

UNITED STATES TARIFF COMMISSION

PRINTED VINYL FILM FROM BRAZIL AND ARGENTINA

**Determination of Likelihood of Injury
in Investigations Nos. AA1921-117 and-118
Under the Antidumping Act, 1921, as Amended**



**TC Publication 595
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UNITED STATES TARIFF COMMISSION

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[AA1921-117 and -118]

PRINTED VINYL FILM FROM BRAZIL AND ARGENTINA

Determination of Likelihood of Injury

On April 18, 1973, the Tariff Commission received advice from the Treasury Department that printed vinyl film from Brazil and Argentina are being, or are likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act, 1921, as amended. 1/ In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted investigations Nos. AA1921-117 and -118 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

A public hearing was held July 5-6, 1973. Notice of the investigation and hearing was published in the Federal Register of April 26, 1973 (38 F.R. 10339).

In arriving at a determination in this case, the Commission gave due consideration to all written submissions from interested parties, evidence adduced at the hearing, and all factual information obtained by the Commission's staff from questionnaires, personal interviews, and other sources.

1/ Notice of the Treasury Department's determination of sales at less than fair value, and the reasons therefor, was published in the Federal Register of April 18, 1973 (38 F.R. 9677, 9678).

On the basis of the investigations, the Commission has determined 1/ that an industry in the United States is likely to be injured by reason of the importation of printed vinyl film from Brazil and Argentina that is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

1/ Commissioners Leonard, Young, and Ablondi did not participate in the decision.

Statement of Reasons

Printed vinyl film imported from Argentina and Brazil and found to have been sold, or likely to be sold, at less than fair value (LTFV) by the Treasury Department is like that produced and sold by U.S. vinyl-film producers. For the purposes of the Commission's determination, the industry to be considered in these investigations consists of those facilities in the United States which are engaged in the production of printed vinyl film.

Between 1971 and early 1973 (at which time the Bureau of Customs withheld appraisement), LTFV imports of printed vinyl film from Argentina and Brazil had grown rapidly. There were no imports of printed vinyl film from these countries prior to 1971. LTFV import penetration of the U.S. market in 1972 was 1.1 percent of estimated consumption, which is more than double such import penetration in 1971. Nevertheless, the Commission cannot find present injury to the U.S. industry producing printed vinyl film. During the years of LTFV imports from Argentina and Brazil, U.S. consumption increased materially, and the U.S. industry experienced a growth in sales, profits, and prices and no significant loss of sales to LTFV imports.

The Commission finds, however, a likelihood of injury to a U.S. industry by reason of the importation from Brazil and Argentina of LTFV printed vinyl film. Both prior to and since the withholding of appraisement, the importers' selling prices generally have been substantially lower than the domestic producers' selling prices for the class or kind of merchandise that the Treasury Department found to

be sold at LTFV. The rapid market penetration achieved by the imports from Brazil and Argentina was made possible mainly through the LTFV pricing by the foreign manufacturers. The Commission believes that such pricing will probably continue in the absence of an affirmative determination. In Steel Jacks from Canada: Determination of Likelihood of Injury in Investigation No. AA1921-49 . . ., TC Publication 186, 1966, which involved a factual situation similar to the instant cases, those Commissioners making an affirmative determination stated on page 4 that--

We recognize that the demand for the tools involved in this investigation has been increasing in recent years and that the domestic producer has increased his sales, so that he is not now being materially injured within the meaning of the Antidumping Act. We find, however, that the pattern of sales at less than fair value by the Canadian manufacturer and his attitude through the investigation under the Antidumping Act show a likelihood of continuation of sales at less than fair value at a rate and at prices that will culminate in the foreseeable future in material injury to the domestic industry.

Satisfactory assurances that LTFV sales will cease were not made to the Commission by representatives of the foreign producers of printed vinyl film. Testimony presented at the hearing and in written submissions following the hearing demonstrated the unwillingness of the foreign producers to state unequivocally that they would refrain from knowingly selling at LTFV.

In our view the foreign suppliers have shown a willingness to sell at LTFV, and they are capable of producing and exporting larger quantities of printed vinyl film to the United States than heretofore.

We believe that the foreign producers can also increase production of printed vinyl film by printing more of the vinyl film which is presently being calendered. In a publication of the Brazilian manufacturer which was introduced as an exhibit at the hearing, it is stated that "By 1973, our P.V.C. [polyvinyl chloride] calendering capacity will be increased by 50%." Because most of the company's output of vinyl film is printed, it can be assumed that the foreign producer's capacity to produce printed vinyl film has been substantially increased. The Commission has recognized that such ability to alter production patterns in order to increase LTFV sales is an important factor in determining the likelihood of injury to the U.S. industry. 1/

The increasing consumer demand and the desirable nature of the U.S. market, presents an opportunity for increasing market penetration by LTFV imports from Brazil and Argentina. This market penetration can be achieved by limiting sales in the home markets and by concentrating on exports to the United States.

1/ In Steel Reinforcing Bars from Canada: Determination of Likelihood of Injury (investigation No. AA1921-33), TC Publication 122, 1964, p. 6, the Commission included the following in its list of factors supporting its finding of likelihood of injury to the U.S. industry:

The Canadian producer can easily increase his production of re-bars [steel reinforcing bars] by merely making less merchant bars, bar-size shapes, and small structurals as only a portion of its steel production now goes into re-bars.

Our conclusion is, therefore, that an industry in the United States is likely to be injured by reason of the importation of printed vinyl film from Brazil and Argentina that is being, or is likely to be, sold at less than fair value.

