

**TESTIMONY OF VOLKER NESSEL  
GENERAL MANAGER, QUIMICA AMTEX SA DE CV  
BEFORE THE U.S INTERNATIONAL TRADE COMMISSION  
FEBRUARY 15, 2011**

***Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and  
Sweden; Inv. Nos 731-TA-1084-1087 (Review)***

---

Good afternoon. My name is Volker Nessel, and I am the General Manager and counsel of Quimica Amtex, a manufacturer of CMC in Mexico, Argentina and Colombia. Amtex is the sole Mexican producer of CMC throughout both the original period of investigation and the period during which the US antidumping order has been in effect. ~~We are pleased to provide information today and in our~~ briefs, demonstrating that there is no possibility that the revocation of this antidumping order can possibly result in any material injury to Aqualon, the sole producer of purified CMC in the United States, and a growing importer in its own right.

Mexico occupies a unique position in the marketplace today. Amtex has always been a very small participant in the US market, and has very little competition in the limited market which it supplies. We should not be grouped with the other countries subject to the order. Basically, we followed a significant Mexican consumer, Azteca Milling, to the US when it expanded its operations from Mexico, based on our experience producing the specialized grade of purified

CMC needed for tortilla flour manufacturing. Since the time of the initial investigation, our presence has remained unchanged, with the same low single-digit percentage share of the total US market, and virtually negligible dumping margins in the four reviews completed to date. Aqualon does not compete with Amtex for the vast majority of our modest sales volume to the US; the imposition of the antidumping order on Mexico provided no benefit to Aqualon, and its revocation will cause it no injury. There are good reasons why.

The global industry is now characterized by very high capacity utilization, due to both growing demand and reduced supply in many markets. In light of current high demand, the loss of approximately 12% of global capacity, with the destruction of the Kelco plant in the Netherlands, and the closure of Kelco plant in Sweden, has led to higher prices and very high capacity utilization for the foreseeable future.

In addition, for Amtex, there are limits to our capacity growth due to the high cost of new facilities, and insufficient infrastructure to support expansion. As a result, there are no plans to expand capacity in the future.

Finally, Aqualon has become a major importer in order to address its obvious capacity constraints in the U.S. In fact, imports from France are approximately twice the level of Mexican imports.

Amtex continues to focus primarily on its home market, where it has established markets in the food and personal care sectors. We encounter less competition in the oil sector than in the United States, due to the absence of Chinese imports from that portion of the Mexican market. Importantly, we do not supply CMC for paper coating applications in any market, since we are unable to produce a product of sufficiently low viscosity to satisfy technical needs of the market. Because the paper market demand is very low in our home market of Mexico, we have no incentive to make the significant investment required to manufacture this grade of CMC for any market.

With respect to our market in the US, the very small dumping margins found by the Commerce Department for each of the last four years demonstrates that the pricing in both the US and Mexico is equivalent. There is no basis to conclude that the US market is somehow more attractive to Amtex. Rather, it is primarily an extension of a single niche market which we supply on both sides of the border.

Finally, if the US market had been as appealing to Amtex as Aqualon suggests, we would have supplied the US market for the last five years with non-subject purified CMC from our related companies in Colombia and Argentina. Instead, we have chosen to sell to our established niche market and focus our hemispheric production resources on the Latin American markets. Aqualon has

chosen to address its over-capacity needs with its own imports into the US from France. Therefore, Mexico poses no threat to the US industry, with or without an antidumping order in place.

Thank you, and I will be happy to respond to your questions.