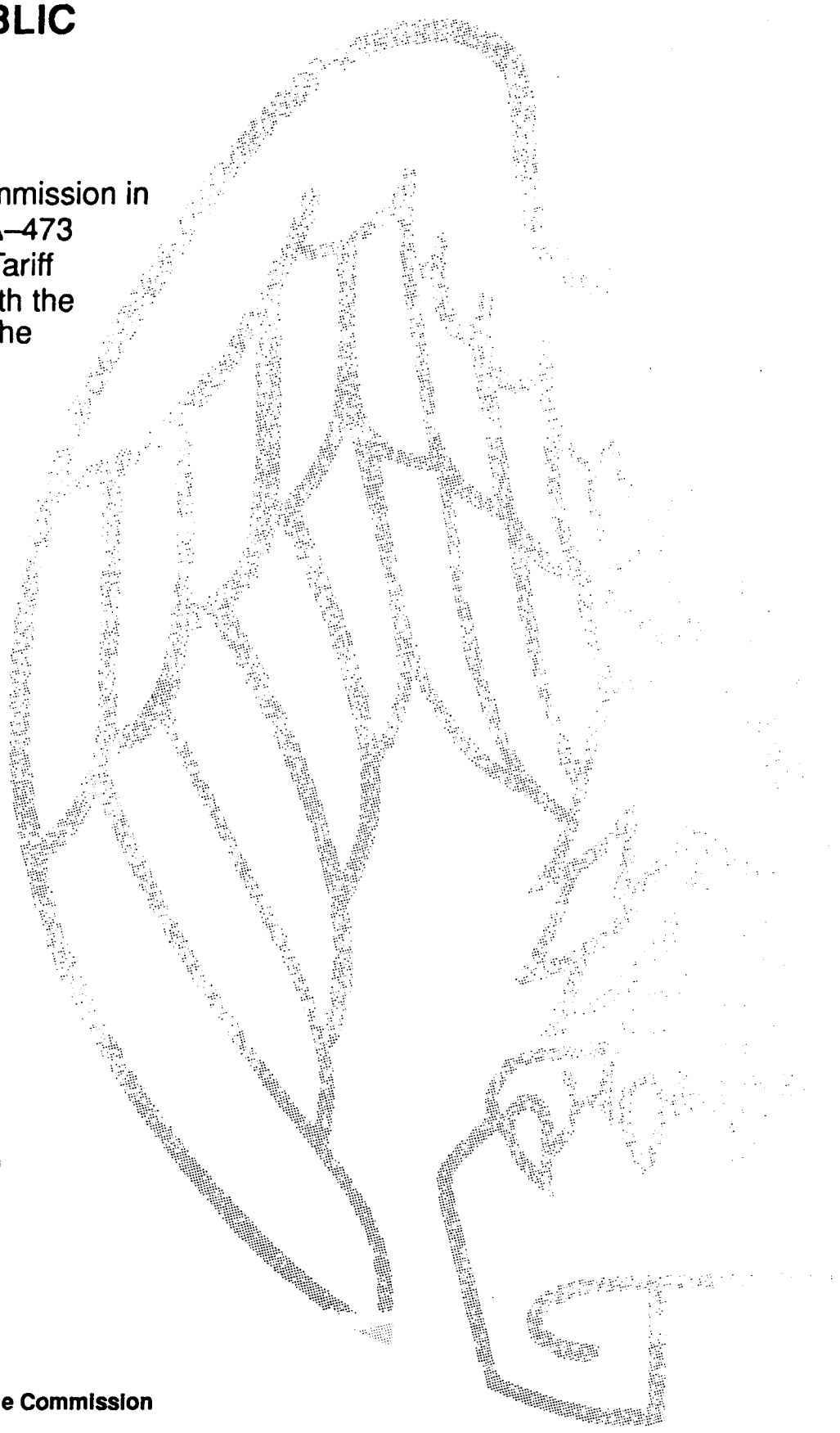
CERTAIN ELECTRIC FANS FROM THE PEOPLE'S REPUBLIC OF CHINA

Determination of the Commission in Investigation No. 731–TA–473 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigation



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Washington, DC 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-473 (Preliminary)

CERTAIN ELECTRIC FANS FROM THE PEOPLE'S REPUBLIC OF CHINA

Determination

On the basis of the record [1] developed in the subject investigation, the Commission determines,[2] pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that industries in the United States are materially injured by reason of imports from the People's Republic of China of certain electric fans, provided for in subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

Background

On October 31, 1990, a petition was filed with the Commission and the Department of Commerce by Lasko Metal Products, Inc., West Chester, PA, alleging that industries in the United States are materially injured or threatened with material injury by reason of LTFV imports of certain electric fans from the People's Republic of China. Accordingly, effective October 31, 1990, the Commission instituted preliminary antidumping investigation No. 731-TA-473 (Preliminary).

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[1] The record is defined in sec. 207.2(h) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(h)).

[2] Acting Chairman Brunsdale determined that there is no reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of a domestic industry is materially retarded, by reason of allegedly less than fair value imports of ceiling fans from the People's Republic of China.

Notice of the institution of the Commission's investigation and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 6, 1990 (55 F.R. 46779). The conference was held in Washington, DC, on November 21, 1990, and all persons who requested the opportunity were permitted to appear in person or by counsel.

VIEWS OF COMMISSIONER SEELEY G. LODWICK, COMMISSIONER DAVID B. ROHR, AND COMMISSIONER DON E. NEWQUIST

Based on the record in this preliminary investigation, we determine that there is a reasonable indication that domestic industries in the United States are being materially injured by reason of imports of certain electric fans from the People's Republic of China (PRC) allegedly sold at less than fair value (LTFV).

I. Like Product and Domestic Industry

To determine whether there is a "reasonable indication of material injury" the Commission must first make factual determinations with respect to the "like product" and the "domestic industry." "Like product" is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation. . . ." 1/ The Commission applies "like" and "most similar in characteristics and uses" on a case-by-case basis. 2/ The term domestic industry means the "domestic producers as a whole of the like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of the product." 3/

The Commission generally considers a number of factors in analyzing like product issues, including: (1) physical characteristics, (2) uses, (3) interchangeability of products, (4) channels of distribution, (5) customer or producer perception, (6) common manufacturing facilities and production

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1/ 19 U.S.C. § 1677(10).
2/ Asociacion Colombiana De Exportadores de Flores v. United States, 693 F. Supp. 1165, 1169 (1988) (ASOCOLFLORES) (like product issue essentially one to be decided based on the unique facts of each case).
3/ 19 U.S.C. § 1677(4)(A).

employees, (7) production processes, and (8) price. 4/ No single factor is necessarily dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.

The Commission may find a like product to be broader than the imported article described in Commerce's scope of investigation, 5/ or it may find two or more like products corresponding to the imported article or articles. 6/ The Commission has not found minor variations to be a sufficient basis for a separate like product analysis, but rather, has looked for a clear dividing lines among possible like products. 7/

The Department of Commerce has defined the imported products subject to this investigation as:

> ceiling fans and oscillating fans, with a self-contained electric motor of an output not exceeding 125 watts. Ceiling fans direct a downward flow of air using a fan blade/motor unit fixed permanently or semi-permanently in the ceiling. The petition defines oscillating fans as fans whose fan/motor unit pivots back and forth on a stationary base through 90 degrees of arc. The petition does not include industrial or commercial ventilation fans or window fans. 8/

4/ See, e.g., Certain Laser Light--Scattering Instruments from Japan, Inv. No. 731-TA-455 (Preliminary), USITC Pub. 2282 (May 1990) at 7.
5/ See, e.g., Generic Cephalexin Capsules from Canada, Inv. No. 731-TA-423 (Final), USITC Pub. 2211 (August 1989) at 5-10; Shock Absorbers and Parts, Components, and Subassemblies Thereof from Brazil, Inv. No 731-TA-421 (Preliminary), USITC Pub. 2128 (September 1988) at 10-16.
6/ See, e.g., American NTN Bearing Manufacturing Corp. V. United States, 739 F. Supp. 1555, 1560 n.6 (CIT 1990) ("ITC may determine during the course of its investigation that class or kind of merchandise defined by ITA as being within the scope of ITA's investigation may consist of more than one like product. ITC can reach this result despite the finding by ITA that only one class or kind of merchandise is covered by ITA's investigation.")
7/ Polyethylene Terephthalate Film, Sheet, and Strip from Japan, The Republic of Korea, and Taiwan, Inv. NO. 731-TA-458 through 460 (Preliminary), USITC Pub. 2292 (June 1990) at 5-6; ASOCOLFLORES, 693 F. Supp. at 1168-69; S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).
8/ 55 Fed. Reg. 49321 (November 27, 1990).

This preliminary investigation raises three like product issues. The first issue is whether there is one like product which would include all electric fans, or whether there are two distinct like products corresponding to the ceiling fans and oscillating fans subject to investigation. If there are two like products, the issue arises whether the like product comprised of oscillating fans also includes box fans, window fans, and other portable fans. Finally, the third issue is whether industrial fans should be included in any like product category.

The petitioner argues that there are two like products: ceiling fans and oscillating fans. 9/ Petitioner submits that oscillating fans are a distinct like product, apart from box fans, window fans, and other types of portable fans, because they are smaller and not rectangular in shape, rotate on an axis and thus provide a multi-directional airflow, and unlike other household fans, are rarely used for the purpose of indoor/outdoor air exchange. 10/ Petitioner also asserts that while channels of trade for oscillating fans and box and window fans may overlap, they are not identical. 11/

Petitioner argues that ceiling fans are a distinct like product because unlike oscillating fans, ceiling fans are not portable; that consumers buy ceiling fans as a fixture and that permanent installation is a key feature in the ceiling fan's use. 12/ Petitioner also alleges that, unlike oscillating fans, ceiling fans are used in cold weather to move warm air down from the

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9/ Petition, at 1; Petitioner's Post-Conference Brief, at 5-7.
10/ Petitioner's Post-Conference Brief, at 5-7.
11/ Id. at 7.
12/ Tr. at 13.

ceiling 13/ and that ceiling fans and oscillating fans have different channels of trade. 14/

Petitioner argues that neither like product should include industrial or commercial fans. 15/ Petitioner alleges that industrial oscillating fans are larger, more powerful, more expensive, made of different materials, and have different channels of trade. 16/

Respondents agree that oscillating fans and ceiling fans are indeed two distinct like products. 17/ Respondent Holmes stated that box fans should be included in the like product with oscillating fans. 18/ The other respondents take no position as to whether oscillating fans are a distinct like product apart from window fans, box fans, and other portable fans. Respondent Shell Electric, however, believes that industrial ceiling fans are part of the domestic ceiling fan like product. 19/

Focusing on the general characteristics and uses of the two types of fans subject to investigation supports the conclusion that all domestically produced electric fans are like the two types of fans subject to investigation. To a certain extent, all fans circulate air, direct air movement to serve a cooling function, and are capable of providing a certain degree of ventilation. Focusing on the specific characteristics and uses of the two types of fans subject to investigation supports the conclusion that

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13/ Id. at 33.
14/ Id. at 13; Petitioner's Post-Conference Brief, at 7.
15/ Petition, at 4; Petitioners Post-Conference Brief, at 7-8; Tr. at 27.
16/ Tr. at 29; Tr. at 45.
17/ Post-Conference Brief on Behalf of Respondent Shell Electric Mfg. Co., Ltd., at 1; Post-Conference Brief on Behalf of Respondents Holmes Products Corp. and Paragon Industries, at 4.
18/ Tr. at 78.
19/ Post-Conference Brief on Behalf of Respondent Shell Electric Mfg. Co., Ltd., at 2. The other respondents did not comment on this issue.

only the domestically produced fans of the same type are like the two types of fans subject to investigation. The choice between these two views depends in large part on the essential characteristics of the imported fans subject to investigation.

The ceiling and oscillating fans subject to investigation each have certain features which distinguish them from each other, and from other types of fans. Mounted on a stationary base, these fans oscillate in an arc of up to 180 degrees, thus providing a multi-directional airflow. Electric oscillating fans generally are round, have plastic blades, and grills made of steel wire or plastic. They generally are produced in three sizes -- 9, 12, and 16 inches in diameter. Oscillating fans are shipped either fully assembled or in a "knocked-down" configuration. 20/ Portability seems to be a key feature of oscillating fans.

Although both oscillating fans and ceiling fans are primarily used in warm weather to supplement or in place of central cooling systems, ceiling fans are sometimes used to circulate warm air downward in winter months. 21/ And while portability seems to be a key feature of most oscillating fans, electric ceiling fans are designed for permanent or semi-permanent installation into a ceiling. 22/ Ceiling fans for home use 23/ generally consist of an electric motor encased in a metal housing and a 4- or 5-blade fan unit ranging from 36 to 52 inches in diameter. Blades or paddles are made

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20/ Report at A-3. "Knocked-down" refers to fans which are shipped to the customer in a finished condition except that the base and neck of the fan is a separate disassembled component to be assembled by the end user. This allows for more compact packaging which reduces shipping and other spatially related costs. Id. at A-3 n.3.
21/ Id. at A-2.
22/ Id. at A-3.
23/ Ceiling fans for commercial use are generally the same as ceiling fans for home use.

of wood, metal, or plexiglass, and come in numerous colors, textures, and finishes. Most ceiling fans include a 2- or 3-speed control switch, reversible direction control switch, and can accommodate an assortment of light fixture attachments.

Oscillating fans typically are sold by mass merchandisers, discount stores, drugstores, and similar stores catering to less expensive and often unplanned purchases. Ceiling fans are sold primarily through specialty stores, home centers, and similar outlets. 24/ Other electric fans for household use are generally sold through the same channels as oscillating fans, to a greater or lesser extent, depending on the specific type. Thus, while stationary fans of the same size as oscillating fans may be sold in all the same types of stores, window fans intended for semi-permanent installation are more likely to be sold in home centers as well.

In addition to oscillating and ceiling fans, there is domestic production of non-oscillating desk, table, and wall-mount fans (non-oscillating fans), box fans, window fans, and other portable household fans. 25/ U.S. manufacturers also produce industrial ceiling and oscillating fans. These tend to circulate a substantially larger quantity of air and tend to be made of more durable, but less appealing, cast metal. 26/

We determine that there are two like products in this investigation, ceiling fans and oscillating fans. Ceiling fans and oscillating fans are distinct in physical appearance from one another, and ceiling fans are distinct from other fans. Ceiling fans are decorative permanent or semi-permanent fixtures which either accommodate or include lights, are commonly

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24/ Report at A-12.
25/ Id. at A-5-6.
26/ Id. at A-6.

used for year-round air circulation, are generally produced in separate facilities from oscillating fans, using non-interchangeable components, and have somewhat different channels of distribution.

We further determine, for purposes of this preliminary investigation, that the oscillating fans like product includes non-oscillating fans, box fans and window fans. These fans are essentially similar in appearance, 27/ have like functions, 28/ are similarly seasonal products, and have many of the same channels of distribution. Based on the information available, it does not appear that the oscillating feature is an essential characteristic of the oscillating fans subject to investigation - rather portability seems to be the key. Non-oscillating fans, box fans and window fans are sufficiently similar in characteristics and uses to the oscillating fans subject to this preliminary investigation. 29/

Finally, we determine that industrial fans are not like the imported fans subject to investigation. Industrial fans' motors generally exceed the 125 watt limitation on the fans subject to investigation, 30/ their blades are generally made of steel or aluminum and not plastic, they circulate a substantially larger quantity of air, and industrial fans are generally

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27/ We note, however, that window and box fans are generally square or rectangular in shape, and that the size range of box fans includes generally larger fans.

28/ Although petitioner asserts in its Post-Conference Brief that oscillating fans are not generally used for ventilation, Petitioner's Post-Conference Brief, at 6, petitioner testified that "when placed in front of a window," oscillating fans can do all of the three things electric fans usually do, including "provide ventilation." Tr. at 12.

29/ In the event of a final investigation, we will revisit the question of whether box and window fans are like the imported oscillating fans subject to investigation.

30/ The Commission has received, however, one questionnaire from a firm that imports an industrial oscillating fan with an electric motor with an output of less that 125 watts. Report, at A-6 n.13.

unavailable to household consumers. Thus, we believe that an essential characteristic of the fans subject to investigation is the fact that they are designed for household purposes. 31/

Based on our finding concerning the like products, we determine that there are two domestic industries. One domestic industry is composed of the five known domestic producers of ceiling fans, the petitioner (Lasko), Casablanca Industries Inc. (Casablanca), Hunter Fan Co. (Hunter), Emerson Builder Products (Emerson), and Fasco, 32/ and the other domestic industry is composed of the three known domestic producers of oscillating fans and non-oscillating fans, box fans and window fans, petitioner, Lakewood Engineering and Manufacturing Co. (Lakewood), and Patton Electric Co. (Patton). 33/

II. Condition of the Domestic Industries

In assessing the condition of the domestic industry(ies), the Commission considers, among other factors, domestic consumption, production, capacity, capacity utilization, shipments, inventories, employment, and financial

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31/ The "commercial" ceiling fans are generally the same type as those sold for household use, rather than for industrial use. There may be some differences in channels of distribution.

32/ One of the respondents alleges that petitioner "appears to be a very small player in the domestic ceiling fan industry" and claims that Lasko does not have the support of other members of the domestic industry. Thus, the question of petitioner's standing in this investigation with regard to ceiling fans has been raised. The Commission has previously held that it defers to Commerce's statutory authority to determine the sufficiency of petitions filed under the statute and that the Commission therefore does not rule on a petitioner's standing. E.g., Laser Light-Scattering Instruments from Japan, Inv. No. 731-TA-455 (Preliminary), USITC Pub. 2282 (May 1990) at 16, n.52, and cases cited therein. Although the Court of International Trade has questioned the Commission's position in Suramerica v. United States, 746 F. Supp. 139 (1990), that decision is on appeal and, in any event, does not require the Commission to determine standing issues. Moreover, based on the record, the issue is moot in this case.

33/ Report, at A-8-11 and n.26. We believe there are additional U.S. producers of other electric fans, and will seek information concerning these producers in the event of a final investigation. See id. at A-9.

performance. 34/ No single factor is dispositive, and in each investigation we consider the particular nature of the industry involved and the relevant economic factors which have a bearing on the state of the industry. 35/ Before describing the condition of the industries, we note that much of the information on which we base our decision is business proprietary, and our discussion of the condition of the industries must necessarily be general in nature.

A. Oscillating fans 36/

Apparent domestic consumption of oscillating fans in quantity terms increased from 1987 to 1988, before falling in 1989. Data for the interim periods, January through September 1989 and 1990, show a continued decline in apparent consumption. 37/ The trends in apparent consumption were the same when measured in terms of value. 38/ Reported production capacity increased throughout the period of investigation. 39/ Production of oscillating fans

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34/ 19 U.S.C. § 1677(7)(C)(iii).
35/ See 19 U.S.C. § 1677(7)(V)(iii), which requires us to consider the condition of the industry in the context of the business cycle and conditions of competition that are distinctive to the domestic industry. See also H.R. Rep. 317, 96th Cong., 1st Sess. at 46; S. Rep. 249, 96th Cong., 1st Sess. at 88.
36/ The Commission requested information from producers of "other" electric fans, as well as producers of solely, or primarily, oscillating fans. However, little useable information was provided by producers of other fans. In the event of a final investigation, we will seek additional information from producers of other fans which we have preliminarily determined are like the imported oscillating fans subject to investigation.
37/ Report at A-8 and Table 1.
38/ Id. These trends were reportedly tied to the extremely hot summers in 1987 and 1988, followed by the relatively cooler summers of 1989 and 1990. Id. at A-8.
39/ Id. at A-13 and Table 3. The overall increase in capacity is partially due to reported capacity increases by petitioner, which were allegedly simply a side effect of efforts to increase production efficiency. Id. at A-13-14.

increased from 1987 to 1988, then decreased from 1988 to 1989. 40/ Data for the interim periods show a decline in production. 41/

Domestic shipments and capacity utilization reflected the same trends as were observed for production of oscillating fans. 42/ End-of-period inventories of oscillating fans increased from 1987 to 1989, then fell between interim 1989 and interim 1990. 43/ The number of production and related workers, the number of hours worked, wages paid, and total compensation all increased from 1987 to 1988, before declining somewhat in 1989. 44/ Data for the interim period show a decline in these employment indicators. 45/ Average hourly wages and unit labor costs increased throughout the period of investigation, while productivity fell overall. 46/

U.S. producers' net sales of oscillating fans declined from 1988 to 1989, and declined further in 1990. 47/ Operating income increased from 1988 to 1989, then declined significantly in 1990, as did operating margins. 48/ Gross profits as a share of net sales increased from 1988 to 1989, then declined in 1990. 49/

Based on the information available in this preliminary investigation, we determine that there is a reasonable indication that the domestic industry producing fans like the imported oscillating fans subject to investigation is

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40/ Id. at A-14 and Table 3.
41/ Id.
42/ Id., id. at A-15 and Table 4.
43/ Id. at A-16 and Table 5.
44/ Id. at A-18 and Table 6.
45/ Id.
46/ Id.
47/ Id. at A-19 and Table 7. Because of differences in fiscal years, financial data for 1990 are somewhat understated. In the event of any final investigation, we will seek to further clarify the impact of seasonality on sales in considering the financial information on an annual basis.
48/ Id. at A-19 and Table 7.
49/ Id.

materially injured. The industry's performance shows consistent declines in the most recent full year and interim period comparisons. Production, sales, and profits all show significant declines.

B. Ceiling fans

Apparent domestic consumption of ceiling fans in quantity terms decreased from 1987 to 1988, then increased in 1989. Data for the interim periods show a significant decline in apparent consumption. 50/ The trends in apparent consumption were the same when measured in terms of value. 51/ Reported production capacity was constant from 1987 to 1988, but increased from 1988 to 1989. 52/ Production of ceiling fans decreased from 1987 to 1988 but then increased slightly in 1989. 53/ Data for the interim periods show a decline in production. 54/ Domestic shipments increased in volume from 1987 to 1988, then declined in 1989. 55/ Data for the interim periods show a significant decline in domestic shipments. 56/ For ceiling fans, end-of-period inventories fell between 1987 and 1989, and then increased between interim 1989 and interim 1990. 57/

50/ Id. at A-8 and Table 1.
51/ Id. The decline in ceiling fan consumption may be explained by the relatively cool summers of 1989 and 1990, sluggish housing starts, a weak economy, and maturation of the ceiling fan market creating a shift toward replacement sales. Id. at A-8.
52/ Id. at A-14 and Table 3. As was the case with oscillating fans, the overall increase in capacity is due to reported capacity increases by petitioner, which were allegedly simply a side effect of efforts to increase production efficiency. Id. at A-14.
53/ Id. at A-14 and Table 3.
54/ Id.
55/ Id. at A-16 and Table 4.
56/ Id. Measured in value terms, domestic shipments demonstrate the same trends. Id.
57/ Id. at A-16 and Table 5.

Capacity utilization fell consistently throughout the period of investigation. 58/ The number of production and related workers, the number of hours worked, wages paid, and total compensation all fell from 1987 to 1989. 59/ Data for the interim periods indicate that the number of production and related workers and the number of hours worked declined, while wages paid and total compensation rose. 60/ Average hourly wages and productivity generally increased throughout the period of investigation, while unit labor costs declined irregularly. 61/

U.S. producers' net sales of ceiling fans declined from 1988 to 1989, and declined further in 1990. 62/ Operating income also declined through the period of investigation. 63/

Based on the information available in this preliminary investigation, we determine that there is a reasonable indication that the domestic industry producing ceiling fans is materially injured. The industry's performance shows consistent declines in the most recent full year and interim period comparisons. Production, sales, and profits all show significant declines.

III. Reasonable indication of material injury by reason of the allegedly LTFV imports from the PRC

The final step in the Commission's preliminary determination in an antidumping investigation is to determine whether there is a reasonable indication that material injury to the domestic industry is "by reason of" the allegedly LTFV imports. In making this determination, the Commission considers the volume of imports, their effect on prices of the like product,

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58/ Id. at A-14 and Table 3
59/ Id. at A-18 and Table 6.
60/ Id.
61/ Id.
62/ Id. at A-20 and Table 9.
63/ Id. at A-20 and Table 9.

and their impact on domestic producers. 64/ The Commission examines whether import volumes or increases in volume are significant, whether there has been significant underselling by imports, whether imports significantly depress or suppress prices for the like product, and affect such factors as domestic production, sales, capacity utilization, inventories, employment, and profits. 65/

In making its determination, the Commission may consider information demonstrating possible alternative causes of injury to the domestic industry. 66/ The Commission may not, however, weigh causes. 67/ It is sufficient to support an affirmative determination that the imports under investigation contribute, even minimally, to the domestic industry's materially injured condition. 68/

The legal standard in preliminary antidumping investigations is set forth in section 733(a) of the Tariff Act of 1930, 69/ which requires the Commission to determine whether, based on the best information available at the time of the preliminary determination, there is a reasonable indication of material injury to a domestic industry, or threat thereof, or material

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64/ 19 U.S.C. § 1677(7)(B)(i).
65/ 19 U.S.C. § 1677(7)(C). The Commission may consider other factors it deems relevant, but must explain why they are relevant. 19 U.S.C. § 1677(B)(ii).
66/ See, S. Rep. No. 249, 96th Cong., 1st Sess. 58 (1979). Such alternate causes may include "the volume and prices of imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology, and the export performance and productivity of the domestic industry." Id. at 57.
67/ See id. at 57-58, 75; Hercules, Inc. v. United States, 973 F. Supp. 454, 481-82 (CIT 1987).
68/ LMI-La Metalli Industriale, S.p.A. v. United States, 712 F. Supp. 959 (CIT 1989).
69/ 19 U.S.C. § 1673b(a). Cf. 19 C.F.R. § 207.17 (Determination by Commission of reasonable indication of injury).

retardation of establishment of such an industry, by reason of imports of ceiling fans or oscillating fans that are subject to this investigation. 70/ The definition of "material injury" is the same in both preliminary and final investigations, but in preliminary investigations an affirmative determination is based on a "reasonable indication" of material injury, as opposed to the finding of material injury or threat required in a final determination. 71/

In American Lamb v. United States, 72/ the Federal Circuit stated that (i) the purpose of preliminary determinations is to avoid the cost and disruption to trade caused by unnecessary investigations, (ii) the "reasonable indication" standard requires more than a finding that there is a possibility of such injury, and (iii) the Commission may weigh the evidence before it to determine whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of material injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation." 73/

A. Oscillating fans

In terms of both volume and value, imports of oscillating fans from the PRC increased significantly throughout the period of investigation. Imports

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70/ Maverick Tube Corp. v. United States, 687 F. Supp. 1659, 1673 (CIT 1988).
71/ Compare 19 U.S.C. § 1673b(a) with 19 U.S.C. § 1673d(b)(1).
72/ 785 F.2d 994 (Fed. Cir. 1986).
73/ Id. at 1001-04. Shock Absorbers, Inv. No. 731-TA-421 USITC Pub. No. 2128 at 4-5.

"Clear and convincing" evidence supporting a negative determination must be "substantial," and more than a preponderance of the evidence. Since the Commission is permitted to weigh the evidence in the record, however, a negative preliminary determination may be issued if some evidence supports an affirmative determination, and even if some reasonable doubt exists as to whether a negative determination is warranted. See, e.g., Buildex Inc. v. Kason Industries, Inc., 849 F.2d 1461, 1463 (Fed. Cir. 1988) (clear and convincing standard is an intermediate standard somewhere between "beyond a reasonable doubt" and a "preponderance of the evidence").

of oscillating fans increased from 566,000 in 1987 to 1.3 million in 1988, and 1.9 million in 1989. 74/ Imports increased dramatically during the interim periods, from 1.8 million in January-September 1989 to 4.1 million in January-September 1990. 75/ As a share of apparent U.S. consumption, imports of oscillating fans from the PRC increased from 1987 to 1989, and increased dramatically from interim 1989 to interim 1990. 76/ While U.S. producers' share of apparent consumption actually increased from 1987 to 1988, it has declined since then, and declined during the interim period 1990 as compared with the interim period 1989. 77/ Although the pricing data show mixed trends, price comparisons showed underselling by the imported oscillating fans in 21 of 41 possible comparisons. 78/ Information obtained through conversations and purchasers indicates that price is the most important factor in deciding between imported and domestically produced oscillating fans. 79/

B. Ceiling fans

In terms of both volume and value, imports of ceiling fans from the PRC increased significantly throughout the period of investigation. Imports of ceiling fans increased from 953,000 in 1987 to 2.7 million in 1988, and 4.1 million in 1989. 80/ Imports increased again during the interim periods, from 3.4 million in January-September 1989 to 4.1 million in January-September 1990. 81/ As a share of apparent U.S. consumption, imports of ceiling fans

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74/ Report at A-31, Table 14.
75/ Id. We note that because of the seasonality of the market, most imports of oscillating fans occur during the first three quarters of the year. Thus, data for interim 1990 represent a close approximation of the likely level of shipments for all of 1990.
76/ Id. at A-32, Table 15.
77/ Id.
78/ Id. at A-38, Tables 20 and 21.
79/ Id. at A-39-40.
80/ Id. at A-31, Table 14.
81/ Id.

from the PRC increased from 1987 to 1989, and increased from interim 1989 to interim 1990. 82/ While U.S. producers' share of apparent consumption increased slightly from 1987 to 1988, it has declined since then, and declined during the interim period 1990 as compared with the interim period 1989. 83/ Although the pricing data show mixed trends, price comparisons showed underselling by the imported ceiling fans in 28 of 47 possible comparisons. 84/

Based on the information set forth above, we determine that there is a reasonable indication that the allegedly LTFV electric oscillating and ceiling fans subject to investigation are a cause of material injury to the domestic industries producing the like products.

82/ Id. at A-32, Table 15.
83/ Id.
84/ Id. at A-38, Tables 20 and 21.

Dissenting and Concurring Views of Chairman Anne E. Brunsdale
Certain Electric Fans from the People's Republic of China
Inv. No. 731-TA-473 (Preliminary)

I concur in the Commission's determination that there is a reasonable indication that the domestic industry producing oscillating fans is materially injured by reason of imports from the People's Republic of China (PRC) allegedly sold at less than fair value (LTFV). I disagree, however, that there is a reasonable indication that the domestic industry producing ceiling fans is materially injured or threatened with material injury by reason of the subject imports from the PRC allegedly sold at LTFV.[1] I, therefore, dissent from the Commission's determination with regard to ceiling fans.

I join my colleagues' discussion of like product and the condition of the domestic industry. Their discussion provides adequate support for the conclusion that there are two like products in this case, ceiling fans and oscillating fans. There is, however, some additional information on the industry that I find useful in giving meaning to the industry trends.

The market for fans, particularly oscillating fans, depends largely on the weather. The first years of the investigation, 1987 and 1988 were warm, thus favorable for fan producers' sales. Subsequently, the weather has not been so favorable -- which is one reason why consumption of fans declined over the period of

[1] Material retardation of the establishment of a domestic industry is not an issue in this investigation.

the investigation.[2] Since the weather is unpredictable, there is no reason to believe that the decline will be permanent. It is important not to attribute any injury due to "unfortunate" weather patterns to the subject imports. While the statute makes clear that the Commission is not to weigh causes of injury, it is equally clear that in order to reach an affirmative determination there must be a reasonable indication of injury by reason of unfair imports.

Unlike the majority, I do not believe that a separate legal conclusion on the presence or absence of material injury can be reached by simply reviewing the condition of the industry. Such a conclusion is not required by the statute, nor does it serve any useful purpose. On the other hand, it is important in my view to understand the condition of the industry before deciding whether any injury resulting from the dumped imports is material.[3]

In assessing the effect of dumped imports, it is necessary to compare the current condition of the domestic industry to that which would have existed had there not been unfairly traded imports. Then it must be determined whether the resulting change of circumstances constitutes material injury. The statute requires that there must be a reasonable indication that material injury to the domestic industry is "by reason of" the allegedly

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[2] See Transcript of Proceedings, November 21, 1990, p. 61.

[3] See Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final), USITC Pub. 2169 (March 1989) at 10-15 (Views of Chairman Brunsdale and Vice Chairman Cass).

dumped imports. I do not believe that it is sufficient to find that an industry has been declining or is in "poor condition" in some absolute sense, and then to find a minimal contribution of imports to the state of the domestic industry.

Applicable Standard in Preliminary Determinations

My approach to preliminary determinations is derived from the decision in American Lamb v. United States.[4] The language employed by the court in American Lamb specifies that a negative determination is appropriate only when "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of material injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[5]

This does not mean, of course, that the absence of some information normally considered in a final investigation would require the Commission to find in the affirmative in a preliminary investigation. Clearly, given the short time period allowed in a preliminary investigation, the burden of requiring that all information be collected in order to find in the negative would nearly preclude such a finding. Rather, I

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[4] 785 F.2d 994 (Fed. Cir. 1986).

[5] Id., at 1001-04. "Clear and convincing" evidence supporting a negative determination must be "substantial," and more than a preponderance of the evidence. Since the Commission is permitted to weigh the evidence in the record, however, a negative preliminary determination may be issued if some evidence supports an affirmative determination, and even if some reasonable doubt exists as to whether a negative determination is warranted. See, e.g., Buildex Inc. v. Kason Industries, Inc., 849 F.2d 1461, 1463 (Fed. Cir. 1988)

consider the relation of any missing information to the likely disposition of a final investigation. In cases where there is a question as to what the evidence would show in a final investigation, as instructed by the statute, I give all benefit of the doubt to petitioner.

Reasonable Indication of Material Injury By Reason of Allegedly LTFV Imports

In assessing the causation of injury by dumped imports the statute instructs the Commission to consider, among other factors: (1) the volume of imports of the merchandise which is the subject of the investigation, (2) the effect of imports of that merchandise on prices in the United States for like products, and (3) the impact of imports of such merchandise on domestic producers of like products[6]

In considering the volume of imports, I take into account the volume both in absolute terms and in terms of their share of the relevant market. I also consider the dumping margin or in a preliminary investigation, the alleged dumping margin in order to determine the likely effect that dumping would have on the price and volume of subject imports. The higher the dumping margin the greater the difference between the dumped price of the imports and their price at fair value.[7] This, in turn, affects the

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[6] See 19 U.S.C. 1677 (7) (B).

[7] This assumes that any adjustment made by foreign producers would be in the price of imports, rather than in the home market price.

magnitude of the increased volume of unfair imports.

In considering the impact of the subject imports on the prices in the United States of the like product and on domestic producers, I look at the underlying economics of the market. First, I examine the relationship between the price of a product and the quantity demanded of that product. If a small decline in price would lead to a large increase in purchases, then the effect of dumped imports on the domestic industry would be mitigated. When sales at LTFV ceased, demand would contract, leaving the domestic producer only sightly better off.

Second, I examine the substitutability of the like product, the subject imports and the fairly traded imports in the eyes of consumers. If the domestic like product and the subject imports are quite different, then it is less likely that consumers of the domestic like product would switch to the import, given a small reduction in the import's price. If they are identical, one would expect consumers to switch quite readily. If fairly traded imports are a better substitute for the unfair imports than the domestic like product, it is likely that dumping would hurt producers of fairly traded imports more than domestic producers.

Finally, I consider the likelihood that domestic firms and foreign firms would alter their sales in the United States if the price of the product changed. This gives me an indication whether there would be a greater change in the price of the domestic like product or in the volume of output, as a result of the dumping.

Ceiling Fans

In the case of ceiling fans, imports from the PRC accounted for a much smaller share of the domestic market than fairly traded imports throughout, the period of investigation.[8] In fact, imports from countries, other than the PRC, accounted for the majority of sales in the U.S.[9] Imports from the PRC have increased over the period of investigation, as is detailed in the Commission's opinion, but the overall import share remained relatively stable.

In a preliminary investigation, the only information on the dumping margin is contained in the allegations of the petitioner. In the case of ceiling fans the petitioner alleges dumping margins from 10.9 to 21.4 percent.[10] The dumping margin indicates the maximum increase in the domestic price of imports if they were being sold at fair value. In other words, petitioner alleges that ceiling fans imported from the PRC would have been a maximum of 21.4 percent more expensive, if they had been sold at fair value. In order to determine the resulting injury, I estimate, using the technique detailed above, what prices and output would have been in the absence of dumping.

While all factors that I discussed above are relevant, the one that is most germane to my negative determination on ceiling

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[8] Staff Report at A-32, Table 15.

[9] Staff Report at A-32, Table 15.

[10] Staff Report at A-7, n. 18.

fans is the lack of substitutability between the domestic like product and the subject imports. There are substantial differences in the quality and prices of various ceiling fans produced in the United States. The majority of these fans are high-end products. Indeed, in terms of value, a very large share of U.S. shipments of ceiling fans are high-end products, whereas according to the record, all ceiling fans imported from the PRC are low-end products.[11] The difference in price between low-end and high-end fans is substantial. In fact I would expect that there is little direct competition between the high-end and low-end products.[12] While I believe that low-end ceiling fans produced in the U.S. are reasonably good substitutes for imports from the PRC, I expect that there is little competition between ceiling fans imported from the PRC and a large portion of the ceiling fans produced in the U.S.

Demand for ceiling fans would seem to be somewhat responsive to changes in price. These are consumer products that would not be considered a necessity. One might imagine that builders of new homes would decide to install ceiling fans if the price of the fan was sufficiently low to enhance profitability of the

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[11] There appear to be some mid-priced models that are imported at fair value from other countries. The majority of imports, however, are low-end products.

[12] I believe that a change in the price of a low-end product could have some effect on the sales of a high-end product, since there are probably some consumers on the margin who would switch to the low-priced product if its relative price declined. However, the effect is always greatest on the products that are the closest substitutes.

investment. Similarly, at a sufficiently low price, a consumer may decide to install a ceiling fan to avoid using air-conditioning or as alternative to portable fans. To the extent that demand does respond to changes in price, it is likely that any reduction in the price of ceiling fans due to sales of dumped imports would generate increased demand rather than simply displace sales by domestic producers and fairly traded imports.

In conclusion, based on the relatively low dumping margin alleged in this case and the general lack of substitutability between the allegedly unfairly traded imports and the domestic like product, there is no reasonable indication that the domestic industry producing ceiling fans has been materially injured by reason of imports sold at less than fair value from the PRC. The presence of fairly traded imports that appear to be very close substitutes for the unfair imports reinforces my opinion that any injury to the domestic industry is not material.

Oscillating Fans

The domestic like product and imports from the PRC accounted for a small share of the U.S. market throughout the period of investigation compared to fairly traded imports.[13] While the market share of oscillating fans from the PRC appears to have increased substantially in the interim period, U.S shipments have been relatively stable both in quantity and value terms. In fact, the U.S. market share increased over the period of

[13] Staff Report at A-32, Table 15.

investigation.[14]

In the case of oscillating fans, petitioner alleges dumping margins range from 15.7 to 165 percent.[15] The Department of Commerce has determined that the only valid methodologies used by petitioner allege dumping margins of between 15.7 and 25.4 percent.[16] In order to give petitioner benefit of the doubt, I assume that the dumping margin is 25.4 percent. This means that oscillating fans imported from the PRC would have been 25.4 percent more expensive if they were being sold at fair value.

I believe that imported oscillating fans are good substitutes for the domestic like product. Such fans appear to be a fairly standard item, with both the imports and the domestic models available in a variety of sizes with similar features. While respondents argued that imports are superior to the domestic product, I find their arguments unconvincing. I will, of course, be open to any additional information presented in the final investigation.

The quantity of oscillating fans demanded would seem to be moderately responsive to changes in price. Because fans are the cheapest and easiest way to get some relief from the heat, it is likely there are a variety of consumers who consider a fan to be a necessity, and thus would not be dissuaded from buying one for a small price change. In addition, one cannot imagine consumers

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[14] Staff Report at A-32, Table 15.

[15] Staff Report at A-6.

[16] Staff Report at A-7 n. 16.

buying fans unless there was a specific need. However, as is the case with most consumer goods that are not absolute necessities, there are likely to be consumers on the margin who will buy an extra fan if the price drops.

In conclusion, although the dumping margins alleged in this case are not particularly high, the fact that the unfair imports and the domestic like product are close substitutes leads me to believe that there is a reasonable indication that the domestic industry producing oscillating fans is materially injured by reason of imports from the PRC that are allegedly sold at less than fair value.

III. Reasonable Indication of Threat of Material Injury by Reason of Allegedly LTFV Imports

If the Commission determines that there is no reasonable indication that an industry in the United States is being materially injured by the imports subject to investigation, it must consider whether there is a reasonable indication that the industry is threatened with material injury by reason of such imports.[17] Petitioner argues that if the U.S. ceiling fan industry is not already materially injured, it is threatened with material injury.[18] In support of this claim, petitioner points to the same negative economic indicators it offered as evidence

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[17] 19 U.S.C. § 1673b(a)(1)(B).

[18] Petition, at 30-1, 55.

of material injury.[19] Respondents assert that there is no reasonable indication of a threat of material injury by reason of imports from the PRC.

A threat of material injury must be real and imminent, and the Commission's determination may not be based on mere conjecture or supposition.[20] Since I conclude that there is a reasonable indication that the domestic industry producing oscillating fans is materially injured by reason of imports allegedly sold at less than fair value, this discussion applies only to the ceiling fan industry.

The statute sets forth ten factors that the Commission is required to consider in its threat analysis.[21] The Court of International Trade has stated that although the Commission must consider each of the statutory factors, it is not required to discuss each of them in its determination.[22] I have reviewed all of the factors that are statutorily required, but will discuss only the factors that I considered most important in this case.

The most important factor we are told to consider is whether there has been a rapid increase in the market penetration of imports and the likelihood that the penetration will increase to an injurious level. In fact, although imports from the PRC have

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[19] Id.

[20] 19 U.S.C. § 1677(7)(F)(ii); see Citrosuco Paulista v. United States, 704 F. Supp. 1075 (CIT 1988).

[21] 19 U.S.C. § 1677(7)(F)(i). Factors (1) and (9) are not relevant in this investigation.

[22] Id., at 1094.

increased, imports overall have remained relatively stable. This indicates that imports from the PRC have displaced other imports, rather than domestic products. This follows from the discussion on substitutability, detailed above. There is no indication that imports from the PRC will begin to displace domestic sales rather than other imports in the future. Therefore, there is no indication that the market penetration of the PRC imports will increase in to an injurious level.

The second factor important here is whether there has been any buildup of inventories. Not only has there been no large accumulation of inventories of U.S. ceiling fans, but such inventories fell during most of the investigation, increasing slightly over the interim period.

Third, capacity utilization rates appear to be fairly high for ceiling fans produced in the PRC. While it is possible that capacity has been added in the recent past that would be discovered in a final investigation, I do not consider this factor to be crucial to my decision on threat.

To summarize, I find the record on the whole contains clear and convincing evidence that there is no real threat of "imminent" and "actual" material injury to the U.S. industry by reason of the subject imports from the PRC.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On October 31, 1990, a petition was filed with the U.S. International Trade Commission (Commission) and the U.S. Department of Commerce (Commerce) by counsel for Lasko Metal Products, Inc. (Lasko), West Chester, PA, alleging that industries in the United States are being materially injured and are threatened with further material injury by reason of imports from the People's Republic of China (China) of certain electric fans[1] that are allegedly sold in the United States at less than fair value (LTFV). Accordingly, effective October 31, 1990, the Commission instituted antidumping investigation No. 731-TA-473 (Preliminary) under section 733(a) of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States.

Notice of the institution of this investigation was posted in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and published in the Federal Register of November 6, 1990 (55 F.R. 46779). Commerce published its notice of initiation in the Federal Register of November 27, 1990 (55 F.R. 49320). Copies of the Commission's and Commerce's Federal Register notices are presented in appendix A.

The Commission held a public conference in Washington, DC, on November 21, 1990, at which time all interested parties were allowed to present information and data for consideration by the Commission. A list of the participants in the conference is presented in appendix B. The Commission voted on this investigation on December 12, 1990. The statute directs the Commission to make its preliminary determination within 45 days after receipt of the petition, or in this investigation by December 17, 1990. The Commission has not conducted any previous investigations on certain electric fans.

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[1] For purposes of this investigation, the petitioner defined "certain electric fans" as oscillating fans and ceiling fans, with a self-contained electric motor of an output not exceeding 125 watts. Ceiling fans direct a downward flow of air using a fan blade/motor unit fixed permanently or semi-permanently in the ceiling. Oscillating fans direct a flow of air using a fan/motor unit that pivots back and forth on a stationary base. The petition excludes industrial and commercial ventilation fans, window fans, non-oscillating fans, and ceiling fans from the oscillating fans subject to the petition (see petition, p. 4.) No exclusions were specifically mentioned for ceiling fans subject to the petition; however, counsel for the petitioner explained that it was the intent of the petition to exclude industrial and commercial fans from both the oscillating fans and ceiling fans subject to the petition (see transcript of the conference, p. 27). Furthermore, for purposes of data collection, "certain electric fans" includes fans that are shipped to the customer with all components needed for final assembly, even though the fan is not fully assembled (so-called "knocked-down" fans). The subject products are provided for in subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States (HTS) (item 661.06 of the former Tariff Schedules of the United States (TSUS)).

The Products

Description and uses

The imported products subject to investigation are certain electric fans.[2] These electric fans are electromechanical devices primarily used to circulate a flow of air in a room or a specified area to produce a cooling effect on an object or person. They are generally considered to be energy-saving devices for local cooling. Both oscillating fans and ceiling fans are used primarily in warm environments to supplement or replace existing central cooling systems, although ceiling fans are sometimes utilized to circulate warm air downward from the ceiling in the winter months by reversing the rotation of the blades. Ceiling fans and, to a lesser extent, oscillating fans are generally sold in a variety of colors, decorative patterns, trims, and price ranges.

Electrical outlet configurations, voltage requirements, and performance and safety standards for electric fans vary from country to country, thus requiring most products to be manufactured specifically for the country in which they are to be sold. Most countries have organizations similar to Underwriters Laboratories, Inc. (UL) in the United States that test and approve electrical components according to national standards. The products subject to this investigation have self-contained electric motors rated for a maximum output of 125 watts and must be UL approved for use in the United States.

Electric oscillating fans for nonindustrial use may be classified into the following three types, depending upon the configuration of the fan: desk or table fans (in which the base of the fan sits on a piece of furniture); pedestal fans (in which the base of the fan sits on the floor and extends upward to position the fan at the desired height); and wall-mount fans (in which the base of the fan is attached to the wall). These fans are mounted on a stationary base and oscillate back and forth, usually up to a 180 degree arc, expanding the area of air circulation. Oscillating fans generally are produced in three sizes (9 inches, 12 inches, and 16 inches in fan diameter), with blades made of plastic, and grills made of steel wire or plastic. Most

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[2] Specifically, the petition was filed on oscillating fans and ceiling fans. A definition of these products subject to the Commission's investigation is presented in the "Introduction," p. A-1.

Commerce has determined that the products covered in the petition constitute two separate classes or kinds of merchandise and is accordingly conducting two separate investigations, one on oscillating fans and the other on ceiling fans.

In its investigations, Commerce defines oscillating fans as electric fans that direct a flow of air using a fan blade/motor unit that pivots back and forth on a stationary base ("oscillates"). Oscillating fans incorporate a self-contained electric motor of an output not exceeding 125 watts. Commerce defines ceiling fans as electric fans that direct a downward flow of air using a fan blade/motor unit. Ceiling fans incorporate a self-contained electric motor of an output not exceeding 125 watts. Ceiling fans are designed for permanent or semi-permanent installation. Window fans and industrial or commercial ventilator fans are not included in Commerce's investigations.

oscillating fans are shipped either fully-assembled (with base and neck of fan as one continuous molded piece) or in a "knocked-down" configuration.[3] Typically, the "knocked-down" electric fan has a rotary control switch located on the rear of the motor encasement, while the fully-assembled electric fan has a push button control switch located on the standbase.

While portability seems to be a key feature of most oscillating fans, electric ceiling fans are designed for permanent or semipermanent installation in ceilings of homes or commercial establishments. An electric ceiling fan, for nonindustrial use, generally consists of an electric motor encased in a metal housing, with a 4- or 5-blade fan unit, that is adaptable for an assortment of light fixture attachments. Most nonindustrial ceiling fans include a 2- or 3-speed control switch and a reversible direction control switch; newer models are available with variable speed or "memory" switches. These fans vary in size from 36 to 52 inches in diameter, with blades or paddles made of wood, metal, or plexiglass, in numerous colors, textures, or finishes. Some ceiling fans are packaged with ornamental lighting fixtures to be attached to the fan. The style and decor of certain ceiling fans have become nearly as important a purchasing consideration as the functional aspects of these fans; they come in a variety of styles and colors, and can be selected for individual taste, decorating needs and for their ability to circulate air quietly and effectively.

Manufacturing process

The components necessary for the assembly of an electric fan generally include a motor, casing, switch(es), fan blades or paddles, wire, and miscellaneous hardware. The manufacturing processes involved in producing oscillating fans and ceiling fans are discussed, as follows.

Oscillating fans.--Fan blades, stands, and motor covers are generally injection molded of plastic. Plastic pellets, placed in a hopper, are fed into a heating chamber of a high-speed injection molding machine. A plunger or screw forces a preset amount of the heated materials into a cold mold. After the material has solidified, it is then ejected from the mold and stored for further assembly.

Fan grill units are generally made of standard diameter steel wire.[4] The wire is fed through grill fabrication equipment, where several mechanical operations are performed. The wire is cut and welded, then flattened and bent to the desired contour to form a grill unit. The fabricated grill is then finished with either a painted coating or an electroplated metal coating with an anticorrosion lacquer finish.

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[3] "Knocked-down" refers to fans that are shipped to the customer in finished condition with the neck and base of the fan as separate components in the same package to be assembled by the end user. This particular configuration, which was conceived in Asia, became widely recognized and used around 1988. Since the fan is packaged in a much smaller container, it is preferred by those aiming to reduce shipping and other related spatial costs. Petition, p. 12, and transcript of the conference, pp. 49-50.

[4] Some oscillating fan grill units may be injection molded of plastic.

The manufacturing process for the AC magnetic motor for an oscillating fan involves three basic components: (1) the stator, which consists of epoxy-coated laminated steel wound with magnet wires, and serves as the generator of the magnetic field, (2) the rotor assembly and shaft, which serves as the receiver of the magnetic field, and (3) the metal cast housing, which contains the stator, the rotor assembly and shaft, and the gear assembly responsible for the oscillation of the fan.

In the final oscillating fan assembly process, various components are attached to the AC magnetic motor, the major subassembly in an electric fan. First, the motor is mounted on a standbase and various stand parts are affixed. Next, the electric cord set and control switches are attached to the motor assembly. After the motor shell is attached to the motor, the motor is tested for continuity and desired electrical performance. Finally, the assembly is inspected for performance and appearance and then packaged for storage or shipment. Generally, blades and grill units are packaged with the fan and assembled by the consumer.

Ceiling fans.--Metal housings and metal canopies (canopies are used to cover the electrical connections at the ceiling) are generally made from stampings. High-speed hydraulic presses with blanking dies are used to stamp and cut the coil steel into motor housings and canopies. After stamping, various operations are performed on the blanked material. First, the housings and canopies are cleaned, powder coated or painted, then oven dried for a desired finish. Next, they are inspected for defects in the finishing process. Plastic housings, canopies,[5] and certain blades[6] are injection molded out of plastic pellets and mixed with a colorant, hence no further finishing is required. The injection molding process for ceiling fans is similar to the injection molding process for oscillating fans.

In the final assembly of a ceiling fan, the housing is attached to the magnetic motor.[7] Next, the assembly is tested for continuity and desired electrical performance, inspected for operating noise level, and finally packaged for storage or shipment. At the packaging station, the motor assembly is packaged with the fan paddles, brackets, canopy, and miscellaneous hardware for installation by the end user.

The assembly components of an electric fan can be purchased or produced readily by the assembler due to the availability of the technology used in producing these components. Further, fan assembly and the production of components involve only a relatively small capital investment, although the

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[5] Canopies for ceiling fans are made both from steel and plastic, depending on the model ceiling fan for which the component is being manufactured.

[6] Some blades in higher quality ceiling fans, such as are sold by * * *, are made of wood. Ceiling fans for use in industrial and some commercial environments contain steel blades.

[7] The AC magnetic motor in a ceiling fan is, in its most basic configuration, similar to that in an oscillating fan (i.e., consisting of the stator, the rotor, and the housing); however, the manufacturing process of a ceiling fan motor has been described as slightly more complicated than that of an oscillating fan, with a higher material content. Telephone conversation with * * * on Dec. 6, 1990.

level of capital investment is dependent on the scale of production and degree to which the assembler prefers to substitute labor for automated machinery.[8] Assemblers that purchase all necessary components (those who are not vertically integrated) can produce the final product with a minimal investment and little value added; thus, assemblers can readily relocate in response to only small incentives. Also, oscillating fans and ceiling fans are referred to as "low-tech" products, and production remains primarily material-intensive.

Lasko, the petitioner, describes itself as an integrated producer, producing most of the components for its electric fans, including * * *.[9] The petitioner, however, believes that most other U.S. producers of certain electric fans tend to be less vertically integrated.[10] Although recently built production facilities in China (owned by respondents Paragon, Holmes, and Shell), as well as the petitioner's production facilities, have been described as fully integrated, respondents maintain that nonintegrated assembly/production of electric fans is the norm.[11]

Substitute products

Any fan, a device used to circulate air, may theoretically be considered a substitute product for the fans that are the subject of this investigation; however, a brief discussion of only the specific types of substitute products which were brought to the attention of Commission staff follows.[12] In addition to the certain electric fans that are the subject of this investigation, nonoscillating desk, table, and wall-mount fans, as well as window fans, box fans, and other portable fans are used to circulate air and are also manufactured in a variety of styles and colors to appeal to the eye and enhance the decor of the surrounding area. Likewise, industrial fans

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[8] Respondents assert that Lasko is much more capital intensive than the Chinese operations. Transcript of the conference, p. 103.

[9] * * *.

[10] Casablanca reported that value added by the firm in the production of ceiling fans is * * * percent of the value of purchased components, while Hunter reported its value added at * * * percent of purchased components, and Lasko at * * * percent. Lasko also reported that value added by the firm in the production of oscillating fans is * * * percent of the value of purchased components, while Lakewood reported its value added at * * * percent.

[11] Respondents claim that * * * indicates an ease in the capacity to switch products. Lasko officials, however, maintain that manufacturing lines at Lasko are dedicated in such a way that the equipment in place cannot be used to manufacture types of fans other than those for which the equipment is intended. Post-conference brief by counsel on behalf of Shell Electric Mfg. (Holdings) Co., Ltd. and related companies, p. 27, and transcript of the conference, p. 32.

[12] The petitioner and respondents agree that oscillating fans and ceiling fans should be treated as separate "like" products; however, opinions differ on the substitute products and "like" products contained within these two categories. Views on substitute products and "like" product, and arguments set forth by the petitioner and respondents are presented in the transcript of the conference and in written briefs.

(both of the oscillating and ceiling type, as well as other varieties) are used to circulate air, although the amount of air circulated tends to be a substantially larger quantity.[13] In addition, industrial fan materials consist of cast metal, making them more durable for the harsher industrial environment, but also making them much less visually appealing.

Factors affecting demand

Oscillating fans tend to be a very seasonal product, with demand for the product directly related to the weather. That is, the demand for oscillating fans is higher in warmer weather, whereas the demand usually falls off substantially as the temperature drops. Therefore, the shipping period for oscillating fans in the United States generally begins in January, builds to June/early July, and ends in August/September. Retail sales of oscillating fans typically begin in April, build to a June/July peak, and end in August/September.

Unlike oscillating fans, ceiling fans tend to be less of a seasonal product and more of a 12-month business, with occasional less dramatic peaks. Sales generally accelerate in the spring, peak in the summer, maintain summer levels through the fall, and slow down through the winter months. However, weather is not the only factor affecting demand for ceiling fans. Housing starts and home remodeling, along with the economy and maturation of the market, have also been mentioned as driving forces behind demand.[14]

U.S. tariff treatment

The electric fans covered by this investigation are provided for in subheading 8414.51.00 of the HTS. Such fans were previously classified in item 661.06 of the former Tariff Schedules of the United States. The column 1-general, or most-favored-nation (MFN) rate of duty, applicable to certain electric fans from China and other MFN countries, is 4.7 percent ad valorem; the column 2 rate of duty is 35 percent ad valorem.

The Nature and Extent of Alleged Sales at LTFV

In comparing U.S. price (USP) with foreign market value (FMV), the petitioner alleges that oscillating fans from China are being sold in the United States at LTFV margins ranging from 15.7 percent to 165 percent. In calculating the margins, petitioner utilized three methods, comparing (1) USP based on price quotations from manufacturers of oscillating fans in China with

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[13] Petitioner also maintains that industrial fans typically contain electric motors exceeding 125 watts in output. However, the Commission has received questionnaire data from at least one firm that imports what the industry considers an industrial oscillating fan, with an electric motor that contains an output of less than 125 watts. * * *.

[14] Post-conference brief by counsel on behalf of Holmes Products Corp. (Holmes) and Paragon Industries (Paragon), p. 5, and transcript of the conference, p. 33.

FMV based on petitioner's own factors of production valued in Thailand, Taiwan, and the United States,[15] (2) USP based on the average unit import value for Chinese-origin oscillating fans with FMV based on the average unit import value of oscillating fans originating in Thailand, and (3) USP based on the average unit import value for Chinese-origin oscillating fans with FMV based on the average unit wholesale price of oscillating fans in Thailand.[16]

In order to calculate the estimated dumping margins for ceiling fans from China, the petitioner utilized four methods, comparing (1) USP based on price quotations from an exporter of Chinese-origin ceiling fans with FMV based on petitioner's own factors of production, valued in Taiwan and the United States,[17] (2) USP based on price quotations from an exporter of Chinese-origin ceiling fans with FMV based on price quotations in Thailand from a Thai producer of ceiling fans, (3) USP based on the average price quotation of an exporter of Chinese-origin ceiling fans with FMV based on the average unit import value for Thai-origin ceiling fans, and (4) USP based on the average unit import value for Chinese-origin ceiling fans with FMV based on the average unit import value for Thai-origin ceiling fans. The LTFV margins alleged by petitioner for ceiling fans range from 10.9 percent to 21.4 percent.[18]

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[15] The petitioner explains that, for the purposes of the petition, China is a nonmarket economy and Thailand is the appropriate market economy country for determining the FMV of oscillating fans from China. Petitioner has adjusted production factors to reflect costs in Thailand; however, when a cost in Thailand could not be found, the factors were adjusted for costs in Taiwan. A 12-inch diameter fan in both a fully-assembled and a "knocked-down" configuration was chosen as representative of the market for oscillating fans in calculating constructed value. Petition, p. 12.

On Nov. 14, 1990, the petitioner supplemented its petition at Commerce's request in order to explain the reasonableness of its original valuation of the factors of production and its use of Thailand, Taiwan, and the United States as surrogate countries for China. The petitioner explained that other countries could not be used because of a lack of available data and/or a lack of production of comparable merchandise. The petitioner also provided in the supplement constructed values for certain fans using a limited number of factors valued in Pakistan and the Philippines. These constructed values varied only slightly from those originally submitted, resulting in slightly higher alleged dumping margins.

[16] Commerce is not using the second and third methods because they rely on import values obtained from HTS subheadings that include nonsubject, as well as subject merchandise. The remaining method alleges dumping margins ranging from 15.7 percent to 25.4 percent.

[17] The 52-inch ceiling fan with antique brass finish and 5 cane paddles was chosen as representative of the market for ceiling fans in calculating constructed value.

[18] Commerce is not using the first method because the factor valuation information that was presented relies predominantly on costs in Taiwan and the United States. Accordingly, the first method is less representative of the values of ceiling fans than the remaining three, which are based on actual prices and/or narrowly defined HTS subheadings. The remaining methods allege dumping margins ranging from 10.9 percent to 21.4 percent.

The U.S. Market

Apparent U.S. consumption

The data on apparent consumption of oscillating fans and ceiling fans presented in table 1 are composed of the sum of U.S. producers' domestic shipments, as reported in response to the Commission's questionnaires,[19] and of U.S. imports, as obtained from official statistics of the U.S. Department of Commerce.[20]

Apparent U.S. consumption of oscillating fans, by quantity, increased * * * from 1987 to 1988, but fell * * * in 1989 and * * * from January-September 1989 to January-September 1990. In terms of value, apparent U.S. consumption of oscillating fans rose * * * from 1987 to 1988, but fell * * * in 1989 and * * * from interim 1989 to interim 1990. This trend in apparent U.S. consumption observed for oscillating fans was reportedly tied to the two extremely hot summers in 1987 and 1988, followed by the relatively cool summer weather experienced in 1989 and 1990.

Apparent U.S. consumption of ceiling fans, by quantity, fell * * * from 1987 to 1988, increased * * * in 1989, and fell * * * from January-September 1989 to January-September 1990. In terms of value, apparent U.S. consumption of ceiling fans fell * * * from 1987 to 1988, rose * * * in 1989, and fell * * * from interim 1989 to interim 1990. The decline in apparent U.S. consumption of ceiling fans may be explained by the mild summers of 1989 and 1990, sluggish housing starts, a weak economy, and the maturation of the ceiling fan market creating a shift toward replacement sales.[21]

U.S. producers

The petitioner identifies itself as the major U.S. producer of oscillating fans and asserts that there is only one other U.S. producer of oscillating fans, namely Lakewood Engineering and Manufacturing Co. (Lakewood). According to questionnaire responses received by the Commission,

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[19] Two U.S. producers supplied usable data on their operations producing oscillating fans; these firms account for all known domestic production of such fans. Three U.S. producers supplied usable data on their operations producing ceiling fans; these firms account for an undetermined share of U.S. production of such fans by all domestic producers.

[20] Respondents and petitioner agree on the use of official statistics rather than responses to the importers' questionnaire for purposes of analyzing market trends. Post-conference brief by counsel on behalf of Holmes and Paragon, p. 9. In addition, the petitioner believes that the HTS subheadings for both oscillating fans and ceiling fans are accurate representations of the products. Post-conference brief by counsel on behalf of Lasko, p. 12.

[21] Post-conference brief by counsel on behalf of Shell Electric Mfg. (Holdings) Co., Ltd. and related companies (Shell), p. 11.

Table 1
Certain electric fans: U.S. producers' domestic shipments, U.S. imports, and apparent U.S. consumption, by type of fan, 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
	Quantity (1,000 fans)				
Oscillating fans:					
U.S. producers' domestic shipments[1]	***	***	***	***	***
U.S. imports from--					
China[2]	566	1,256	1,875	1,756	4,061
All other countries[2 3]	15,466	13,950	11,701	11,272	6,961
Total U.S. imports[2]	16,032	15,206	13,576	13,028	11,022
Apparent U.S. consumption	***	***	***	***	***
Ceiling fans:					
U.S. producers' domestic shipments[4]	***	***	***	***	***
U.S. imports from--					
China[5]	953	2,664	4,123	3,382	4,089
All other countries[5 6]	13,343	11,372	10,512	9,662	7,582
Total U.S. imports[5]	14,296	14,036	14,634	13,044	11,670
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
Oscillating fans:					
U.S. producers' domestic shipments[1]	***	***	***	***	***
U.S. imports from--					
China[2]	4,634	12,333	18,736	18,074	39,595
All other countries[2 3]	143,162	154,055	137,279	134,122	83,721
Total U.S. imports[2]	147,796	166,388	156,015	152,196	123,317
Apparent U.S. consumption	***	***	***	***	***
Ceiling fans:					
U.S. producers' domestic shipments[4]	***	***	***	***	***
U.S. imports from--					
China[5]	18,410	55,580	93,142	75,218	96,017
All other countries[5 6]	384,634	314,731	317,996	289,849	244,704
Total U.S. imports[5]	403,044	370,311	411,138	365,067	340,721
Apparent U.S. consumption	***	***	***	***	***

[1] Two U.S. producers of oscillating fans, representing all known U.S. production of oscillating fans, provided data in response to the Commission's request. * * *.

[2] The tariff category under which oscillating fans enter the United States is broader than oscillating fans alone; the data presented may therefore be

Table footnotes continued on next page.

Footnotes to table 1--Continued

slightly overstated to the extent that other fans entered the United States under the same classification. Petitioner states, however, that it is convinced that virtually all of the fans from China under this HTS classification are oscillating fans. Post-conference brief by counsel on behalf of petitioner, p. 12.

[3] The petition indicates that, according to the Bureau of Census IM-146, major sources for U.S. imports of oscillating fans other than China are Taiwan, Hong Kong, and Thailand. Secondary foreign sources are Canada, Mexico, the United Kingdom, the Federal Republic of Germany, India, Indonesia, and Korea. Petition, p. 5.

[4] Three U.S. producers of ceiling fans, representing * * * percent of reported U.S. production of ceiling fans in 1989, provided data in response to the Commission's request. The information presented is therefore understated. Casablanca and Lasko reported data based * * *.

[5] The tariff category under which ceiling fans enter the United States is not a basket category; therefore, the data presented should accurately reflect the entrance of ceiling fans into the United States.

[6] The petition indicates that, according to the Bureau of Census, the major sources for U.S. imports of ceiling fans other than China are Taiwan, Hong Kong, Mexico, and Thailand. Secondary foreign sources are Canada, the United Kingdom, the Federal Republic of Germany, Switzerland, Italy, Korea, and Japan. Petition, p. 35.

Note.--Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

Lasko and Lakewood comprised approximately * * * percent and * * * percent of U.S. production of oscillating fans in 1989, respectively.[22]

The petitioner also believes that its ceiling fan operations comprise a majority of the U.S. ceiling fan production.[23] Six additional companies were identified by the petitioner, of which two (Encon Industries (Encon) and Codep) were described as importers of ceiling fan parts, which are simply packaged in the United States. * * *.[24] * * *.[25] Lasko also asserts that the remaining four U.S. ceiling fan manufacturers (Casablanca, Hunter, Emerson

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[22] Commission staff was unable to identify any additional U.S. producers of oscillating fans of the variety that both Lasko and Lakewood produce; however, staff believes that there are numerous additional U.S. producers of industrial oscillating fans and "other" electric fans.

[23] In addition to producing oscillating and ceiling fans, the petitioner produces box fans, window fans, high-velocity fans, personal fans, hassock fans, whole-house fans, and rooftop fans. All of the petitioner's "other" fan production, except the high-velocity fan (located in Ft. Worth, TX), is located in Tennessee.

[24] Telephone conversation with * * * on Sept. 27, 1990.

[25] * * *. Telephone conversation with * * * on Dec. 5, 1990.

Builder Products (Emerson), and Fasco) import a "significant portion" of the ceiling fans that each sells in the United States from Taiwan.[26]

The Commission sent producers' questionnaires to the 8 firms referenced above and to 16 additional firms that were identified by staff as possible producers of certain electric fans in the United States during the period of investigation. Four companies provided the Commission with complete or almost complete responses to the request for information, 2 others provided limited information, 12 did not respond, and 6 responded that they did not produce oscillating fans, ceiling fans, or "other" electric fans.[27] The six firms that provided information, their shares of total reported U.S. production, positions regarding the petition, and locations are presented in table 2.

U.S. importers

The petitioner identified 10 firms as possible importers of oscillating fans from China; of these, 8 firms were located and confirmed by Commission staff as ongoing entities.[28] In addition, nine firms were identified by the petitioner as possible importers of ceiling fans from China; of these, one firm, K-Mart, was identified by petitioner as an importer of both oscillating fans and ceiling fans. The Commission sent questionnaires to these 16 firms and to an additional 56 firms, each identified as having imported a substantial amount of material classified under subheading 8414.51.00 of the HTS, according to information provided to the Commission by * * *. Importers' questionnaires were also sent to all 24 recipients of the producers' questionnaire.

In this investigation, 34 firms reported imports of the subject products; * * * of these firms were * * * U.S. producers.[29] Sixteen firms responded that they did not import the products under investigation, and 46 firms did not respond to the Commission's request for information. Questionnaire data presented in this report are estimated to account for approximately 43 percent of imports of oscillating fans and 25 percent of imports of ceiling fans from China. Based on questionnaire responses, no firms reported imports of certain electric fan parts from China.[30]

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[26] Petition, pp. 31-32. Commission staff was able to confirm that Fasco is, in fact, a U.S. manufacturer of ceiling fans and * * *. Telephone conversation with * * * on December 5, 1990.

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Martin Shepherd, Vice President of marketing at Casablanca, "denied Lasko's charge that his company imports most of its ceiling fans. He said Casablanca does import the low-priced Pasadena model ceiling fan from Taiwan, but its top quality Casablanca fan, which is manufactured in the United States, outsells the Pasadena model by a margin of three to one." "ITC Asked to Assess Fan Prices," The Home Furnishings Digest, Nov. 12, 1990, p. 49.

[27] "Other" electric fans are defined, for the purposes of this investigation, as electric fans not meeting the Commission's definition of "certain electric fans." Information pertaining to "other" electric fans, when available, is presented in app. C.

[28] * * *.

[29] * * *.

[30] * * *.

Table 2
Certain electric fans: U.S. producers, share of reported U.S. production in 1989, position on the petition, and location

Firm	Share of production	Position on petition	Plant location(s)
	Percent		
Oscillating fans:			
Lasko	***[1]	petitioner	Ft. Worth, TX[2] Columbia, PA[3] Franklin, TN[4]
Lakewood	***	* * *	Chicago, IL
	100		
Ceiling fans:			
Casablanca	***	* * *	City of Industry, CA
Hunter	***	* * *	Memphis, TN
Lasko	***	petitioner	W. Chester, PA
Emerson	***	* * *	Paris, TN
	100		
Other fans:			
Lasko	(5)	petitioner	Ft. Worth, TX[6] Franklin, TN[7]
Patton Electric Co	(5)	* * *	New Haven, IN[8]

[1] * * *.
[2] * * *.
[3] * * *.
[4] * * *.
[5] Share of reported U.S. production of "other" fans is not presented because the data are not meaningful with respect to actual total U.S. production of "other" electric fans.
[6] * * *.
[7] * * *.
[8] * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Channels of distribution

Oscillating fans are typically sold by mass merchandisers, discount stores, drugstores, and similar retail outlets catering to less expensive and often unplanned purchases. Ceiling fans, in contrast, are sold primarily as planned purchases through specialty stores, home centers, and similar outlets. The petitioner noted at the conference that the channels of distribution for Chinese and domestically produced ceiling and oscillating fans are not identical, but there is considerable overlap.[31]

[31] Transcript, p. 24.

United States producers as well as importers of fans from China sell to each of these channels, either directly or through distributors and wholesalers. Lasko reported that its shipments to unrelated wholesalers/ distributors of four major types of U.S.-produced oscillating and ceiling fans for which prices were reported accounted for * * * of its total 1989 U.S. shipments and its shipments to retailers/mass merchandisers accounted for * * * of the total.

Chinese-produced fans are sold in the United States through importers who distribute and wholesale, or sold directly to mass merchandisers having the ability to handle their own importation and distribution. The latter include retailers, such as Sears and K-Mart, and cooperative organizations, such as Ace Hardware.

Importers providing price data reported that shipments of the four products for which prices were requested to unrelated wholesalers/distributors accounted for * * * of their total U.S. imports and shipments to unrelated retailers/mass merchandisers accounted for * * * of their total. Among the major foreign producers, Paragon Industries, accounting for * * * of U.S. imports of oscillating fans from China in 1990, estimates that 80 percent of its sales of Chinese fans are to retailers and mass merchandisers importing for sale through their own retail outlets. Holmes Products Corp., accounting for * * * of U.S. imports of oscillating fans in 1990, estimates that 40 percent of its Chinese fans go to this type of retailer.[32]

Consideration of Alleged Material Injury

The information presented in this section of the report is based on responses to Commission questionnaires. Two U.S. oscillating fan producers, accounting for all known U.S. oscillating fan production, and three U.S. ceiling fan producers, accounting for * * * percent of reported U.S. ceiling fan production in 1989, provided usable responses to the Commission's request for data.[33] Two U.S. firms reported production of "other" electric fans. These data are presented separately in appendix C.

U.S. production, capacity, and capacity utilization

Information on U.S. production, capacity, and capacity utilization for the U.S. firms producing oscillating fans and ceiling fans is summarized in table 3.

Oscillating fans.--Lasko reported capacity to produce oscillating fans on the basis of a * * *-hour work week, operating * * * weeks per year, while Lakewood reported capacity to produce oscillating fans on the basis of a * * *-hour work week, operating * * * weeks per year.

Reported U.S. average-of-period capacity to produce oscillating fans increased throughout each period of the investigation. This overall increase in U.S. capacity is partially explained by a reported capacity increase by Lasko. Lasko explains that the reported increase was simply a side effect of

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[32] Transcript, pp. 115-117. * * *.

[33] * * *

Table 3
Certain electric fans: U.S. capacity, production, and capacity utilization, by type of fan, 1987-89, January-September 1989, and January-September 1990[1]

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
*	*	*	*	*	*

[1] Data presented are from two U.S. oscillating fan producers, accounting for all known U.S. production of oscillating fans, and from three U.S. ceiling fan producers, accounting for * * * percent of reported U.S. production of ceiling fans in 1989.

Note.--Capacity utilization is calculated using data of firms providing both capacity and production information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

efforts by the firm to boost efficiency, that it "invested heavily in production improvements between 1988 and 1989 in order to increase efficiency and lower per unit production costs."[34] Reported production data for oscillating fans reveal a * * *-percent increase from 1987 to 1988, with a * * *-percent decrease reported from 1988 to 1989. A decline of * * * percent was observed between January-September 1989 and January-September 1990. Capacity utilization rose from 1987 to 1988, but fell throughout the remaining periods of the investigation.[35]

Ceiling fans.--* * * reported capacity to produce ceiling fans on the basis of a * * *-hour work week, operating * * * weeks per year, while * * * reported capacity to produce ceiling fans on the basis of a * * *-hour work week, operating * * * weeks per year.

Reported U.S. average-of-period capacity to produce ceiling fans remained at a consistent level for 1987 and 1988, but increased from 1988 to 1989. This overall increase in U.S. capacity to produce ceiling fans is explained by a reported capacity increase by Lasko. As in the case of oscillating fans, the reported increase was reported by Lasko as simply a side effect of efficiency increases. Reported production data for ceiling fans reveal a * * *-percent decrease from 1987 to 1988, with a * * *-percent increase reported from 1988 to 1989. A decrease of * * * percent was observed

[34] Petition, pp. 25-26, 52.

[35] The petitioner explains that its low capacity utilization rate is the result of a substantial increase in capacity since 1987 and a decline in production since 1988. The petitioner states that if its capacity had remained at 1987 levels, then its capacity utilization rate would still have fallen to less than * * * because the decline in production since 1988 was so severe. Petition, p. 28.

between January-September 1989 and January-September 1990. Capacity utilization fell consistently throughout every period of the investigation.[36]

U.S. producers' shipments

Information on U.S. and export shipments of U.S. producers, as discussed in this section of the report, are presented in table 4.

Table 4
Certain electric fans: U.S. producers' domestic shipments, export shipments, and total shipments,[1] by type of fan, 1987-89, January-September 1989, and January-September 1990[2]

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
*	*	*	*	*	*	*

[1] * * *.

[2] Data presented are from two U.S. oscillating fan producers, accounting for all known U.S. production of oscillating fans, and from three U.S. ceiling fan producers, accounting for * * * percent of reported U.S. production of ceiling fans in 1989.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Oscillating fans.--Neither of the U.S. producers of oscillating fans that responded to the Commission's request for data reported * * *. These shipments increased * * *, by volume, from 1987 to 1988, but fell * * * in 1989. Between January-September 1989 and January-September 1990, a decrease of * * * was reported. In terms of value, U.S. producers' domestic shipments of oscillating fans increased * * * in 1988, fell * * * in 1989, and fell * * * from January-September 1989 to the comparable period of 1990. Unit values increased throughout every period in the investigation.

Export shipments of oscillating fans, * * *, increased to * * * fans in 1989, * * *. For the period January-September 1990, export shipments fell to * * * fans. Principal export markets for oscillating fans were * * *. The unit value of the exports increased * * * from 1987 to 1988, but fell * * * in 1989.

In addition, the trend in U.S. producers' total shipments of oscillating fans, by quantity, value, and unit value, did not differ substantially from that of domestic shipments for the period covered by the investigation.

[36] The explanations for the low capacity utilization rate reported by the petitioner for ceiling fans are the same as those explained earlier in the case of oscillating fans. Petition, p. 28.

Ceiling fans.--* * * of the U.S. producers of ceiling fans that responded to the Commission's request for data reported * * *. These shipments increased * * * in volume from 1987 to 1988, but fell * * * in 1989. Between January-September 1989 and January-September 1990, a decrease * * * was reported. In terms of value, U.S. producers' domestic shipments of ceiling fans increased * * * in 1988, fell * * * in 1989, and fell * * * from January-September 1989 to the comparable period of 1990. Unit values fell from 1987 to 1989, but rose from January-September 1989 to January-September 1990.

Export shipments of ceiling fans were reported * * *. * * * reported export shipments of ceiling fans, but it did not identify the principal export markets for these shipments. Exports accounted for * * * percent of reported U.S. producers' total shipments in January-September 1990. The unit value of the exports by * * * in this period was * * *, substantially * * * than either the unit value of total U.S. shipments, or * * *'s unit value of U.S. shipments.

Because export shipments were reported * * *, the U.S. producers' total shipments for the periods 1987 to 1989 * * *, in terms of quantity, value, and unit value. However, the decrease in U.S. producers' domestic shipments was * * * in January-September 1990, revealing * * * in total shipments of * * *, by value, for this period compared with the like period in 1989. The unit value of U.S. producers' total shipments of ceiling fans for January-September 1990 was * * * than the unit value of their domestic shipments of ceiling fans for the same period.

The unit values of ceiling fans reported by * * * were * * * than those reported by * * *. The unit values reported by the responding U.S. producers of ceiling fans are presented in the following tabulation, by firm.

Period	Casablanca	Hunter	Lasko
1987.....	$***	$***	$***
1988.....	***	***	***
1989.....	***	***	***
Jan.-Sept. 1989..	***	***	***
Jan.-Sept. 1990..	***	***	***

U.S. producers' inventories

Information on U.S. producers' inventories, as discussed in this section of the report, are presented in table 5.

End-of-period inventories of oscillating fans increased * * * from 1987 to 1989, but fell * * * between January-September 1989 and January-September 1990. The same trend is evident for inventories as a percent of U.S. shipments and of total shipments. In the case of ceiling fans, end-of-period inventories fell * * * from 1987 to 1989, but rose * * * between January-September 1989 and January-September 1990. The same trend is evident for inventories as a percent of U.S. shipments and of total shipments. The bulk of the inventory (i.e., over * * * percent for each reporting period) was held by * * *.

Table 5
Certain electric fans: U.S. producers' end-of-period inventories, inventories as a share of U.S. shipments, and inventories as a share of total shipments, by type of fan, as of Dec. 31, 1987-89, Sept. 30, 1989, and Sept. 30, 1990[1]

Item	As of Dec. 31--			As of Sept. 30--	
	1987	1988	1989	1989	1990
*	*	*	*	*	*	*

[1] Data presented are from two U.S. oscillating fan producers, accounting for all known U.S. production of oscillating fans, and from three U.S. ceiling fan producers, accounting for * * * percent of reported U.S. production of ceiling fans in 1989.

Note.--Ratios are calculated using data of firms providing both numerator and denominator information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

U.S. employment, wages, and productivity

Four U.S. producers of certain electric fans, namely Lasko, Lakewood, Casablanca, and Hunter, supplied data on employment (table 6). * * *.

Table 6
Certain electric fans: Average number of production and related workers, hours worked, wages paid, hourly wages, total compensation paid, productivity, and unit labor costs, by type of fan, 1987-89, January-September 1989, and January-September 1990[1]

Item	1987	1988	1989	Jan.-Sept.--	
				1989	1990
*	*	*	*	*	*	*

[1] Data presented on oscillating fans are reported by two firms, Lasko and Lakewood, whose U.S. oscillating fan production accounts for all known U.S. production of oscillating fans. Data presented on ceiling fans are reported by three firms, Lasko, Casablanca, and Hunter, whose U.S. ceiling fan production accounted for * * * percent of reported U.S. production of ceiling fans in 1989.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

* * * * * * *

For oscillating fan operations, the number of production and related workers, hours worked, wages paid, and total compensation paid peaked in 1988

and fell somewhat in 1989. Data on the interim periods, January-September 1989 and January-September 1990, reveal a * * * decrease in these employment indicators. Average hourly wages paid and unit labor costs increased in each period of investigation, while productivity fell overall.

For ceiling fan operations, the number of production and related workers, hours worked, wages paid, and total compensation paid fell in each period from 1987 to 1989. For the interim periods, January-September 1989 and January-September 1990, the number of production and related workers and hours worked fell, while wages paid and total compensation rose. Average hourly wages paid and productivity generally increased throughout the period of investigation, while unit labor costs fell irregularly.

Financial experience of U.S. producers

Two producers (Lakewood and Lasko), accounting for all known U.S. production of oscillating fans in 1989, provided income-and-loss data. Three producers (Casablanca, Hunter, and Lasko), accounting for * * * percent of reported U.S. production of ceiling fans in 1989, provided income-and-loss data.[37]

* * *. The fiscal years of each producer and the reporting periods used in the financial section are shown in the following tabulation:

Item	Fiscal year ends	End of fiscal year used in this report		
		1988	1989	1990
Oscillating fans				
Lakewood	***	***	***	***
Lasko	***	***	***	***
Ceiling fans				
Casablanca	***	***	***	***
Hunter	***	***	***	***
Lasko	***	***	***	***

The companies' submitted financial data are compiled to consistently aggregate the majority of the same fiscal year sales for each company. In addition, the financial information is presented on a company-by-company basis in the event the aggregation is not compatible with other factors.

A review of the submitted financial data for oscillating fans indicates that * * *. In view of the fiscal year endings and the data collection for oscillating fans, the 3 most recent fiscal years that can be aggregated are 1988, 1989, and 1990. The 1990 data are * * *; however, based on the interim 1989 sales and the operating income compared with the full year 1989 data for * * *, the impact is insignificant.

The data for ceiling fans are not as seasonally skewed as in the case of oscillating fans. Based on the data of * * *, interim sales as a percent of annual sales of ceiling fans ranged from * * * percent.

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[37] * * *.

The cost of production, the proportion of components assembled or produced internally, and the proportion of components imported or purchased domestically vary among companies.

Operations on oscillating fans.--The income-and-loss experience of the U.S. producers is presented in table 7. Net sales declined * * * from * * * in 1988 to * * * in 1989. In 1990, sales were * * *.[38] Operating * * * was * * * in 1988 and * * * in 1989. An operating * * * of * * * was incurred in 1990. Operating * * * margins, as a share of net sales, were * * * in 1988 and * * * in 1989. The operating * * * margin was * * * in 1990. * * *.

In interim 1990, sales were * * *, a decline of * * * from interim 1989 sales of * * *. Operating * * * was * * * in interim 1989 and * * * in interim 1990. Operating * * * margins were * * * and * * * in interim 1989 and 1990, respectively.

Selected income-and-loss data for each producer are presented in table 8.

Table 7
Income-and-loss experience of U.S. producers on their operations producing oscillating fans, accounting years 1988-90, January-September 1989, and January-September 1990[1]

Item	1988	1989	1990[2]	Jan.-Sept.-- 1989	1990
*	*	*	*	*	*

[1] The producers are Lasko * * * and Lakewood * * *.
[2] * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 8
Selected income-and-loss data of U.S. producers of oscillating fans, by producer, accounting years 1988-90, January-September 1989, and January-September 1990[1]

Item	1988	1989	1990[2]	Jan.-Sept.-- 1989	1990
*	*	*	*	*	*

[1] Lasko's fiscal year ends * * * and Lakewood's ends * * *.
[2] * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

[38] * * *.

Lasko reported * * *, but Lakewood * * *. These data are shown in the following tabulation (in thousands of dollars):[1]

	1987	1988	1989
Domestic raw material components:			
Lakewood	***	***	***
Lasko	***	***	***
Total	***	***	***
Imported raw material components:			
Lakewood	***	***	***
Lasko	***	***	***
Total	***	***	***

[1] Data for Lakewood are * * * for Lasko, * * *.

Operations on ceiling fans.--The income-and-loss experience of the U.S. producers is presented in table 9. Net sales declined * * * from * * * in 1988 to * * * in 1989. In 1990, sales were * * *.[39] Operating income was * * * in 1988, * * * in 1989, and * * * in 1990. Operating income margins, as a share of net sales, were * * * in 1988, 1989, and 1990, respectively. * * *.

Table 9
Income-and-loss experience of U.S. producers on their operations producing ceiling fans, accounting years 1988-90, January-September 1989, and January-September 1990[1]

Item	1988	1989	1990[2]	Jan.-Sept.-- 1989[3]	1990[3]
*	*	*	*	*	*

[1] The producers are Casablanca * * *, Hunter * * *, and Lasko * * *.
[2] * * *.
[3] * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

In interim 1990, net sales were * * *, a decline * * * from interim 1989 sales of * * *. Operating income was * * * in interim 1989 and * * * in interim 1990. Operating income margins were * * * in interim 1989 and * * * in interim 1990. * * *.

Selected income-and-loss data for each producer are shown in table 10. As indicated, there was a * * * in profitability among the producers. In fact,

[39] * * *.

Table 10
Selected income-and-loss data of U.S. producers of ceiling fans, by producer, accounting years 1988-90, January-September 1989, and January-September 1990[1]

Item	1988	1989	1990[2]	Jan.-Sept.-- 1989	1990
*	*	*	*	*	*	*

[1] * * *.
[2] * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

the petitioner * * *. There are significant differences in the types of fans produced by * * * compared with those produced by * * *. The average approximate unit selling price in fiscal 1990 was * * *.

In its 1988 Form 10-K, Casablanca Industries, Inc., stated that "Casablanca Fan Co. currently produces 16 lines of ceiling fans. Each series is available in a variety of styles (painted, plated, or a combination thereof) and finishes (brass, copper, antique white, charcoal black, etc.). Each fan is equipped with a set of hardwood blades of oak, walnut or teak. Casablanca Fan Co. produces both contemporary and authentic period style fans."[40]

Hunter-Melnor's 1987 Form 10-K indicated that "The Hunter brand line of ceiling fans ranges from the premium priced Hunter Original fan to the lower priced Studio Series and Summer Breeze fans. The Company's fans cover a broad price range with retail prices ranging from $60 to $250. The Company manufactures its premium Hunter Original fans, its 1886 Limited Edition fans and a line of custom-built fans in its Memphis, Tennessee plant. In addition to the manufacturing operation, the Memphis facility contains a warehouse/ distribution center and the Company's principal administrative offices. The lower priced Hunter brand ceiling fans are produced to the Company's design and quality specifications by a Taiwan manufacturer. The Company's use of lower cost overseas suppliers permits it to take advantage of the growing market for lower priced ceiling fans. The Company has recently acquired a Taiwan factory to supplement the capacity of Hunter's current overseas supplier. Kenroy brand fans are purchased from various Far East manufacturers."[41]

* * *. A summary of the raw material costs is shown in the following tabulation (in thousands of dollars):[1]

[40] Casablanca Industries, Inc., Form-10-K for the fiscal year ended June 30, 1988, p. 4.
[41] Hunter-Melnor 1987 Form 10-K, p. 1.

	1987	1988	1989
Domestic raw material components:			
Casablanca	***	***	***
Hunter	***	***	***
Lasko	***	***	***
Total	***	***	***
Imported raw material components:			
Casablanca	***	***	***
Hunter	***	***	***
Lasko	***	***	***
Total	***	***	***

[1] Data for Casablanca are * * *, Hunter and Lasko are * * *.

Capital expenditures.--Capital expenditures for the oscillating and ceiling fan producers are shown in the tabulation below (in thousands of dollars):

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Jan.-Sept.-- 1989	1990
Oscillating fans:					
Lakewood	***	***	***	***	***
Lasko	***	***	***	***	***
Total	***	***	***	***	***
Ceiling fans:[1]					
Hunter	***	***	***	***	***
Lasko	***	***	***	***	***
Total	***	***	***	***	***

[1] * * *.

Investment in productive facilities.--The responding producers' investment in fixed assets and return on investment are shown in table 11.

Table 11
Property, plant, and equipment of U.S. producers of oscillating and ceiling fans, as of the end of accounting years 1988-90, and as of Sept. 30, 1989, and Sept. 30, 1990

Item	As of the end of accounting year-- 1988	1989	1990	As of Sept. 30-- 1989	1990
*	*	*	*	*	*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Research and development expenses.--The research and development expenses of the oscillating and ceiling fan producers are shown in the following tabulation (in thousands of dollars):

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Jan.-Sept.-- 1989	1990
Oscillating fans:					
Lakewood	***	***	***	***	***
Lasko	***	***	***	***	***
Total	***	***	***	***	***
Ceiling fans:					
Casablanca	***	***	***	***	***
Hunter	***	***	***	***	***
Lasko	***	***	***	***	***
Total	***	***	***	***	***

[1] January-September 1990 data.

Capital and investment.--The Commission requested U.S. producers to describe any actual or potential negative effects of imports of oscillating fans and/or ceiling fans from China on their firm's growth, investment, ability to raise capital, or existing development efforts (including efforts to develop a derivative or improved version of oscillating fans and/or ceiling fans). Their responses are presented in appendix D.

Consideration of the Question of Threat of Material Injury

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. § 1677(7)(F)(i)) provides that--

> In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant factors[42]--
>
> > (I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),
> >
> > (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

[42] Section 771(7)(F)(ii) of the act (19 U.S.C. § 1677(7)(F)(ii)) provides that "Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition."

(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

(IV) the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices of the merchandise,

(V) any substantial increase in inventories of the merchandise in the United States,

(VI) the presence of underutilized capacity for producing the merchandise in the exporting country,

(VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,

(VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to final orders under section 736, are also used to produce the merchandise under investigation,

(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and

(X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.[43]

Available information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III) and (IV) above) is presented

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[43] Section 771(7)(F)(iii) of the act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

in the section entitled "Consideration of the causal relationship between imports of the subject merchandise and the alleged material injury." Information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts (item (X)) is presented in the section entitled "Consideration of alleged material injury." Item (I), regarding subsidies, and item (IX), regarding agricultural products, are not relevant in this investigation. Presented below is available information on U.S. inventories of the subject products (item (V)); foreign producers' operations, including the potential for "product-shifting" (items (II), (VI), and (VIII) above); any other threat indicators, if applicable (item (VII) above); and any dumping in third-country markets.

U.S. inventories of certain electric fans from China

End-of-period inventories held by importers, as discussed in this section of the report, are presented in table 12. Inventories of imported oscillating fans from China and all countries combined increased in quantity in every period, while inventories of such fans from all countries other than China fell in 1988, increased in 1989, and fell from January-September 1989 to January-September 1990. The ratio of U.S. importers' end-of-period inventories of oscillating fans from China, from all other countries, and from all countries combined to their U.S. shipments of such fans increased irregularly from 1987 to 1989, while only the ratio for China fell from January-September 1989 to January-September 1990.

Inventories of imported ceiling fans from China, on the basis of quantity, experienced an overall increase during the period of investigation. The inventories imported from all other countries and all countries combined, however, fell from 1987 to 1989 and rose from January-September 1989 to January-September 1990. In 1988, the ratio of U.S. importers' end-of-period inventories of ceiling fans from China, from all other countries, and from all countries combined to their U.S. shipments of these fans fell, while the ratio increased for China and fell for all other countries in 1989. For the interim periods January-September 1989 and January-September 1990, the ratio for China declined and the ratio for all other countries increased.

Note that import and shipment data do not reconcile with inventory data, because of the exclusion of certain data for several importing firms[44] and the inclusion of data on certain oscillating fans that were purchased domestically.

Ability of foreign producers to generate exports and the availability of export markets other than the United States

The Commission requested counsel for the respondents in the subject investigation to provide information on available oscillating fan and ceiling

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[44] * * * stated that data concerning inventories were not available at the time of the data request. They explained that due to the strict time constraint, they were unable to gather records from related distributors on inventories and shipments. These firms, therefore, only reported U.S. imports of the subject products. In addition, other importers reported company transfers equal to imports, stating that inventories and domestic shipment data were not readily available.

Table 12
Certain electric fans: End-of-period inventories of imported products, by type of fan, as of Dec. 31, 1987-89, Sept. 30, 1989, and Sept. 30, 1990[1]

Item	As of Dec. 31-- 1987	1988	1989	As of Sept 30-- 1989	1990
	Quantity (1,000 fans)				
Oscillating fans:					
China	118	229	***	***	445
All other countries	160	112	***	***	179
Total	278	341	585	499	625
Ceiling fans:					
China	***	25	183	157	244
All other countries	***	406	297	253	351
Total	606	431	480	410	595
	Ratio to imports (percent)				
Oscillating fans:					
China	92.00	44.73	***	***	23.73
All other countries	11.15	4.84	***	***	20.88
Total	12.55	12.07	22.20	15.88	22.89
Ceiling fans:					
China	***	12.44	47.53	34.03	15.16
All other countries	***	14.11	10.61	7.98	11.03
Total	16.17	14.00	15.07	11.29	12.42
	Ratio to U.S. shipments of imports (percent)				
Oscillating fans:					
China	20.83	62.40	***	***	28.04
All other countries	11.86	5.13	***	***	18.17
Total	12.32	13.37	25.83	19.03	24.18
Ceiling fans:					
China	***	16.45	97.34	75.48	14.76
All other countries	***	14.88	11.81	9.09	12.26
Total	22.52	14.96	17.76	13.68	13.17
	Ratio to total shipments of imports (percent)				
Oscillating fans:					
China	20.83	62.40	***	***	28.04
All other countries	11.86	5.13	***	***	18.17
Total	12.32	13.37	25.83	19.03	24.18
Ceiling fans:					
China	***	15.24	91.04	69.23	14.55
All other countries	***	14.88	11.81	9.09	12.26
Total	22.48	14.90	17.67	13.60	13.10

[1] Data presented on inventories of oscillating fans were reported by 13 importers of oscillating fans, whose imports accounted for approximately 63 percent of total 1989 reported U.S. imports of oscillating fans, and by 10 importers of oscillating fans from China, whose imports accounted for

Footnote continued on the following page

Footnote for table 12--Continued

approximately 58 percent of total 1989 reported U.S. imports of oscillating fans from China. Data presented on inventories of imported ceiling fans were reported by 16 firms, whose U.S. ceiling fan imports accounted for approximately 62 percent of total 1989 reported U.S. imports of ceiling fans, and by 13 firms, whose U.S. ceiling fan imports from China accounted for approximately 34 percent of total 1989 reported U.S. imports of ceiling fans from China.

Note.--Because of rounding, figures may not add to the totals shown. Ratios are calculated using data of firms providing both numerator and denominator information. Therefore, depending on the period examined, the ratio may actually reflect the information of very few firms.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

fan operations in China.[45] Four firms provided data on their Chinese operations producing oscillating fans.[46] The four firms are Paragon Industrial Corp. Limited (China), Durable Electric Metal Factory, Toang Foeng Industry Co., Ltd. (Climax), and HASM Manufacturing Co., Ltd.; they are believed to represent approximately * * * percent of Chinese production of oscillating fans intended for export to the United States. Other products that these firms produce in China include * * *. It is believed that there are at least six or seven major Chinese producers of oscillating fans for the export market.[47] One firm, Shell Electric Mfg. (Holdings) Co., Ltd., provided data on its Chinese operation producing ceiling fans.[48] It is believed to represent approximately * * * percent of Chinese production of ceiling fans intended for export to the United States.[49] Data received by the Commission on the Chinese firms producing oscillating fans and ceiling fans are presented in table 13.

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[45] For purposes of gathering information on the ability of foreign producers to generate exports and the availability of export markets other than the United States, the Commission also sent a telegram soliciting data from the U.S. embassy in Beijing; however, information regarding the investigation in response to the request was not received in a timely fashion. In addition, the Commission received a letter from an organization that identified itself as the China Chamber of Commerce for Machinery and Electronics Products Import and Export Household Electrical Appliances Branch Chamber. The organization explained that the list of Chinese exporters identified by the petitioner was not correct and would assist the Commission in the future in correctly identifying the Chinese producers.

[46] * * *.

[47] Transcript, pp. 100-102.

[48] * * *.

[49] According to * * *, many ceiling fan production facilities exist in southern China. See app. E for Chinese ceiling fan production facilities and locations.

Table 13
Certain electric fans: Chinese capacity, production, capacity utilization, end-of-period inventories, inventories as a share of total shipments, exports to the United States, exports to all other countries, home-market shipments, and total shipments, by type of fan, 1987-89, January-September 1989, and January-September 1990[1] [2] [3]

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
*	*	*	*	*	*

[1] Data presented are estimated to represent approximately * * * percent of Chinese production of oscillating fans intended for export to the United States and approximately * * * percent of Chinese production of ceiling fans intended for export to the United States.

[2] Two Chinese producers reported practical capacity to produce oscillating fans on the basis of * * * hours per week and * * * weeks per year, the third reported on the basis of * * * hours per week and * * * weeks per year, and the fourth reported on the basis of * * * hours per week and * * * weeks per year.

[3] One Chinese producer reported practical capacity to produce ceiling fans on the basis of * * * hours per week and * * * weeks per year.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Oscillating fans.--The reported Chinese capacity to produce oscillating fans * * * in 1987 and 1988 to * * * in 1989; capacity * * * from January-September 1989 to January-September 1990, * * *. These * * * are reportedly due to the shifting of oscillating fan production facilities from Taiwan to China during the period of investigation. Actual production of oscillating fans likewise * * * from 1987 to 1989, and * * * from January-September 1989 to January-September 1990. Capacity utilization * * * throughout the period of investigation, * * *, * * * for the 9-month periods of 1989 and 1990. Although end-of-period inventories * * * during the period of investigation, inventories as a share of total shipments * * *, with a * * * experienced from 1987 to 1988. Shipments to the United States, which accounted for approximately * * * percent of total shipments of oscillating fans, * * * throughout every period covered by the investigation, as did total export shipments and total shipments. Shipments to the home-market were * * * until January-September 1990, when * * * home-market shipments of oscillating fans were made.[50]

Projections for oscillating fan operations reported by Chinese manufacturers indicate an expected * * * in capacity, production, and total shipments for 1990, although 1991 production and shipment levels are projected to * * *. The tabulation below presents the reported projections by the Chinese operations producing oscillating fans.

[50] * * *.

Item	1990	1991
Capacity (1,000 fans)	***	***
Production (1,000 fans)	***	***
Capacity utilization (percent)	***	***
End-of-period inventories (1,000 fans)	***	***
Inventories as a share of shipments (percent)	***	***
Shipments:		
Exports to the United States (1,000 fans)	***	***
Other exports (1,000 fans)	***	***
Total exports (1,000 fans)	***	***
Home shipments (1,000 fans)	***	***
Total shipments (1,000 fans)	***	***

Ceiling fans.--The Chinese capacity to produce ceiling fans was reported * * * in 1987, but * * * in 1988. The level * * * for the subsequent periods of the investigation.[51] The establishment of Chinese ceiling fan facilities in 1988 was reportedly a result of the shifting of production facilities from Hong Kong and Taiwan.[52] Actual production of ceiling fans * * * from * * * in 1988 to * * * in 1989. * * * in production from * * * to * * * was experienced for the periods January-September 1989 to January-September 1990.

Capacity utilization * * *, from * * * in 1988 to * * * in 1989, and from * * * to * * * for the periods January-September 1989 and January-September 1990. End-of-period inventories * * *, while inventories as a share of total shipments * * *. Home-market shipments, total exports, and total shipments * * * in every period of the investigation, while the trend for exports to the United States indicated * * * for only the period 1987 through 1989. Exports of ceiling fans to the United States accounted for approximately * * * percent of total shipments of ceiling fans in 1989.

The responding Chinese producer of ceiling fans has projected that its capacity level of 1989 will * * * in 1990 and 1991. Production in 1990 and 1991 is projected to be about * * * percent * * * than that in 1989; however, export shipments to the United States are expected to * * *. The firm projects that * * *. The following tabulation presents the reported projections by the Chinese operation producing ceiling fans.

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[51] * * *.

[52] Transcript of the conference, pp. 82, 111.

Item	1990	1991
Capacity (1,000 fans)	***	***
Production (1,000 fans)	***	***
Capacity utilization (percent)	***	***
End-of-period inventories (1,000 fans)	***	***
Inventories as a share of shipments (percent)	***	***
Shipments:		
Exports to the United States (1,000 fans)	***	***
Other exports (1,000 fans)	***	***
Total exports (1,000 fans)	***	***
Home shipments (1,000 fans)	***	***
Total shipments (1,000 fans)	***	***

Consideration of the Causal Relationship Between Imports of the Subject Merchandise and the Alleged Material Injury

U.S. imports

The Commission sent questionnaires to 16 firms identified by the petitioner as possible importers of certain electric fans from China, to an additional 56 firms identified as large importers of fans entered under subheading 8414.51.00 of the HTS, and to the 24 recipients of the Commission's producers' questionnaire. Data received in response to these questionnaires are estimated to account for approximately 43 percent of total oscillating fan imports and 25 percent of total ceiling fan imports from China in 1989.

Although U.S. Department of Commerce official import statistics include nonsubject products for oscillating fans, petitioner cites these data as indicative of the imports under investigation, although in actuality they may very well be slightly overstated. The statistics for ceiling fans, however, are believed to include only subject products.

Despite the fact that the HTS subheading for oscillating fans contains items that are not subject to this investigation, respondents state that official statistics on U.S. imports of oscillating fans and ceiling fans are more complete and reliable than data received in response to the Commission's request for information. Respondents maintain that the Commission must also consider the shift of import sourcing from other Asian countries to China over the period of investigation, asserting that this is the primary reason for the increase in imports of both ceiling fans and oscillating fans sourced in China.[53]

Presented in table 14, by source, are data concerning U.S. imports of oscillating fans and ceiling fans compiled from official statistics of the U.S. Department of Commerce. Only by using official import statistics (as done by

[53] Reasons cited for the shift in production of ceiling fans from Hong Kong to China were scarce labor and limited production space in Hong Kong, and the strategy of developing economic ties with China. Post-conference brief by counsel on behalf of Shell, p. 10.

Table 14
Certain electric fans: U.S. imports from selected countries, by type of fan, 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
	Quantity (1,000 fans)				
Oscillating fans:					
China	566	1,256	1,875	1,756	4,061
Japan	743	1,212	389	286	467
Hong Kong	954	1,107	885	739	446
South Korea	185	84	21	21	9
Taiwan	12,991	11,322	10,205	10,061	5,866
Thailand	281	56	57	49	29
All other countries	312	169	144	117	144
Total	16,032	15,206	13,576	13,028	11,022
Ceiling fans:					
China	953	2,664	4,123	3,382	4,089
Japan	22	8	10	10	4
Hong Kong	4,103	2,193	1,322	1,118	1,020
South Korea	2	2	6	6	3
Taiwan	9,168	8,755	8,186	7,599	5,120
Thailand	18	393	949	896	1,312
All other countries	31	21	39	32	123
Total	14,296	14,036	14,634	13,044	11,670
	Value (1,000 dollars)				
Oscillating fans:					
China	4,634	12,333	18,736	18,074	39,595
Japan	6,903	9,391	5,011	4,145	2,609
Hong Kong	9,215	7,462	3,328	2,903	4,620
South Korea	1,795	410	134	134	104
Taiwan	120,576	133,274	124,615	123,367	73,287
Thailand	1,089	1,176	938	886	755
All other countries	3,585	2,343	3,252	2,687	2,346
Total	147,796	166,388	156,015	152,196	123,317
Ceiling fans:					
China	18,410	55,580	93,142	75,218	96,017
Japan	1,037	195	319	319	98
Hong Kong	101,509	53,854	34,596	29,259	25,670
South Korea	45	132	231	231	73
Taiwan	280,503	251,015	257,259	236,565	181,156
Thailand	380	8,707	24,096	22,495	33,085
All other countries	1,161	827	1,495	980	4,622
Total	403,044	370,311	411,138	365,067	340,721

Source: Compiled from official statistics of the U.S. Department of Commerce.

respondents and petitioner alike) can accurate yearly movements in import trends and import market shares be ascertained.[54]

U.S. producers' imports

* * * U.S. producers reported imports of ceiling fans during the period covered by the investigation; however, * * * imports of ceiling fans reported by these producers originated in China. * * * reported imports of certain electric fans. The U.S. producers' reported imports of ceiling fans from * * * are presented in the following tabulation (quantities in thousands of fans):

					Jan.-Sept.	
Firm	1987	1988	1989	1989	1990
*	*	*	*	*	*	*

U.S. market penetration by the subject imports

Market penetration as presented in this section is calculated by using data submitted in response to the Commission's questionnaires for U.S. producers' shipments and official statistics of the U.S. Department of Commerce for imports (table 15). As previously stated, official import statistics on oscillating fans may be slightly overstated, due to the inclusion of nonsubject, in addition to subject, products. Therefore, although the trend is believed to be indicative of the imports of oscillating fans as subject to this investigation, the U.S. producers' U.S. shipments as a share of apparent U.S. consumption may be slightly understated.

In terms of both volume and value, U.S. market penetration by imports of oscillating fans and ceiling fans from China increased in every period covered by the investigation.

Table 15
Certain electric fans: U.S. imports from China and all other sources as a share of apparent U.S. consumption, by type of fan, 1987-89, January-September 1989, and January-September 1990

				Jan.-Sept.--	
Item	1987	1988	1989	1989	1990
*	*	*	*	*	*	*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

[54] Post-conference brief by counsel on behalf of Holmes and Paragon, p. 9. Questionnaire data on imports are presented in app. F, by product.

Prices

The market for oscillating fans is seasonal in nature, with peak retail sales coming in the late spring and summer months. Orders are usually placed with producers in the fall of the year prior to the peak selling season. The volume ordered depends on buyers' past experience and expectations for the coming year. Actual sales are highly dependent upon weather conditions, however. Unusually warm summers in 1987 and 1988 resulted in very strong sales for both foreign and domestic producers.[55] Conversely, sales decreased significantly in 1989 and 1990 due, in part, to summers with much less extreme temperatures. Some respondents to the Commission's questionnaire also noted that sales of oscillating fans may have been adversely affected in recent years by the increased affordability of portable window-mounted air conditioning units.

The market for ceiling fans is somewhat less seasonal because ceiling fans are useful both in summer as a source of cooling and in winter as a means of circulating warm air. Ceiling fans are considered more likely to be planned, rather than impulse, purchases due to the higher cost of the fan and the need for installation, including electrical wiring and a ceiling mounting bracket. Respondents noted that consumers are attracted to fans in new houses and as a home improvement project, and, as a result, sales of ceiling fans are positively correlated with new housing construction and the level of home improvement activity.[56]

Lasko, the petitioner, reports that it offers an "inventory control program" to some retailers. Lasko buys fans back from these retailers in the event that the retailer is unable to sell its complete inventory of Lasko fans during the selling season. This program is at least partially responsible for * * *.[57]

Transportation costs are reported to be potentially significant in a customer's sourcing decision. In the majority of cases, transportation costs are paid by the purchaser. Costs vary, and the significance of these costs depends on the type of fan under consideration. Inland transportation costs for the less expensive oscillating fans were reported as 5 percent of the f.o.b. value by U.S. producers, but up to 9 percent by importers. Producers reported freight costs of 2 percent of f.o.b. value on ceiling fans, compared

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[55] Importers observed that they were unable to take full advantage of the hot weather in the summer of 1988 because of the inherently slower delivery time for Chinese-produced fans. Lasko, by contrast, benefitted from its relatively short delivery time and had increased sales as a result. They also noted that it is harder for buyers to cancel purchases from abroad because commitments to buy often include an irrevocable letter of credit. Transcript, pp. 62 and 107.

[56] Transcript, pp. 13 and 33.

[57] A similar pattern in the data occurred with some importers, causing shipments reported for the partial year (January-September) 1989 to exceed shipments reported for the full year.

with 5 to 10 percent by importers.[58] Typically, transportation costs for oscillating fans were estimated by importers to be 10 percent of U.S. f.o.b. costs, while the percentages are slightly lower for ceiling fans. Lead time for delivery for Lasko products is within * * * working days of requested shipping date. For importers, lead times are similar if the products are in their warehouses, but considerably longer, averaging between 60 and 90 days, if the products must be ordered from overseas. Lasko reported quoting f.o.b. plant to its customers. Prices of U.S. importers are usually quoted f.o.b. warehouse, but in some cases were quoted ex-dock U.S. port of entry, or f.o.b. Hong Kong. For retailers importing for sale in their own retail outlets, prices are predominantly quoted f.o.b. Hong Kong.

The Commission requested net U.S. f.o.b. and delivered selling prices from U.S. producers and importers for sales to wholesalers/distributors and retailers/mass merchandisers of four types of electric fans--two oscillating and two ceiling mounted. The price data were requested for the largest single sale and for total sales of the products specified, by quarters, during January 1987 through September 1990. The products for which pricing data were requested are as follows:

Product 1. Oscillating fan, table-top model, 12-inch nominal diameter, 3-speed push-button or rotary switch.

Product 2. Oscillating fan, pedestal-stand model, 16-inch nominal diameter, 3-speed push-button or rotary switch.

Product 3. Ceiling fan, 36-inch nominal diameter, 4 paddles in wood finish, 3-speed reversible motor operation with pull-chain switch, light kit-adaptable, antique brass finish, close-to-ceiling (low profile) mount.

Product 4. Ceiling fan, 52-inch nominal diameter, 4 paddles in wood finish, 3-speed reversible motor operation with pull-chain switch, light kit-adaptable, antique brass finish, close-to-ceiling (low-profile) mount.

Price trends.--Price trends for the domestically produced and imported Chinese oscillating and ceiling fans were based on average net U.S. f.o.b. selling prices to wholesalers and retailers, developed from producer and importer questionnaire responses.[59] Weighted-average price trends for the

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[58] It is possible that retailers importing for distribution to their own stores may pay higher total transportation costs than either U.S. producers or importers selling to retailers since they are responsible for delivery from the port of entry to their warehouses and distribution centers, and ultimately to their stores.

[59] A significant percentage of large retailers import fans for sale in their own retail outlets. These firms were requested to provide their landed duty paid costs in the United States as a surrogate for arms-length prices and, because of the difference in business methods, these data are not aggregated with other importers' data in the price trend tables. In general, the average costs of oscillating fans were relatively stable for these firms.

(continued...)

U.S.-produced products are shown in tables 16-17 and those for the imported Chinese products are shown in tables 18-19.

Table 16
Sales to wholesalers: Price indexes,[1] net f.o.b. selling prices, and total quantities[2] sold of U.S.-produced electric fans, by specified products and by quarters, January 1987-September 1990

Period	12-inch oscillating fan			16-inch oscillating fan		
	Price index	Price Per unit	Quantity Units	Price index	Price Per unit	Quantity Units
* * *	*	*	*	*	*	*
	36-inch ceiling fan			52-inch ceiling fan		
* * *	*	*	*	*	*	*

[1] First period with data = 100.0.
[2] Quantities shown represent aggregated total sales of the specified product in each quarter for all U.S. producers providing data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 17
Sales to retailers: Price indexes,[1] net f.o.b. selling prices, and total quantities[2] sold of U.S.-produced electric fans, by specified products and by quarters, January 1987-September 1990

Period	12-inch oscillating fan			16-inch oscillating fan		
	Price index	Price Per unit	Quantity Units	Price index	Price Per unit	Quantity Units
* * *	*	*	*	*	*	*
	36-inch ceiling fan			52-inch ceiling fan		
* * *	*	*	*	*	*	*

[1] First period data = 100.0.
[2] Quantities shown represent aggregated total sales of the specified product in each quarter for all U.S. producers providing data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

[59] (...continued)
Trends in average costs of the 36-inch ceiling fans declined during the short period for which data are available, but this apparent decline is caused by the occasional imports of one firm rather than by any real decline in prices. Finally, the average reported costs of the 52-inch ceiling fan * * * during the period of investigation.

Table 18
Sales to wholesalers: Price indexes,[1] net f.o.b. weighted-average selling prices, and total quantities[2] sold of electric fans imported from China, by specified products and by quarters, January 1987-September 1990

Period	12-inch oscillating fan			16-inch oscillating fan		
	Price index	Price Per unit	Quantity Units	Price index	Price Per unit	Quantity Units
* * *	*	*	* *	*	*	*
	36-inch ceiling fan			52-inch ceiling fan		
* * *	*	*	* *	*	*	*

[1] First period with data = 100.0.
[2] Quantities shown represent aggregated total sales of the specified product in each quarter for all importers providing data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 19
Sales to retailers: Price indexes,[1] net f.o.b. weighted-average selling prices, and total quantities[2] sold of electric fans imported from China, by specified products and by quarters, January 1987-September 1990

Period	12-inch oscillating fan			16-inch oscillating fan		
	Price index	Price Per unit	Quantity Units	Price index	Price Per unit	Quantity Units
* * *	*	*	* *	*	*	*
	36-inch ceiling fan			52-inch ceiling fan		
* * *	*	*	* *	*	*	*

[1] First period with data = 100.0.
[2] Quantities shown represent aggregated total sales of the specified product in each quarter for all importers providing data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Lasko and Lakewood reported usable selling prices for their U.S.-produced products sold to wholesalers and retailers during 1987-90.[60] These producers' prices to wholesalers for all four products generally * * * through the third quarter of 1988, and generally * * * thereafter. Prices for 12-inch oscillating fans and 36-inch ceiling fans * * * percent and * * * percent, respectively, during the period of investigation. Prices for 16-inch oscillating fans and 52-inch ceiling fans * * *, respectively, over the full period.

Producers' prices to retailers for 12-inch oscillating fans followed a pattern generally similar to that for prices to wholesalers, * * * over the entire period. Prices to retailers for 16-inch oscillating fans and 52-inch ceiling fans were * * *. While they fluctuated during 1987-90, these prices * * * (16-inch oscillating fans) or * * * (ceiling fans). Prices for the 36-inch ceiling fan * * * by early 1989 but remained * * * thereafter except for a * * * in 1990.

Importers' average prices to wholesalers/distributors * * * for 3 of the 4 products for which prices were collected. The * * * percent to * * * percent, but for much of the period prices remained * * *. Prices of 36-inch ceiling fans, however, * * *.

Importers' average prices to retailers showed considerably more variation than other price series. Prices of 12-inch oscillating fans * * * by July-September 1990, although much of this * * * occurred in mid-1988 followed by a period of * * * and then by an * * * in late 1990. The other three products showed * * * over the period of investigation. The * * * in prices of the 16-inch imported oscillating fan and the 36-inch ceiling fan occurred in 1988, after which prices generally * * *. Prices of the 52-inch ceiling fan fluctuated throughout the period with no obvious trend at any time, ending * * * the initial price.

Price comparisons.--Quarterly price comparisons between the U.S.-produced and imported oscillating and ceiling fans sold to wholesalers and retailers were based on net delivered selling prices developed from the largest quarterly sales reported by U.S. producers and importers[61] in their questionnaire responses (tables 20-21). The reported price data resulted in 88 quarterly price comparisons between domestic and imported Chinese products. In 52 of these direct comparisons, the average delivered price of the imported product was below that of the U.S.-produced product. In general, margins of underselling were more evident for sales to wholesalers than for sales to retailers, and the margins of underselling tended to be smaller in 1988 and 1989 than in other periods for a number of the products.

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[60] Both Hunter and Casablanca provided some pricing data for sales of their ceiling fans. Because these data were incomplete, they are not shown here. In both cases, the price data provided by these firms were for ceiling fans having prices * * *. At the conference, importers noted that the Hunter and Casablanca fans are directed at the "high-end" consumer market, unlike the imported and the Lasko products.

[61] Delivered price data used in these comparisons include data provided by retailers importing for subsequent distribution to their own retail outlets.

Table 20
Sales to wholesalers: Net delivered prices of certain electric fans produced in the United States and imported from China and margins of under/(over) selling, by specified products and by quarters, January 1987-September 1990

Period	12-inch oscillating fan			16-inch oscillating fan		
	U.S. producer price	Importer price	Margins of under/(over) selling	U.S. producer price	Importer price	Margins of under/(over) selling
	Per unit	Per unit	Percent	Per unit	Per unit	Percent
*	*	*	*	*	*	*
	36-inch ceiling fan			52-inch ceiling fan		
*	*	*	*	*	*	*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 21
Sales to retailers: Net U.S. delivered selling prices of certain electric fans produced in the United States and imported from China and margins of under/(over)selling, by specified products and by quarters, January 1987-September 1990

Period	12-inch oscillating fan			16-inch oscillating fan		
	U.S. producer price	Importer price	Margins of under/(over) selling	U.S. producer price	Importer price	Margins of under/(over) selling
	Per unit	Per unit	Percent	Per unit	Per unit	Percent
*	*	*	*	*	*	*
	36-inch ceiling fan			52-inch ceiling fan		
*	*	*	*	*	*	*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Six of the 10 price comparisons for 12-inch oscillating fans sold to wholesalers (table 20) showed the importers' prices below those of the domestic product, with margins ranging from * * *. However, the average price of the Chinese fan exceeded the U.S. producers' price by margins of * * * percent early in 1988, again by * * * percent in mid-1988, and by * * * percent in early 1990. In 5 of the 9 comparisons for 16-inch oscillating fans sold to wholesalers, the foreign product was priced lower than the domestic product, with margins from * * * percent. In the last quarter of 1988 and the last 9 months of 1989, however, delivered prices of these Chinese fans exceeded the comparable U.S. price by between * * *. In all 10 comparisons for the 36-inch ceiling fan, the imported product was priced lower than the domestic product, with margins ranging from * * * percent. The average prices for the Chinese 52-inch ceiling fan sold to wholesalers were lower than the

prices for the domestically produced products in 8 of the 15 comparisons. These margins showed considerable variability, ranging from * * * percent. High margins of underselling were particularly evident in 1987 and in the fourth quarters of 1988 and 1989.

Average delivered prices for fans sold to retailers (table 21) showed underselling by the imported 12-inch oscillating fan in 6 of the 11 price comparisons, ranging from * * * percent. For the 16-inch oscillating fan sold to retailers, the average price of importers was below that of U.S. producers in 4 of the 11 comparisons, with margins ranging from * * * percent. In 7 comparisons, however, the price of imports was higher than the U.S. producer prices, with margins between * * * percent. Among the 8 comparisons made for the 36-inch ceiling fan, prices for the foreign product were lower in 7 cases. These margins ranged from * * * percent, and the only instance of overselling occurred early in 1988. In 6 of the 14 comparisons for the 52-inch ceiling fan sold to retailers, the price of the foreign product was lower than the price of the domestic product, with margins ranging between less than * * * percent. The average of prices reported by importers of these fans exceeded the average U.S. producer prices in each quarter of 1988-89 by margins consistently in a range of * * * percent.

Lost sales

Lasko was the only U.S. producer reporting lost sales allegations involving competition from imported Chinese electric oscillating and ceiling fans subject to this investigation.[62] Lasko cited a total of 10 purchasers in lost sales allegations. The following are reports of the conversations between Commission staff and those purchasers who could be reached and were willing to discuss their buying practices.

Three buyers, * * *, denied the allegations that they had made purchases of the fans under investigation from China on the dates specified by the petitioner in its questionnaire response. All three firms identified * * * as the source of the imported fans referred to in the allegation.

* * * was cited by Lasko for lost sales in * * * for both 12-inch (* * *) and 16-inch (* * *) oscillating fans. * * * could not recall the specific sale, but reported that * * * had bought fans from * * * during 1987-90. He stated that the level of quality between domestic and imported oscillating fans is not substantially different, and the defect rate is similar for both. When making purchasing decisions, he also considers the importer's ability to make the shipment at the agreed upon time. * * * goes to * * * in the fall of the year prior to the peak selling season to meet with the importer and get price quotes for the coming year. He then takes these quotes to the domestic producers to determine whether they are able to beat this price. If the domestic price is more favorable, he places the order with the domestic producer. Over the past several years * * * has imported both 12-inch and 16-inch fans from * * *. * * * has an agreement with the importer to use the same manufacturer each year.

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[62] One other U.S. producer, Lakewood, indicated in its questionnaire response that it had lost sales of the subject fans to imported Chinese products, but provided no details.

Lasko named * * * for lost sales in * * * for both 12-inch (* * *) and 16-inch (* * *) oscillating fans. Buyer * * * could not recall the specific pricing information on the purchase for which the allegations were made but was sure that the * * * price was lower than the domestic price. He also stated that price is the most important factor when making purchasing decisions since the competing products do not vary significantly in quality. Over the last 2 years, the large majority of purchases of fans in this category have been from * * *.

* * * was identified by Lasko as a source of * * * lost sales in * * * for 12-inch (* * *) and 16-inch (* * *) oscillating fans. * * * could not recall the specific prices and volumes for the lost sales reported by Lasko. However, he stated that the figures sounded reasonably accurate. * * *, he noted that * * *. * * *. In general, the foreign producers have been more price competitive over the past several years. However, * * * total purchases from Lasko are * * *.

Other buyers identified in the lost sales portion of the petitioner's questionnaire include * * *. However, none of these firms has responded to Commission staff's request for information.

Lost revenues

Lasko was the only U.S. producer reporting lost revenue allegations involving competition from imported Chinese electric oscillating and ceiling fans subject to this investigation.[63] A total of five purchasers were cited in lost revenue allegations. The following is a report of the conversation between Commission staff and the only purchaser who could be reached and was willing to discuss its buying practices.

* * * was named by Lasko in a lost revenue allegation of * * *, involving 12-inch oscillating fans. Buyer * * * was not able to recall the specific sale, but he thought that Lasko's estimate of the final accepted price quotation sounded too low. He stated that the quality of Chinese-produced fans has improved over the past several years, but this may still have been a source of price difference in 1989. Factors which * * * examines when making purchasing decisions include styling, quality, price, and past history regarding the producer or importer delivering the product in a timely manner.

Lasko also named * * * in lost revenue allegations. However, none of the above purchasers was willing to discuss purchasing practices when contacted by Commission staff.

Exchange rates

Usable market exchange-rate data for the Chinese renminbi are not available. The Chinese Government pegs the renmenbi to the value of the U.S. dollar and controls the convertibility with other currencies.

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[63] Lakewood indicated in its questionnaire response that it was forced to lower prices due to competition from fans imported from China, but provided no specific information.

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-473 (Preliminary)]

Certain Electric Fans From the People's Republic of China

AGENCY: United States International Trade Commission.

ACTION: Institution of a preliminary antidumping investigation and scheduling of a conference to be held in connection with the investigation.

SUMMARY: The Commission hereby gives notice of the institution of preliminary antidumping investigation No. 731-TA-473 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the People's Republic of China of certain electric fans,[1] provided for in subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States (previously in item 661.00 of the former Tariff Schedules of the United States), that are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in this case by December 17, 1990.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedures, part 207, subparts A and B (19 CFR part 207), and part 201, subparts A through E (19 CFR 201).

[1] For the purposes of this investigation, the term "certain electric fans" is defined as ceiling fans and oscillating fans, with a self-contained electric motor of an output not exceeding 125 watts. Ceiling fans direct a downward flow of air using a fan blade/motor unit fixed permanently or semi-permanently in the ceiling. The petition defines oscillating fans as fans whose fan/motor unit pivots back and forth on a stationary base through 90 degrees of arc. The petition does not include industrial or commercial ventilation fans or window fans.

EFFECTIVE DATE: October 31, 1990.

FOR FURTHER INFORMATION CONTACT: Mary Trimble (202-252-1193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-252-1000.

SUPPLEMENTARY INFORMATION:

Background.—This investigation is being instituted in response to petitition filed on October 31, 1990, by Lasko Metal Products, Inc., West Chester, PA.

Participation in the ivnestigation.—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Public service list.—Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance. In accordance with § 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each public document filed by a party to the investigation msut be served on all other parties to the investigation (as identified by the public service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Limited disclosure of business proprietary information under a protective order and business proprietary information service list.—Pursuant to 207.7(a) of the Commission's rules (19 CFR 207.7(a)), the Secretary will make available business proprietary information gathered in this preliminary investigation to authorized applicants under a protective order, provided that the application be made not later than seven (7) days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive business proprietary information under a protective order. The Secretary will not accept any submission by parties containing business proprietary informationwithout a certificate of service indicating that it has been served on all the parties that authorized to receive such information under a protective order.

Conference.—The Director of Operations of the Commission has scheduled a conference in connection with this investigation for 9:30 a.m. on November 21, 1990, at the U.S International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Mary Trimble (202-252-1193) not later than November 19, 1990, to arrange for their appearance. parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions.—Any person may submit to the Commission on or before November 26, 1990, a written brief containing information and arguments pertinent to the subject matter of the investigation, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). If briefs contain business proprietary information, a nonbusiness proprietary version is due November 27, 1990. A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for business proprietary data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any information for which business proprietary treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Business Proprietary Information." Business proprietary submissions and requests for business proprietary treatment must conform with the requirements of §§ 201.6 and 207.7 of the Commission's rules (19 CFR 201.6 and 207.7).

Parties which obtain disclosure of business proprietary information pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)) may comment on such information in their written brief, and may also file additional written comments on such information no later than November 29, 1990. Such additional comments must be

limited to comments on business proprietary information received in or after the written briefs. A nonbusiness proprietary version of such additional comments is due November 30, 1990.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules [19 CFR 207.12].

By order of the Commission.

Issued: November 2, 1990.

Kenneth R. Mason,

Secretary.

[FR Doc. 90-26378 Filed 11-5-90; 8:45 am]

BILLING CODE 7020-02-M

[A-570-807]

Initiation of Antidumping Duty Investigations; Oscillating Fans and Ceiling Fans From the People's Republic of China

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the Department of Commerce (the Department), we are initiating antidumping duty investigations to determine whether imports of oscillating fans and ceiling fans from the People's Republic of China (the PRC) are being, or are likely to be, sold in the United States at less than fair value. We are notifying the International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that industries in the United States are materially injured, or are threatened with material injury, by reason of imports from the PRC of oscillating fans and ceiling fans. If these investigations proceed normally, the ITC will make its preliminary determinations on or before December 17, 1990. If those determinations are affirmative, we will make preliminary determinations on or before April 9, 1991.

EFFECTIVE DATE: November 27, 1990.

FOR FURTHER INFORMATION CONTACT: Bradford Ward or Steven Lim, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-5288 or 377-4087, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On October 31, 1990, we received a petition filed by Lasko Metal Products, Inc., of West Chester, Pennsylvania. Petitioner alleges that imports of oscillating fans and ceiling fans are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that industries in the United States are materially injured, or are threatened with material injury, by reason of imports from the PRC of oscillating fans and ceiling fans.

Petitioner has stated that it has standing to file the petition because it is an interested party, as defined under section 771(9)(C) of the Act, and because it has filed the petition on behalf of the U.S. industries producing the products that are subject to these investigations. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

United States Price and Foreign Market Value

Petitioner alleges that the PRC is a nonmarket economy country within the meaning of section 773(c) of the Act. Accordingly, petitioner based foreign market value (FMV) on constructed value using factors of production valued in market economy countries as well as various price-to-price methodologies described below.

A. Oscillating Fans

Petitioner utilized three methodologies to calculate alleged dumping margins for oscillating fans from the PRC. Method (1) bases the United States price (USP) on price quotations from manufacturers

of oscillating fans in the PRC and bases FMV on petitioner's own factors of production, valued in Thailand, Taiwan, and the United States. Method (2) bases USP on the average unit import value for Chinese-origin oscillating fans and FMV on the average unit import value of oscillating fans originating in Thailand. Method (3) bases USP on the average unit import value for Chinese-origin oscillating fans and FMV on the average unit wholesale price of oscillating fans in Thailand. he petition alleges dumping margins ranging from 15.7 to 165 percent.

The Department is not utilizing methods (2) and (3) in our petition analysis because they rely on import values obtained from "basket" Harmonized Tariff Schedule (HTS) subheadings. Products listed under this subheading include subject and non-subject merchandise. The remaining methodology alleges dumping margins ranging from 15.7 percent to 25.4 percent.

B. Ceiling Fans

Petitioner utilized four methodologies to calculate alleged dumping margins for ceiling fans from the PRC. Method (1) bases USP on price quotations from an exporter of Chinese-origin ceiling fans and FMV on petitioner's own factors of production, valued in Taiwan and the United States. Method (2) bases USP on price quotations from an exporter of Chinese-origin ceiling fans and FMV on price quotations in Thailand from a Thai producer of ceiling fans. Method (3) bases USP on the average price quotation of an exporter of Chinese-origin ceiling fans and FMV on the average unit import value for Thai-origin ceiling fans. Method (4) bases USP on the average unit import value for Chinese-origin ceiling fans and FMV on the average unit import value for Thai-origin ceiling fans. The petition alleges dumping margins ranging from 10.9 percent to 21.4 percent.

The Department is not utilizing method (1) in our petition analysis because the factor valuation information that was presented relies predominantly on costs in Taiwan and the United States. Accordingly, method (1) is less representative of the values of ceiling fans than methods (2), (3), and (4) which are based on actual prices and/or narrowly defined HTS subheadings. The remaining methodologies allege dumping margins ranging from 10.9 percent to 21.4 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

In accordance with 19 CFR 353.52(b)(1) and our longstanding practice, we reviewed the PRC's per capita gross national product (GNP) and the percentage of its labor force in agricultural and non-agricultural production to select those economies most comparable to that of the PRC. Based on a comparison of these and other factors, there were many surrogate countries more comparable in economic development to the PRC than Thailand, Taiwan, and the United States which petitioner used to value the factors of production. We requested that petitioner explain why it had valued the factors of production in Thailand, Taiwan, and the United States and why those countries were appropriate surrogates for the PRC. On November 14, 1990, petitioner supplemented its petition by explaining why its original valuation of the factors of production was reasonable for purposes of initiation. More importantly, petitioner explained that other countries could not be used because of a lack of available data and/or a lack of production of comparable merchandise. (Petitioner did provide constructed values for certain fans using a limited number of factors valued in Pakistan and the Philippines. These constructed values varied only slightly from the originally-submitted constructed values and resulted in slightly higher alleged dumping margins.)

Accordingly, we have accepted those comparisons submitted in the petition as described above in the "United States Price and Foreign Market Value" section of this notice. Those comparisons meet the minimal sufficiency requirements set forth in 19 CFR 353.13(a). The petition and subsequent submissions by the petitioner allege the basis on which an antidumping duty order may be imposed and contain information reasonably available to the petitioner supporting the allegations. Therefore, in accordance with section 732 of the Act, we are initiating antidumping duty investigtions to determine whether imports of oscillating fans and ceiling fans from the People's Republic of China are being, or are likely to be, sold in the United States at less than fair value. If our investigations proceed normally, we will make our preliminary determinations by April 9, 1991. In approximately 45 days we will present qustionnaires soliciting information necessary to make those determinations to the Embassy of the People's Republic of China.

Scope of Investigations

Petitioner has alleged, and we have determined for purposes of these initiations, that the products covered by these investigations constitute two separate classes or kinds of merchandise; we will thus conduct two separate investigations of these products and calculate two separate antidumping rates. The two separate "classes or kinds" are: (1) Oscillating fans; and (2) ceiling fans.

Oscillating fans are electric fans that direct a flow of air using a fan blade/motor unit that pivots back and forth on a stationary base ("oscillates"). Oscillating fans incorporate a self-contained electric motor of an output not exceeding 125 watts.

Ceiling fans are electric fans that direct a downward flow of air using a fan blade/motor unit. Ceiling fans incorporate a self-contained electric motor of an output not exceeding 125 watts. Ceiling fans are designed for permanent or semi-permanent installation.

Window fans and industrial or commercial ventilator fans are not included in these investigations.

The appropriate HTS subheading under which oscillating fans are classified is 8414.51.0090. The appropriate HTS subheading under which ceiling fans are classified is 8414.51.0030. HTS subheadings are provided for convenience and U.S. Customs Service purposes. The written description remains dispositive.

ITC Notification

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged an nonproprietary information. We will allow the ITC access to all privileged and business priprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 17, 1990, whether there is a reasonable indication that industries in the United States are materially injuried or are threatened with material injury by reason of imports from the People's Republic of China of oscillating fans and ceiling fans. If these determinations are negative, the investigations will be

terminated; otherwise, the investigations will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 20, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-27651 Filed 11-26-90; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES

LIST OF PARTICIPANTS IN THE PUBLIC CONFERENCE

Investigation No. 731-TA-473 (Preliminary)

CERTAIN ELECTRIC FANS FROM THE PEOPLE'S REPUBLIC OF CHINA

Those listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigation on November 21, 1990, in Hearing Room 101 of the USITC Building, 500 E Street, SW, Washington, DC.

In support of the imposition of antidumping duties

McKenna & Cuneo--Counsel
Washington, DC
on behalf of--

Lasko Metal Products, Inc.

Edward V. McAssey, Executive Vice President, Lasko Metal Products, Inc.

Peter Buck Feller)
Lawrence J. Bogard) --OF COUNSEL

In opposition to the imposition of antidumping duties

Dickstein, Shapiro & Morin--Counsel
Washington, DC
on behalf of--

Paragon Industries

William L. Weber, President, Paragon Industries

Holmes Products Corp.

Jordan A. Kahn, President, Holmes Products Corp.

Arthur J. Lafave III)
Joel Davidow)--OF COUNSEL
Jeffrey W. Brennan)

Pettit & Martin--Counsel
Washington, DC
on behalf of--

Shell Electric Mfg. (Holdings) Co., Ltd. and related companies including SMC Marketing Corp.

John H. Korns--OF COUNSEL

APPENDIX C

INFORMATION PERTAINING TO "OTHER" ELECTRIC FANS

The Commission requested U.S. producers to provide information regarding their U.S. operations concerning "other" electric fans.[1] The data requested consisted of trade, employment, and financial information. The Commission sent 24 producers' questionnaires to those firms believed to produce oscillating fans, ceiling fans, or "other" electric fans during the period of investigation. Of the 24 recipients of the Commission's producers' questionnaire, 2 U.S. producers responded to the Commission's request for information on "other" electric fans, while 10 firms reported that no "other" electric fans had been produced in their U.S. facilities. Twelve questionnaire recipients did not respond to the Commission's request. Information received by the Commission regarding "other" electric fans is presented in table C-1.

Table C-1
"Other" electric fans: U.S. producers' capacity, production, capacity utilization, end-of-period inventories, inventories as a share of total shipments, domestic shipments, export shipments, total shipments, production and related workers, hours worked by production and related workers, productivity, net sales, cost of goods sold, gross profit, general, selling and administrative expenses, net operating income, and return on fixed assets, 1987-89, January-September 1989, and January-September 1990[1]

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
	*	*	*	*	*

[1] Two U.S. producers (Lasko and Patton) of "other" electric fans, provided data in response to the Commission's request. Patton, which represents approximately * * * percent of total reported 1989 production of "other" electric fans, * * *. * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

[1] "Other" electric fans are defined, for the purposes of this investigation, as electric fans not meeting the Commission's definition for "certain electric fans."

APPENDIX D

COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT OF IMPORTS OF OSCILLATING FANS AND CEILING FANS FROM THE PEOPLE'S REPUBLIC OF CHINA ON THEIR GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL, OR EXISTING DEVELOPMENT AND PRODUCTION EFFORTS

The Commisssion requested U.S. producers to describe and explain the actual and potential negative effects, if any, of imports of oscillating and ceiling fans from China on their firm's growth, investment, ability to raise capital, or existing development and production efforts (including efforts to develop a derivative or improved version of oscillating and ceiling fans). Their responses are shown below:

Oscillating fans

* * * * * * *

Ceiling fans

* * * * * * *

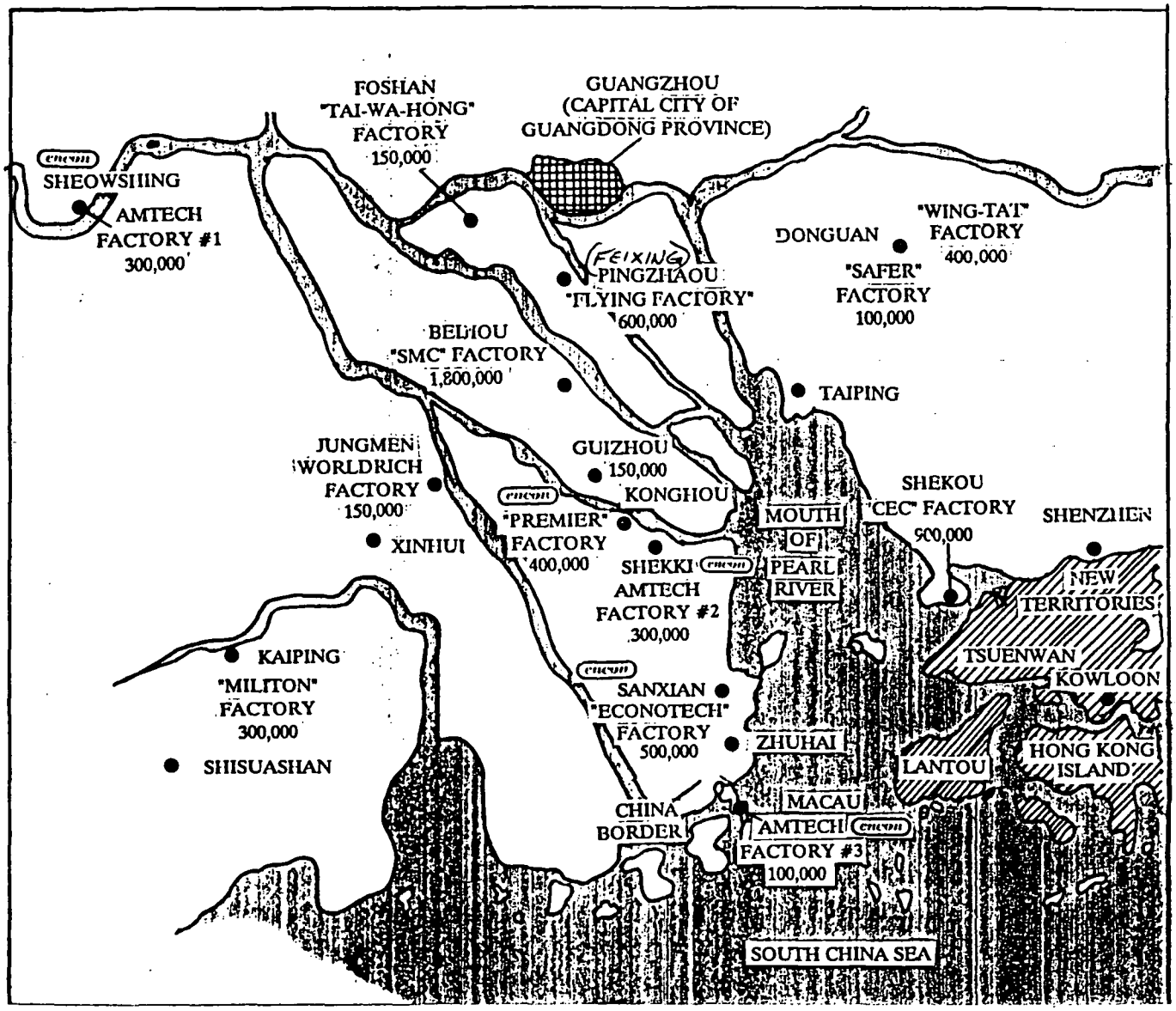
Both types of fans

* * * * * * *

APPENDIX E

NAMES, LOCATIONS, AND PRODUCTION CAPACITY OF CHINESE CEILING FAN MANUFACTURERS

Ceiling Fan Factories In China



Source: Encon Industries, Inc.

APPENDIX F

DATA SUBMITTED IN RESPONSE TO IMPORTERS' QUESTIONNAIRES

The Commission sent importers' questionnaires to 72 firms believed to import substantial quantities of certain electric fans from China during the period of investigation. Importers' questionnaires were also sent to all 24 recipients of the producers' questionnaire. Thirty-four firms reported imports of the subject products, 16 firms responded that they did not import the products under investigation, and 46 firms did not respond to the Commission's request for information. Data presented in this report are estimated to account for approximately 43 percent of imports of oscillating fans and 25 percent of imports of ceiling fans from China (table F-1).

U.S. imports of oscillating fans from China, in terms of quantity, increased from 40,000 fans in 1987 to 814,000 fans in 1989. The increase for the periods January-September 1989 to January-September 1990 was from 679,000 fans to 1.8 million fans. Likewise, the imports, in terms of value, increased in the same fashion for the entire period of investigation. This increase is explained by respondents as a result of the shifting of existing oscillating fan production facilities from Taiwan, Hong Kong, and other Asian countries to China. The average unit value of oscillating fans from China fell from 1987 to 1989; however, it rose sharply from January-September 1989 to January-September 1990.

Imports of oscillating fans from other countries, by quantity and value, increased in 1988, fell in 1989, and once again fell from January-September 1989 to January-September 1990. The average unit value of oscillating fans from all other countries, which remained higher than that of oscillating fans from China, increased in every period of the investigation.

Imports of Chinese ceiling fans, in terms of quantity, increased from 447,000 fans in 1987 to over 1 million fans in 1989, and increased from 963,000 fans to 1.8 million fans over the periods January-September 1989 and January-September 1990. Imports, in terms of value, and average unit values, likewise increased throughout every period of the investigation. Likewise, the increase in ceiling fan imports from China is explained by respondents as a result of the shifting of existing ceiling fan production facilities from Taiwan, Hong Kong, and other Asian countries to China.

Imports of ceiling fans from other countries fell, by quantity, in 1988 and 1989, but increased slightly from January-September 1989 to January-September 1990. By value, the imports fell in 1988, and rose in 1989 and for the periods January-September 1989 to January-September 1990. The average unit value of ceiling fans from all other countries, which remained higher than that of ceiling fans from China, remained stable from 1987 to 1988, but increased in the remaining periods of the investigation.

In response to a question asked in the questionnaire on the importation of certain electric fans from China for delivery after September 30, 1990, 13 importers reported that over 1.5 million oscillating fans and almost 287,000 ceiling fans are to be delivered between September 30, 1990, and March 31, 1991.

Table F-1
Certain electric fans: U.S. imports from China and all other countries, by type of fan, 1987-89, January-September 1989, and January-September 1990[1]

Item	1987	1988	1989	Jan.-Sept.-- 1989	1990
	Quantity (1,000 fans)				
Oscillating fans:					
China	40	632	814	679	1,832
All other countries	2,522	3,816	2,776	2,514	1,062
Total	2,562	4,448	3,590	3,193	2,894
Ceiling fans:					
China	447	763	1,014	963	1,847
All other countries	3,573	3,317	3,114	2,617	2,641
Total	4,020	4,080	4,128	3,580	4,488
	Value (1,000 dollars)				
Oscillating fans:					
China	1,228	6,511	7,770	6,216	24,707
All other countries	33,694	56,302	41,842	37,032	18,227
Total	34,922	62,813	49,612	43,248	42,934
Ceiling fans:					
China	7,548	14,104	23,650	22,308	43,813
All other countries	102,032	94,717	99,058	84,603	93,671
Total	109,580	108,821	122,708	106,911	137,484
	Unit value (per fan)				
Oscillating fans:					
China	$11.90	$10.30	$9.55	$9.15	$13.49
All other countries	13.36	14.75	15.07	14.73	17.16
Total	13.34	14.12	13.82	13.54	14.84
Ceiling fans:					
China	16.89	18.48	23.32	23.17	23.72
All other countries	28.56	28.56	31.81	32.33	35.47
Total	27.26	26.67	29.73	29.86	30.63

[1] Data presented on oscillating fans were reported by 20 importers of oscillating fans, whose imports accounted for approximately 26 percent of total 1989 reported U.S. imports of oscillating fans, and by 15 importers of oscillating fans from China, whose imports accounted for approximately 43 percent of total 1989 reported U.S. imports of oscillating fans from China. Data presented on ceiling fans were reported by 21 firms, whose U.S. ceiling fan imports accounted for approximately 28 percent of total 1989 reported U.S. imports of ceiling fans, and by 17 firms, whose U.S. ceiling fan imports from China accounted for approximately 25 percent of total 1989 reported U.S. imports of ceiling fans from China.

Note.--Unit values are calculated using data of firms providing both quantity and value information.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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