

**Antidumping Investigation against Carboxymethylcellulose from Finland,
Mexico, the Netherlands, and Sweden
U.S. International Trade Commission
Hearing on Injury
February 15, 2011**

Testimony of Salvador Behar on behalf of the Mexican Government

Good morning Chairman Okun, Commissioners. The Government of Mexico appreciates the opportunity to appear before you at this hearing and express its views on this case. I am Salvador Behar, Legal Counsel for International Trade at the Mexican Embassy in D.C.

Let me say firstly that this is an important case that the Government of Mexico has been following closely. Mexico and the United States are trading partners and both place the highest importance on the free flow of bilateral trade. There is a meaningful bilateral trade between the industries of Mexico and the US, because of our geographical proximity. This is not based on low pricing, instead on the need for alternative suppliers and ease of transportation

I would like to address three specific issues during my testimony:

First, the record evidence does not support that imports have injured the U.S. industry, there is NOT competition between products. The ITC will be able to confirm that it does not compete with the one manufactured by the petitioner or the other countries under investigation, as it serves different customers and markets.

Second, that in a threat of injury analysis, the ITC should consider the existence of other factors explaining imports of CMC in the U.S. market for any potential cause of injury to the U.S. industry.

Third, Mexico has no production capacity to increase its exports of CMC into the U.S.

Competition between products

A. We consider that the ITC should evaluate if during the period when the antidumping duty on imports of purified carboxymethylcellulose (CMC for short in English) was in force, the conditions that led to the accumulation of imports from Mexico and the rest of the investigated countries prevailed. In particular, ITC should examine the conditions of competition between the CMC of Mexico with the CMC originating from the rest of the countries under investigation and the domestic like product, according with Article 3.3 of the Antidumping Agreement.

B. As it was mentioned since the initial investigation, Mexican producer Quimica Amtex (Amtex) mainly supplies a specific sector of the U.S. food industry. Therefore, we believe that the ITC should evaluate whether the CMC exported by Amtex has a specific use or customers that are not served by other national or international producers, for technical reasons, not price.

C. When analyzing the behavior of imports from Mexico and their purpose (use) in the period of validity of the antidumping duty, the ITC can confirm that it does not compete with the one manufactured by the petitioner or the other countries under investigation, as it serves different customers and markets.

Other Factors of Injury

D. We request the ITC to assess the existence of other factors explaining imports of CMC in the U.S. market, for example supply problems and / or lack of capacity to supply the local market, for the following reasons:

Even with the imposition of the of the antidumping duty of 12.61 % or with the current 0.83 % and the economic crisis, Mexico kept its presence in the U.S. market attending to the same customers and has not expanded its market share.

Mexican CMC offers significant advantages in its use independently from its price, by serving customers on both sides of the border.

We request to the ITC to verify if the petitioner has made imports of the CMC from non-subject countries while the antidumping duty was in force. This could be associated to the fact that domestic production can not supply local demand.

E. We note that the imports from Mexico tend to focus on specific market segments, specifically in food producers.

F. The food industry and cosmetics must meet strict quality standards, especially purity. Therefore, the ITC should consider whether the existence of these factors determined the CMC of Mexico demand in the U.S. market and whether any potential cause of injury to the U.S. industry lies elsewhere.

G. We respectfully ask to the ITC to determine that the possibility of the continuation or recurrence of injury is not due to imports of subject countries, particularly from Mexico, but imports from countries not under investigation whose offer has increased significantly in the U.S. market and is expected to continue increasing.

Export Capacity

H. The ITC must assess that Mexico has no production capacity to increase its exports of CMC in the immediate future, not even in the medium term, even with the elimination of antidumping duty, according to the following:

México has produced practically at near its maximum capacity and, we understand, that there is no likelihood of an increase in the immediate future because of the high costs it represents. Amtex will address this issue today.

Amtex has operated with normal levels of inventories.

I. The above shows that the elimination of the antidumping duty would not be an incentive for Amtex to reduce their prices and increase their exports to the U.S. market, since it operates at full capacity. Therefore, Amtex exports are no threat to the U.S. industry in the imminent future.

In conclusion, we consider that there are no elements to sustain that the elimination of the duty would be likely to lead to continuation or recurrence of injury. Therefore, the Commission should conclude the procedure eliminating the antidumping duty imposed on imports of purified carboxymethylcellulose from Mexico in accordance with articles 11.1 and 11.2 of the Antidumping Agreement.

The GOM is confident that the Commission will carefully consider all the facts in the records, making a separate finding regarding Mexico in its final determination and further determining that Mexican imports are not the cause of the alleged material injury, or threat thereof.

This concludes my remarks. I thank the Commission for considering my testimony in this case. If you have any questions, I will gladly do my best to answer them.