

Report No. 257

Sunset review of the anti-dumping duties on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the People's Republic of China: Final determination

The International Trade Administration Commission of South Africa herewith presents its
**Report No. 257: SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON WOVEN
FABRICS OF POLYESTER STAPLE FIBRES MIXED MAINLY OR SOLELY WITH
COTTON, UNBLEACHED OR BLEACHED, DYED, COLOUR WOVEN AND PRINTED
ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC):
FINAL DETERMINATION**



**Itumeleng Masege
ACTING CHIEF COMMISSIONER**

PRETORIA
15/10/ 2007

1. APPLICATION AND PROCEDURE

- 1.1 This investigation is conducted in accordance with the International Trade Administration Act, 2002, (Act 71 of 2001) (ITA Act), the World Trade Organization Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement) and the International Trade Administration Commission Anti-Dumping Regulations (ADR).
- 1.2 On 26 May 2006, the Commission notified interested parties through Notice No. 673 in *Government Gazette* No.28847 that unless a substantiated request is made indicating that the expiry of the anti-dumping duty on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC would likely lead to the continuation or recurrence of dumping and material injury, the anti-dumping duties on the subject products would expire on 22 February 2007.
- 1.3 A detailed response to the sunset review questionnaire was received from the Textile Federation ("Texfed"), on behalf of Frame Textiles and Da Gama Textiles; the producers of the subject product in the SACU. The Applicant indicated that only Frame Textiles, who represents approximately 77% of local production in 2005, submitted the information contained in this report.
- 1.4 This report contains information with regard to dumping for the period 01 July 2005 to 30 June 2006 as submitted after essential facts and information with regard to material injury for the period 01 July 2003 to 30 June 2006, with an estimate if the anti-dumping duties expire.
- 1.5 The Commission formally initiated the investigation on 19 January 2007 through Notice No.23 in *Government Gazette* No.29535. Exporters and importer review questionnaires were sent to various known interested parties, including the government representative of the PRC.
- 1.6 The following exporters/manufacturers in the PRC were identified as interested

parties:

- (a) Chingnal Textiles
- (b) Dezhou Yingxiang Textile Co., Ltd
- (c) ShijiazhuangFangyu Imp & Exp Corp
- (d) Pekko Textiles (Wujiang) Co Ltd
- (e) Shaoxing New Max Imp & Exp Co Ltd
- (f) Gangzhou Zhong Da Fabric Co Ltd
- (g) Tangxiang Longshine Printing & Dyeing Co Ltd
- (h) Qingdao Oking Trading Co Ltd

No responses were received from the exporters/manufacturers in the PRC.

1.7 The following SACU importers were identified as interested parties:

- (a) Classique Quilters CC
- (b) Wm Eachus & Co (Pty) Ltd
- (c) Character Linens CC
- (d) Alessi Trading CC
- (e) Stephen Boyer Textiles CC
- (f) NSC Textiles CC
- (g) Homestyle Textiles CC
- (h) Household Textiles Manufacturers and Importers Association of South Africa.

Responses were received from the importers in the SACU represented by H Miller Ackermann and Bronstein Attorneys. The responses were deficient as the information provided was not in the format as required in the questionnaire. It were mere general comments on why the Commission should consider withdrawing the anti-dumping duties. A non-confidential and an electronic version of the response as required were also not provided.

1.8 On 26 April 2007, the Commission made an essential facts finding based on facts available which was the information provided by the Applicant, that there is likelihood of recurrence and continuation of dumping and injury if the duties expire. The dumping margins were calculated to be 16.7% for bleached, 30.01% for dyed,

82.35% for colour woven and 230.6% for printed fabrics.

- 1.9 Essential facts letters were sent to interested parties for comments informing them in terms of Section 37 of the International Trade Administration Anti-Dumping Regulations and Article 6.9 of the Anti-Dumping Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade of the “essential facts” which were being considered by the Commission. Comments were received from the Applicant and the importers of the subject product. It was discovered in the division that the export prices used for initiation purposes fell outside the scope of the investigation for dumping which is July-June and the Applicant was informed of the discrepancy. The Applicant in its response confirmed that the calendar figures for Jan-Nov and not the financial year figures (Jul-Jun) were used. The information for the financial year Jul-Jun was therefore submitted which resulted in different dumping margins. The new margins based on information submitted by the Applicant were 31.9% for bleached, 23.48% for dyed, 70.6% for colour woven and 151.2% for printed fabrics. The material injury information remained the same.
- 1.10 Based on the new margins which were regarded as new information that the Commission did not have at its disposal when it initiated the investigation, the Commission decided at its meeting of 27 July 2007 to terminate the investigation. Second essential facts letters were sent out to interested parties. Extension was granted to the Applicant.
- 1.11 Based on the details as contained in the Commission’s essential facts letters and the comments received in respect of the essential facts determination, the Commission made a final determination that it was considering to confirm its essential facts determination that the investigation be terminated.
- 1.12 The Commission therefore indicated that it was considering making a final determination to recommend to the Minister of Trade and Industry that the investigation with regard to the sunset review on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC be terminated and the anti-

dumping duties be withdrawn.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product is described as poly/cottons, or sheeting or shirting. However, the Applicant indicated that every factory has its own "trade name". The Chinese product is sometimes known as "Milky Way".

2.1.2 Country of origin/export

The subject product is imported from the People's Republic of China.

2.1.3 Possible tariff loopholes

Table 2.1.3: Possible tariff loopholes

Tariff subheading	Description	Unit of measurement	Rate of Duty
52.10	Woven fabrics of cotton, cont < 85% of cotton, mixed mainly or solely with man-made fibres, of a mass not exc 200g/m2	kg	22%
5210.11	Plain weave, unbleached	kg	22%
5210.21	Plain weave, bleached	kg	22%
5210.31	Plain weave, dyed	kg	22%
5210.41	Plain weave, of yarns of different colours	kg	22%
5210.51	Plain weave, printed	kg	22%

2.1.4 Other applicable duties and rebates

The existing anti-dumping duty is 80% on the fabrics concerned imported from or originating in China applicable under the following tariff headings:

Table 2.1.4 (i): Other applicable duties and rebates

Tariff subheading	Description	Rebate Item	Originating in or imported from	Rate of Anti-Dumping Duty
5513.11	Unbleached or bleached woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m2 but not	301 – 311.06, 311.08 – 312.01, 312.03 – 399 and 460.11	People's Republic of China	80%

	exceeding 130g/m ² –(excluding fabrics commonly known as haircloth and fabrics stiffened with size or the like, commonly used as interlinings, and crepe fabrics and seersucker fabrics)			
5513.21	Dyed woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m ² but not exceeding 130g/m ² (excluding fabrics commonly known as haircloth and fabrics stiffened with size or the likes, commonly used as interlinings and crepe fabrics and seersucker fabrics)	301 – 311.06, 311.08 – 312.01, 312.03 – 399 and 460.11	People's Republic of China	80%
5513.31	Woven fabrics of yarns of different colours of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m ² but not 130g/m ² (excluding crepe fabrics and seersucker fabrics)	301 – 311.06, 311.08 – 312.01, 312.03 – 399 and 460.11	People's Republic of China	80%
5513.41	Printed woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m ² (excluding fabrics commonly known as haircloth and fabrics stiffened with size or the like, commonly used as interlinings and other fabrics printed with scarf designs)	301 – 311.06, 311.08 – 312.01, 312.03 – 399 and 460.11	People's Republic of China	80%

A rebate provisions exist in terms whereof the subject product can be imported subject to rebate of the duty. The rebate provision is an element of the TCIDP (Textiles & Clothing Industry Development Programme) administered by ITAC.

The Applicant indicated that the EU and SADC have lower rates of duty in terms of the two agreements, which are as follows:

Table 2.1.4 (ii): EU and SADC rates of duty

	2005	2006	2007
SADC	free	free	free
EU	13	12	10

2.1.5 Negligibility test

The following table shows the alleged dumped imports as a percentage of the total imports:

Table 2.1.5: Import volumes (01 July – 31 June)

Tariff subheading	2002/3 (kg)	2003/4 (kg)	2004/5 (kg)	2005/6 (kg)
Total alleged dumped imports				
5513.11	726 432	133 377	3 080	18 192
5513.21	406 376	57 595	30 219	96 693
5513.31	14 531	4 109	5 335	13 008
5513.41	34 583	77 702	7 734	41 643
Total	1 181 922	272 783	47 096	169 536
Total imports				
5513.11	1 771 661	977 659	224 505	1 185 642
5513.21	2 985 817	3 281 839	1 226 865	3 693 515
5513.31	49 214	51 582	18 537	54 143
5513.41	4 470 526	4 714 506	1 072 387	4 543 551
Total	9 277 218	9 025 585	2 542 294	9 325 507
Alleged dumped imports as % of total imports				
5513.11	41.0%	13.6%	1.4%	1.5%
5513.21	13.6%	1.7%	2.5%	2.6%
5513.31	29.5%	8.0%	28.8%	24%
5513.41	0.8%	1.6%	0.7%	0.9%

The Commission found that the alleged dumped imports as a percentage of total imports from the PRC for the period 2005/6 are negligible for unbleached/bleached woven fabrics, for dyed woven fabrics and for printed fabrics. The alleged dumped imports as a percentage of total imports for colour woven fabrics from the PRC for the same period are above the negligibility level.

2.2 SACU PRODUCT

2.2.1 Description

The subject product is described as poly/cottons, or sheeting or shirting. However, the Applicant indicated every factory has its own "trade name". The SACU product is sometimes known as "Sungleam".

2.3 LIKE PRODUCTS ANALYSIS

In determining the likeness of products, the Commission used the following criteria:

Table 2.3: Like product determination

	Imported product	SACU product
Raw materials	Polyester staple fibres and cotton staple fibres.	Polyester staple fibres and cotton fibres.
Tariff classification	<p>5513.11: Unbleached or bleached woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² but not exceeding 130g/m² –(excluding fabrics commonly known as haircloth and fabrics stiffened with size or the like, commonly used as interlinings, and crepe fabrics and seersucker fabrics)</p> <p>5513.21 Dyed woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² but not exceeding 130g/m² (excluding fabrics commonly known as haircloth and fabrics stiffened with size or the likes, commonly used as interlinings and crepe fabrics and seersucker fabrics)</p> <p>5513.31 Woven fabrics of yarns of different colours of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² but not 130g/m² (excluding crepe fabrics and seersucker fabrics)</p> <p>5513.41 Printed woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² (excluding fabrics commonly known as haircloth and fabrics stiffened with size or the like, commonly used as interlinings and other fabrics printed with scarf designs)</p>	<p>5513.11 Unbleached or bleached woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² but not exceeding 130g/m² –(excluding fabrics commonly known as haircloth and fabrics stiffened with size or the like, commonly used as interlinings, and crepe fabrics and seersucker fabrics)</p> <p>5513.21 Dyed woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² but not exceeding 130g/m² (excluding fabrics commonly known as haircloth and fabrics stiffened with size or the likes, commonly used as interlinings and crepe fabrics and seersucker fabrics)</p> <p>5513.31 Woven fabrics of yarns of different colours of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² but not 130g/m² (excluding crepe fabrics and seersucker fabrics)</p> <p>5513.41 Printed woven fabrics of polyester staple fibres, plain weave, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 90g/m² (excluding fabrics commonly known as haircloth and fabrics stiffened with size or the like, commonly used as interlinings and other fabrics printed with scarf designs)</p>

<p>Production process</p>	<p>The Applicant indicated that the production process is world-wide the same.</p> <p>Cotton fibres and polyester staple fibres are the raw materials which the fabrics are produced of and the inherent characteristics of the fibres have the single largest effect on the nature of the finished fabrics. e.g. cotton fibres are single elongated cells that have a flat, twisted and ribbon like structure. The colour varies from cream to light brown and the lengths vary from 13 mm to 50 mm. In order to produce fabrics, the fibres must be converted into yarns. The type of yarn chosen for a fabric will affect its appearance, durability, handle and draping characteristics. Polyester fibres (being man-made) have the same characteristics as cotton and are therefore mainly mixed with cotton to form a polyester/cotton product. Dependant on the origin of the fibre and the length of the fibre, the fibre will go through various processes that will transform it from a fibre into a yarn (spinning process).</p> <p>The spinning process is comprised of the opening of the bales, the combing and drawing of the fibres into roving and then the spinning. The more processes involved, the more expensive the resultant yarn. It is at this stage that the blend or mixture of the fabrics is determined.</p> <p>Blends are produced when two or more fibres are mixed prior to the spinning, in this case different bales of cotton fibres. Mixtures refer to a fabric, e.g. 90% cotton usually refers to either a blend or a mixture if it is a woven fabric. The</p>	<p>The Applicant indicated that the production process is world-wide the same.</p> <p>Cotton fibres and polyester staple fibres are the raw materials which the fabrics are produced of and the inherent characteristics of the fibres have the single largest effect on the nature of the finished fabrics. e.g. cotton fibres are single elongated cells that have a flat, twisted and ribbon like structure. The colour varies from cream to light brown and the lengths vary from 13 mm to 50 mm. In order to produce fabrics, the fibres must be converted into yarns. The type of yarn chosen for a fabric will affect its appearance, durability, handle and draping characteristics. Polyester fibres (being man-made) have the same characteristics as cotton and are therefore mainly mixed with cotton to form a polyester/cotton product. Dependant on the origin of the fibre and the length of the fibre, the fibre will go through various processes that will transform it from a fibre into a yarn (spinning process).</p> <p>The spinning process is comprised of the opening of the bales, the combing and drawing of the fibres into roving and then the spinning. The more processes involved, the more expensive the resultant yarn. It is at this stage that the blend or mixture of the fabrics is determined.</p> <p>Blends are produced when two or more fibres are mixed prior to the spinning, in this case different bales of cotton fibres. Mixtures refer to a fabric, e.g. 90% cotton usually refers to either a blend or a mixture if it is a woven fabric. The blends are being determined in the spinning process and not</p>
----------------------------------	--	--

blends are being determined in the spinning process and not in the weaving process.

Weaving: where the fabric is created by interlacing two sets of yarns at right angles. The warp yarns are those that lie in the longitudinal direction of the fabrics whilst it is being woven. The weft (or filling) yarns are those which, during weaving, are introduced between the warp yarns, in the width direction of the fabric. Woven fabrics are manufactured using a loom. The nature of the fabric depends on the way in which the warp and weft yarns are interlaced. There are four main categories of weave, each of which may be varied to create a multiple or different surface effect.

Plain weave: The weft passes over one warp, under the next warp, over the third warp, etc. from selvedge to selvedge. It gives the maximum number of interlaces and is therefore the most closely woven fabric. It is the simplest to produce, therefore inexpensive. The surface of the fabric is receptive to design and finishes and is durable and easy to clean. This fabric has less elasticity than other weaves, shows creases easily and has a dull appearance. The closeness or looseness of the weave is measured by the count of the cloth, i.e. the number of warp and weft yarns. There are high and low count fabrics. The term "fabric finishing" refers to those treatments that cloth undergoes after it is fabricated, in preparation for use by manufacturers or directly by the consumers. Practically all types of fabrics are given some type of finishing treatment. Fabrics may undergo more than one finishing process. The nature of

in the weaving process.

Weaving: where the fabric is created by interlacing two sets of yarns at right angles. The warp yarns are those that lie in the longitudinal direction of the fabrics whilst it is being woven. The weft (or filling) yarns are those which, during weaving, are introduced between the warp yarns, in the width direction of the fabric. Woven fabrics are manufactured using a loom. The nature of the fabric depends on the way in which the warp and weft yarns are interlaced. There are four main categories of weave, each of which may be varied to create a multiple or different surface effect.

Plain weave: The weft passes over one warp, under the next warp, over the third warp, etc. from selvedge to selvedge. It gives the maximum number of interlaces and is therefore the most closely woven fabric. It is the simplest to produce, therefore inexpensive. The surface of the fabric is receptive to design and finishes and is durable and easy to clean. This fabric has less elasticity than other weaves, shows creases easily and has a dull appearance. The closeness or looseness of the weave is measured by the count of the cloth, i.e. the number of warp and weft yarns. There are high and low count fabrics.

The term "fabric finishing" refers to those treatments that cloth undergoes after it is fabricated, in preparation for use by manufacturers or directly by the consumers. Practically all types of fabrics are given some type of finishing treatment. Fabrics may undergo more than one finishing process. The nature of the finish will depend on the fibre constituting the

the finish will depend on the fibre constituting the yarn, the method of fabric construction (weave) and the intended end use of the fabric.

Unbleached (greige/gray/grey/loomstate):

these terms refer to the state of the fabric before the finish. The "grey" (unbleached) fabric has no appeal, is often soiled, contains foreign matter and may be flawed. The reason for finishing fabrics is to remedy defects, enhance the aesthetic qualities and improve service qualities.

The finishing processes are preparation, bleaching, colouring and finishing.

"Preparation" means getting the fabrics ready for dyeing and printing. Any processing aids (eg spinning oils, waxes, sizes, etc) which may have been applied during spinning and weaving, must be removed. Any natural or adventitious contaminations must also be removed. Preparation processes are eg. desizing, singeing and scouring.

Bleaching: It is the destruction of natural colouring and improving the whiteness of the fabric to prepare it for dyeing (the washing of fabrics in special solutions).

Dyeing: Textile materials are dyed in aqueous solutions of dispersions of dyestuffs, together with dye bath additives such as salt, alkali and acids. The dissolved or dispersed dyestuff must first be absorbed into the fibre surface and then diffuse into its interior where it finally must be fixed.

yarn, the method of fabric construction (weave) and the intended end use of the fabric.

Unbleached (greige/gray/grey/loomstate):

these terms refer to the state of the fabric before the finish. The "grey" (unbleached) fabric has no appeal, is often soiled, contains foreign matter and may be flawed. The reason for finishing fabrics is to remedy defects, enhance the aesthetic qualities and improve service qualities.

The finishing processes are preparation, bleaching, colouring and finishing.

"Preparation" means getting the fabrics ready for dyeing and printing. Any processing aids (eg spinning oils, waxes, sizes, etc) which may have been applied during spinning and weaving, must be removed. Any natural or adventitious contaminations must also be removed. Preparation processes are eg. desizing, singeing and scouring.

Bleaching: It is the destruction of natural colouring and improving the whiteness of the fabric to prepare it for dyeing (the washing of fabrics in special solutions).

Dyeing: Textile materials are dyed in aqueous solutions of dispersions of dyestuffs, together with dye bath additives such as salt, alkali and acids. The dissolved or dispersed dyestuff must first be absorbed into the fibre surface and then diffuse into its interior where it finally must be fixed.

Printing: This is the controlled placing of defined areas of colour onto a substrate. The colourant

	<p><u>Printing:</u> This is the controlled placing of defined areas of colour onto a substrate. The colourant must first be brought to the fibre surface usually in the form of printing paste. The colourant must then be fixed in place, and finally, excess unfixed colour has to be washed out. Printing methods: direct printing/overprinting, discharge printing, resist printing, pigment printing, transfer printing, flock printing, lacquer printing, hand printing, screen printing (flat screen or rotary printing).</p> <p><u>Colour woven (“of yarns of different colours):</u> The yarns are dyed before the weaving process starts. Different colour yarns are used as weft and warp yarns. The weft passes over one warp, under the next warp, over the third warp, etc. from selvedge to selvedge. It gives the maximum number of interlaces and is therefore the most closely woven fabric. It is the simplest to produce, therefore inexpensive. The surface of the fabric is receptive to design and finishes and is durable and easy to clean. This fabric has less elasticity than other weaves, shows creases easily and has a dull appearance. The closeness or looseness of the weave is measured by the count of the cloth, i.e. the number of warp and weft yarns.</p> <p>The more cotton fibre content, the more expensive the fabric because currently cotton fibres are more expensive than polyester fibres. The production cost and price of the fabric will depend on the fibre mix, the fibre count and the finish.</p>	<p>must first be brought to the fibre surface usually in the form of printing paste. The colourant must then be fixed in place, and finally, excess unfixed colour has to be washed out. Printing methods: direct printing/overprinting, discharge printing, resist printing, pigment printing, transfer printing, flock printing, lacquer printing, hand printing, screen printing (flat screen or rotary printing).</p> <p><u>Colour woven (“of yarns of different colours):</u> The yarns are dyed before the weaving process starts. Different colour yarns are used as weft and warp yarns. The weft passes over one warp, under the next warp, over the third warp, etc. from selvedge to selvedge. It gives the maximum number of interlaces and is therefore the most closely woven fabric. It is the simplest to produce, therefore inexpensive. The surface of the fabric is receptive to design and finishes and is durable and easy to clean. This fabric has less elasticity than other weaves, shows creases easily and has a dull appearance. The closeness or looseness of the weave is measured by the count of the cloth, i.e. the number of warp and weft yarns.</p> <p>The more cotton fibre content, the more expensive the fabric because currently cotton fibres are more expensive than polyester fibres. The production cost and price of the fabric will depend on the fibre mix, the fibre count and the finish.</p>
Application or end use	For the manufacture of sheets and other bed linen, shirts and other clothing.	For the manufacture of sheets and other bed linen, shirts and other clothing.

Categories of users	Used by clothing and bed linen producers and also consumers who do some home sewing.	Used by clothing and bed linen producers and also consumers who do some home sewing.
----------------------------	--	--

After considering all the above factors and the comments received, the Commission was satisfied that the SACU product and the imported product were “like products” for purposes of comparison in this investigation, in terms of Article 2.6 of the Anti-Dumping Agreement.

3. INDUSTRY STANDING

The Applicant indicated that there are only two known local producers of the poly/cotton fabrics under investigations and both support the application. It indicated that only Frame Textiles, who represented approximately 77% of local production in 2005, submitted the information contained in this report.

The Commission decided that the application could be regarded as being made “by or on behalf of the domestic industry” under the above provisions of the Anti-Dumping Agreement.

4. DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR THE PRC

4.1.1 Normal Value

Type of economy

The South African government recognizes China as a market economy.

Calculation of normal value

Further to the granting of the market economy status, in instances where information on domestic selling prices in the PRC is not reasonably available, a Record of Understanding signed between ITAC and the Bureau of Fair Trade for Imports & Exports (BOFT) in the PRC allows for the determination of normal value using alternative methods, which are permitted by the WTO.

In obtaining the domestic selling prices in the PRC, the Applicant bought fabrics in Guangzhou, Guangdong, China.

Table 4.1.1: The following normal values were calculated:

R/kg	Unbleached or bleached (5513.11)	Dyed (5513.21)	Colour woven (5513.31)	Printed (5513.41)
Normal value	55.31	72.47	148.23	199.16
Less Adjustments*	27.66	36.24	74.12	99.58
Adjusted normal value	27.66	36.23	74.11	99.58

*The Applicant stated that it is difficult to obtain inland costs in the PRC because of language and writing. However, the Applicant stated that it assumed a that the ex-factory price could be 50% of the retail price as the rest would cover inland transport and other costs. Therefore, 50% has been deducted from the price paid in the PRC.

4.1.2 Export price

Calculation of export price

The average export price from the PRC (which is the average fob price of imports from China less 5% for inland movement) for the fabrics under investigation for the period 01 July 2005 to 30 June 2006 are as follows:

Table 4.1.2: Average Export Prices

	kg	R(fob)	R/kg fob	Export price R/kg
5513.11	18150	400674	22.08	20.97
5513.21	88049	2719235	30.88	29.34
5513.31	13008	594621	45.71	43.43
5513.41	12683	529193	41.72	39.64

Source: SARS (official customs statistics)

4.1.3 MARGIN OF DUMPING

Based on the abovementioned information, the following dumping margins using the July 2005 to June 2006 average fob prices, with a deduction of 5% to cover 'inland movement' were calculated:

Table 4.1.3: Dumping Margins

R/KG	5513.11	5513.21	5513.31	5513.41
	Bleached	Dyed	Col Wov	Printed
Calculated ex-factory	27.66	36.23	74.11	99.58
Export price (fob RSA)	22.08	30.88	45.71	41.72
Less 5% inland cost	1.11	1.54	2.28	2.08
Calculated export price	20.97	29.34	43.43	39.64
Margin	6.69	6.89	30.68	59.94
Margin % of export price	31.9	23.48	70.6	151.2

4.3 CONCLUSION - DUMPING

For purposes of its final determination, the Commission considered all the comments from interested parties and decided that the investigation with regard to the sunset review on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC be terminated and the anti-dumping duties be withdrawn on the basis that this investigation was initiated on wrong dumping information.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The injury analysis contained in this report relates to Frame Textiles, represented by the Textile Federation (Texfed), the Applicant and which constitutes 77% of the total domestic production of the subject product.

The Commission decided that this constitutes “a major proportion” of the total domestic production, in accordance with Article 4.1 of the Anti-Dumping Agreement.

5.2 CUMULATIVE ASSESSMENT

It was found in Section 4 of this report that the margin of dumping from the PRC subject to this investigation is more than *de minimis*. It was further found in paragraph 2.1.5 of this report that the volume of the alleged dumped imports as a percentage of total imports from the PRC for the period 2005/6 are negligible for unbleached/bleached woven fabrics, for dyed woven fabrics and for printed fabrics. The volume of the alleged dumped imports as a percentage of total imports for colour woven fabrics from the PRC for the same period are above the negligibility level.

5.3 IMPORT VOLUMES AND EFFECT ON PRICES

Basic Data Set

Year	Unit	Subject Imports	Other imports	Applicant's Production	Inventories	Applicant's sales volumes
2002/3	Kg	1 181 922	7 197 167	100	100	100
2003/4	Kg	272 783	8 752 802	95	75	96
2004/5	Kg	47 096	2 495 926	89	49	90
2005/6	Kg	169 536	9 155 971	76	80	73

Estimate if the duties expire	Kg			55	n/a	53
-------------------------------	----	--	--	----	-----	----

The information in this table was indexed due to confidentiality using 2002/3 as the base year.

Examination under Article 3.2

Growth of Subject Imports

Variable	Unit of Measurement	Year			
		200/3	2003/4	2004/5	2005/6
Subjects imports/domestic production	%	100	24	4	19
Subjects imports/domestic consumption	%	100	24	1	15

The information in this table was indexed due to confidentiality using 2002/3 as the base year.

Price Effects of Subject Imports

Variable	Unit of Measurement	Year					Estimate if duties
		2002/3	2003/4	2004/5	2005/6		
Average import price (fob)	R/kg	100	136	154	126	81	
Average price of domestic product (ex-factory) (price depression)	R/kg	100	98	96	91	91	
Price undercutting	%	100	62	41	57	100	
Cost as % of selling price (Suppression)	%	100	103	103	98	99	

The information in this table was indexed due to confidentiality using 2002/3 as the base year.

5.4 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE INDUSTRY

Examination under Article 3.4

Variable	Unit of Measurement	Year					Estimate if duties expire
		2002/3	2003/4	2004/5	2005/6		
Sales value	Rand	100	95	84	67	49	
Sales volume	kg	100	96	90	73	53	

Inventories	kg	100	75	49	80	-
Output	kg	100	95	89	76	55
Market share of Applicant	%	100	99	198	73	69
Market share of other SACU manufacturers	%	N/A	N/A	100	42	40
Market share of alleged dumped imports	%	100	24	8.9	14	337
Market share of other imports	%	100	125	76	128	76
Capacity utilization	kg	100	93	88	75	55
Employment	units	100	92	84	76	67
Wages	R	100	99	93	89	80
Productivity (output/worker)	Units per worker	100	111	111	111	78

The information in this table was indexed due to confidentiality using 2002/3 as the base year.

Variable	Unit of Measurement	Year				
		2002/3	2003/4	2004/5	2005/6	Estimate if duties expire
Profit	Rand	(100)	(126)	(86)	(23)	(194)
Return on investment	%	100	160	39	N/A	N/A
Margin of dumping as a % of export price	5513.11 5513.21 5513.31 5513.41		31.9 23.48 70.6 151.2			

The information in this table was indexed due to confidentiality using 2002/3 as the base year.

5.5 CONCLUSION - MATERIAL INJURY

After considering all relevant factors and taking all comments into account, the Commission made a final determination that the investigation with regard to the sunset review on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC be terminated and the anti-dumping duties be withdrawn on the following basis:

- the figures provided by the Applicant are questionable based on the allegation that they are calendar year figures (Jan – Dec);
- although the Applicant did inform that it represents both Frame and Da Gama, the information in the application is said to be for Frame which was alleged to be representing 77% of the SACU production;
- the figures presented to the investigators on verification were claimed to be from the audited financial statements of Frame whose financial year runs from July – June;
- the allegation by the Applicant that the information in the Application is for Frame and Da Gama, the figures of which were presented in calendar years for both companies, changes the injury information.
- in light of the above and with the Applicant being uncertain about the information that it submitted in the Application, this investigation with no basis.

6. SUMMARY OF FINDINGS

6.1 Dumping

The Commission considered all the comments from interested parties and decided that the investigation with regard to the sunset review on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC be terminated and the anti-dumping duties be withdrawn on the basis that this investigation was initiated on wrong dumping information.

6.2 Material Injury

The Commission decided that the investigation with regard to the sunset review on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC be terminated and the anti-dumping duties be withdrawn on the following basis:

- the figures provided by the Applicant are questionable based on the allegation that they are calendar year figures (Jan – Dec);
- although the Applicant did inform that it represents both Frame and Da Gama, the information in the application is said to be for Frame which was alleged to be representing 77% of the SACU production;
- the figures presented to the investigators on verification were claimed to be from the audited financial statements of Frame whose financial year runs from July – June;
- the allegation by the Applicant that the information in the Application is for Frame and Da Gama, the figures of which were presented in calendar years for both companies, changes the injury information.
- in light of the above and with the Applicant being uncertain about the information that it submitted in the Application, this investigation has no basis.

7. FINAL DETERMINATION

The Commission made a final determination that:

- the investigation was initiated on wrong information.
- the figures provided by the Applicant are questionable based on the allegation that they are calendar year figures (Jan – Dec);
- although the Applicant did inform that it represents both Frame and Da Gama, the information in the application is said to be for Frame which was alleged to be representing 77% of the SACU production;
- the figures presented to the investigators on verification were claimed to be from the audited financial statements of Frame whose financial year runs from July – June;
- the allegation by the Applicant that the information in the Application is for Frame and Da Gama, the figures of which was presented in calendar years for both companies, changes the injury information.

The Commission could not continue with the investigation as it was initiated based on dumping information which was outside the scope of the investigation period, and injury information which was alleged to be for two companies whereas the application provided for information from one party that was subsequently verified. No basis existed for launching the investigation.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the investigation with regard to the sunset review on woven fabrics of polyester staple fibres mixed mainly or solely with cotton, unbleached or bleached, dyed, colour woven and printed originating in or imported from the PRC be terminated and the anti-dumping duties be withdrawn.