunset review focuses on future prospects, so it is not mandatory to prove current dumping or injury. However, in this case, the Applicant has demonstrated that it is still experiencing material injury despite the existing anti-dumping duties, supporting the likelihood of continuation of injury if the anti-dumping duties were to expire.

The Commission made a final determination that the Applicant's information indicates that the expiry of the anti-dumping duties would likely lead to the continuation of material injury.

5.5.6 Comments by interested parties on essential facts letters

The letter does not contain sufficient facts to which CCBSA may meaningfully respond insofar as it applies to material injury or the continuation thereof. The items are listed as topics without any disclosure of underlying facts and reasons. We highlight the submissions regarding the appropriate remedy to be recommended by the Commission requiring assessment as to whether dumping has, in fact, occurred and whether that is the cause of any harm.

CCBSA underlines that a key imperative to support local industries is to ensure alternative sources of supply at competitive prices, unencumbered by duties or other protections in line with past practices, including in circumstances where Safripol or current suppliers which benefit from exceptions or exclusions are unable for any reason to supply South African users.

5.5.7 Commission's consideration

The Commission ensured that all known interested parties, including CCBSA, received the initiation pack with the non-confidential application. The application outlined the material injury suffered by the Applicant, which the Commission considered in determining that the Applicant is experiencing material injury. Furthermore, the application highlights the likelihood of continued material injury if the duties are removed or expire. Notably, the evidence indicates that the Applicant is indeed experiencing material injury, even with the existing anti-dumping duties in place.

While CCBSA emphasizes the importance of alternative sources of supply at competitive prices, it is crucial to recognize that the anti-dumping duties are not a protectionist measure, but rather a means to level the playing field. The duties aim to prevent unfair trade practices that harm local industries.

These duties will specifically target exporters found to be dumping and those who did not cooperate with the investigation. This approach ensures that fair competition is maintained in the market. Moreover, importers still have the option to source products from other markets that are not dumping the subject product in SACU. This allows them to maintain access to competitive prices while promoting fair trade practices.

6. FINDINGS

- 6.1 Regulation 59 of the ADR states that the Commission's recommendation may result in the withdrawal, amendment or reconfirmation of the original dumping duty.
- 6.2 The sunset review investigation is a forward-looking investigation based on forecasts; however, the investigation revealed that the domestic industry continues to suffer material injury even with the existing anti-dumping duties in place.
- 6.3 Despite the existing anti-dumping duty, imports from PRC surged by 186.08% from 2022 to 2023, followed by a 55.97% decline from 2023 to 2024. However, the overall increase over the POI still stands at 25.96%.
- 6.4 Notably, these imports are undercutting the domestic industry's prices, causing a continuation of material injury to the SACU industry in the form of price depression, decreased profits, production, and productivity, as well as reduced return on investment, capacity utilization, and increased inventory.
- 6.5 Given the ineffectiveness of the current anti-dumping duties in preventing this injury, the Commission made a final determination to increase the applicable anti-dumping duties to a revised dumping margin of 43.77 percent.

7. FINAL DUTIES

7.1 The table below is provided for the purposes of comparison between the applicable anti-dumping duties and the calculated anti-dumping margins in the investigation:

Table 7.1: Comparison between applicable duties and calculated anti-dumping margins

Item	Tariff heading	Description	Originating in or imported from	Rate of anti-dumping duty	Calculated dumping margin
207.01	3907.6	Polyethylene terephthalate produced by Zhejiang Wankai New Materials Co. Ltd	The People's Republic of China	28.26%	43.77%
207.01	3907.6	Polyethylene terephthalate (Produced by Far Eastern Industries Shanghai) Ltd	The People's Republic of China	26.4%	43.77%
207.01	3907.6	Polyethylene terephthalate (excluding those produced by Zhejiang Wankai New Materials Co. Ltd, Far Eastern Industries (Shanghai) Ltd, Jiangyin Xingyu New Materials Co. Ltd, Jiangyin Xingtai New Material Co. Ltd and Jiangsu Xingye Plastic)	The People's Republic of China	28.89%	43.77%

7.2 The above table compares the current anti-dumping duties with the calculated dumping margin as per the dumping calculation that is based on the normal value based on domestic selling prices derived from Wood Mackenzie and transport cost adjustment and the export price from SARS statistics as well as estimates based on the SARS statistics for those cuts that have not been imported during the POI.

7.3 As there were no responses from the producers of the subject products, the Commission made a final determination that the likelihood of the continuation of dumping is made on the best information available, being that provided by the Applicant.

7.4 The Commission made a final determination to recommend to the Minister of Trade, Industry and Competition that anti-dumping duties on the subject product originating in or imported from the PRC be increased as per the below Table 8.1.

8. FINAL DETERMINATION

The Commission made a final determination that the expiry of the anti-dumping duty on the subject product originating in or imported from the PRC would likely lead to the continuation of dumping and material injury.

The Commission therefore made a final determination to recommend to the Minister of Trade, Industry and Competition that the current anti-dumping duties on the subject product originating in or imported from the PRC be increased as per the below Table 8.1 because of the presence of dumped imports and ongoing material injury.

Table 8.1: Anti-dumping duty increase

Item	Tariff heading	Description	Originating in or imported from	Rate of anti-dumping duty
207.01	3907.6	Polyethylene terephthalate (excluding those produced by Zhejiang Wankai New Materials Co. Ltd, Far Eastern Industries (Shanghai) Ltd, Jiangyin Xingyu New Materials Co. Ltd, Jiangyin Xingtai New Material Co. Ltd and Jiangsu Xingye Plastic)	The People's Republic of China	43.77% <i>ad valorem</i>

The Commission also made a final determination that the anti-dumping duties on imports of PET be listed in the rebate item column in Schedule No. 2 to the Customs and Excise Act and therefore may not be imported under rebate of customs duty without payment of anti-dumping, countervailing and safeguard duties without a recommendation from ITAC.