

CERTAIN PASTA FROM ITALY AND TURKEY
701-TA-365-366 and 731-TA-734-735 (Third Review)
ITALIAN RESPONDENTS' HEARING EXHIBIT

July 11, 2013

If price is so important and underselling is so injurious, how do you explain the following?

- Domestic producers' AUVs increased over the POR from \$0.53 in 2007 to \$0.75 in 2012, despite what petitioners characterize as widespread underselling
- Domestic producers' operating income as a percentage of sales increased dramatically over the POR, from 7.9% in 2007 to 14.5% in 2012, despite underselling
- Domestic producers' market share was stable, starting at 79.4% in 2007 and 78.6% in 2012, despite underselling
- Subject Italian imports' market share declined over the POR (exact percentages APO), despite underselling
- No correlation between AUVs and import volume or market shares. When Italian subject import volume increased, sometimes the AUVs of the U.S. producers also increased, but sometimes it decreased. When Italian import volume decreased, the AUVs of the U.S. producers decreased, but sometimes increased. There is simply no pattern correlating the two trends.
- As shown on pages 27-33 of the Italian producers' pre-hearing brief, no correlation exists between prices and volumes for the individual pricing products. If petitioners' arguments were true then low prices would always take more volume. However, as we show that is not the case. There is absolutely no correlation between price and volume sold.

If the U.S. market is so much more attractive to Italian producers than the Italian home market or the EU export market, how do you explain the following?

- According to the table on page IV-18, EU and US AUVs were tied in one year of the POR (2007), higher in EU in two years of the POR (2008 and 2009), and lower in the U.S. three years of the POR (2010, 2011, and 2012). In the first quarter of 2013, EU AUVs are higher than U.S. prices.
- Although the AUVs for Italy were consistently lower than the AUVs for Italian exports to the United States, Italian producers' share of production going to home market shipments generally increased during the POR (from 51.7% in 2007 to 61.2% in 2012), while Italian producers' share of production going to U.S. exports generally decreased during the POR (from 4.5% in 2007 to 3.3% in 2012).

If the domestic industry is suffering from low capacity utilization, how do you explain the following?

- Significant increased investment throughout the POR
- Large and increasing profits

If all pasta is fungible, why does AIPC import from Pasta Lenzi?