

LEGAL NOTICE NO. 14

REPUBLIC OF TRINIDAD AND TOBAGO

THE ANTI-DUMPING AND COUNTERVAILING DUTIES ACT, 1992

AND

THE ANTI-DUMPING AND COUNTERVAILING DUTIES REGULATIONS, 1996

*Made by the Minister in accordance with section 24 of the Anti-dumping
and Countervailing Duties Act*

NOTICE

PRELIMINARY DETERMINATION BY THE HONOURABLE
MINISTER OF TRADE AND INDUSTRY AND CONSUMER
AFFAIRS ARISING OUT OF THE INVESTIGATION INTO
THE ALLEGATION OF DUMPING OF THREE STRAND
POLYPROPYLENE ROPES ORIGINATING IN INDIA

IN ACCORDANCE with the Anti-dumping and Countervailing Duties Act^{No. 11 of 1992} (hereinafter referred to as “the Act”) and the Anti-dumping and Countervailing Duties Regulations, (hereafter referred to as “the Regulations”) the Minister of Trade and Industry and Consumer Affairs, has made a preliminary determination that the goods, three strand polypropylene ropes originating in India are goods in respect of which he may make an Order imposing duty.^{L. N. No. 25 of 1996}

CASE HISTORY

By Legal Notice No. 109 of 1999, the Anti-dumping Authority of the Ministry of Trade and Industry and Consumer Affairs (hereinafter referred to as “the Authority”) announced the initiation of an anti-dumping investigation concerning imports of three strand polypropylene ropes originating in India.

COMPLAINT

The investigation was initiated as a consequence of a complaint lodged on 24th March, 1999 by the local manufacturer of three strand polypropylene ropes, Trinidad Rope Works Limited which alleged that imports of three strand polypropylene ropes originating in India are being dumped on the local market.

The official complaint provided *prima facie* evidence of dumping of the said product and of injury, which was considered sufficient to justify the initiation of a proceeding. The details of the evidence are provided below under the heading “dumping”.

THE PRODUCT

The products, three strand polypropylene ropes, which were the subject of the investigation, are currently classified under the Customs H.S. Code 5607.41.

PROCEDURE

Having determined that the complaint has been lodged on behalf of the local industry in respect of which the complainant accounts for 50% of domestic production, and having receive no opposition from the local industry to the compliant, the Authority determined that there was sufficient evidence to justify the initiation of proceedings and consequently, a preliminary hearing was held on 22nd April, 1999. The Authority officially notified the complainant, the importers known to be concerned, and the representatives from the exporting country of the preliminary hearing. The Authority officially advised of the receipt of the said complaint, and gave the said parties and all parties directly concerned the opportunity to make their views known. The initiation of the normal investigation was commenced and questionnaires were dispatched to all interested parties.

The known producer, Krishna Filaments indicated that they are not the exporters of the dumped product to Trinidad and Tobago. The exporter, Tuff Ropes PVT Limited was subsequently informed of the said investigation and given an opportunity to respond to the allegation. An extension was given for the return of the exporter’s questionnaire. Upon expiry of the deadline the Authority decided to proceed expeditiously with regard to reaching a preliminary determination.

The investigation of dumping and injury covered the period from December, 1998 to July, 1999.

DUMPING

Normal Value

The normal value was calculated on the price paid for three strand polypropylene ropes in the ordinary course of trade in India. Evidence of the normal value of three strand polypropylene ropes was provided in the form of invoices from suppliers of the said product in India.

Export Price

In establishing the export price the Authority based its determination on the export transaction during the investigation period. Evidence of the export price of the said product was provided in the form of an invoice from the exporter.

Dumping margin

The excess of the normal value over export price, was calculated as a percentage of the CIF (Cost, Insurance, Freight) price. The Authority concluded that there existed a dumping margin of 44%.

INJURY

Factors relating to dumped imports

1. The volume of dumped imports is estimated to represent 20,000 kg.
2. During the investigation period three strand polypropylene ropes were imported at prices, which undercut those of the complainant. The company had to drop prices by 35% in order to protect its market share.

(1) TOTAL CONSUMPTION

Total Imports from India on the local market increased from 19,988 kg, in 1997 to 33,192 kg in 1998.

(2) *Factors relating to the state of the complainant's company—Trinidad Rope Works Limited (TRWL)*

- (a) TRWL's local sales decreased by 8% from 1997 to 1998. For the period January to May, 1999, sales continued to decrease.
- (b) Profitability was adversely affected as the average selling price was reduced from \$6.65 per pound to \$4.43 per pound to compete with the dumped imports.
- (c) The company undertook an intensive marketing strategy that resulted in the recruitment of an additional sales person.
- (c) Return on investment was negatively affected over the investigation period.

In view of the facts stated above and in particular in light of the decline in profitability, sales and market share, the Authority concluded for the purpose of its preliminary finding, that Trinidad Rope Works Limited has suffered material injury within the meaning of the Act.

Casual link between the dumped imports and the injury

The Authority examined whether there was a casual link between the dumped imports and the injury suffered by the domestic industry and whether other factors caused or contributed to that injury.

Effects of the Dumped Imports

The Authority found that TRWL's endeavor to reduce prices to regain market share led to financial losses.

Conclusion

In light of the above findings, the Authority concluded, for the purpose of its provisional determination, that imports of three strand polypropylene ropes originating in India were sold at a dumped price and have caused material injury to this industry.

Made this 21st day of January, 2000.

M. ASSAM
*Minister of Trade and Industry
and Consumer Affairs*