

UNITED STATES TARIFF COMMISSION

KANEKALON WIGS FROM HONG KONG

Determination of No Injury or Likelihood Thereof in
Investigation No. AA1921-109
Under the Antidumping Act, 1921,
as Amended



TC Publication 534
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UNITED STATES TARIFF COMMISSION

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December 29, 1972

AA1921-109

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Determination of No Injury or Likelihood Thereof

The Treasury Department advised the Tariff Commission on September 29, 1972, that Kanekalon wigs from Hong Kong are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended. In accordance with the requirements of section 201(a) of the Antidumping Act (19 U.S.C. 160(a)), the Tariff Commission instituted investigation No. AA1921-109 to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

A public hearing was held on November 17, 1972. Notice of the investigation and hearing was published in the Federal Register of November 1, 1972 (37 F.R. 23299).

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

On the basis of its investigation, the Commission has unanimously determined 1/ that an industry in the United States is not being or

1/ Commissioner Leonard did not participate in the decision.

is not likely to be injured, or is not prevented from being established, by reason of the importation of Kanekalon wigs from Hong Kong sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons 1/

Nearly all wigs sold in the United States are made from modacrylic fibers or human hair, or a combination of such materials. The wigs from Hong Kong sold at less than fair value (LTFV) are made of Kanekalon--a trade name for a modacrylic fiber manufactured in Japan. None of the U.S. producers use Kanekalon, but they make wigs of Dynel and Elura (modacrylic fibers produced in the United States). Wigs of Dynel and Elura are also imported into the United States, but none have been found to have been sold at less than fair value.

The imported Kanekalon wigs from Hong Kong are marketed in the United States by different techniques, are sold in markedly different price ranges, and generally supply a different sector of the U.S. market than domestic wigs.

Kanekalon wigs from Hong Kong are "prestyled" by the manufacturers and are generally sold to the consumer with no additional styling or customizing at the point of sale. They are sold chiefly through specialty shops catering to the mass market, the "budget" departments of department stores, discount houses, and mail order shops. Such market outlets are supplied almost wholly by imported wigs, and the very great bulk of imported wigs are sold through such markets. In contrast, wigs produced in the United States are usually made so as to be styled or customized at the point of retail sale to meet the needs of the individual buyer. They are generally

1/ Commissioner Ablondi concurs in the result.

sold directly to the consumer by the manufacturer or through salons and department stores selling more expansive types of merchandise; their sale requires the services of personnel specially trained in hair styling.

As would be expected, the wigs made in Hong Kong and those made in the United States are sold at widely different price ranges. In 1971-72, nearly all the wigs imported from Hong Kong retailed in the U.S. market at prices ranging from \$10 to \$25 each. Wigs produced in volume by domestic manufacturers retailed at prices ranging from \$50 to \$150; the remainder of the domestically produced articles were more expensive, some retailing for more than \$2,000 each. Thus, the Hong Kong wigs of Kanekalon compete only indirectly with articles of domestic manufacture.

Although most of the Kanekalon wigs from Hong Kong were found by the Treasury to have been sold at less than fair value, the margin by which those LTFV wigs were sold below fair value could have contributed only a small part of the difference in retail prices between the Hong Kong and domestically produced articles. As is evident from price data given in the preceding paragraph, the wigs imported from Hong Kong generally were sold at retail in the United States market at prices ranging from \$25 to \$40 below the lowest priced domestic wigs. The amount of the LTFV margin represented only a very small fraction of the price differences, and could not have contributed to any significant degree to the amount the Kanekalon wigs imported from Hong Kong undersold the domestic articles.

On the basis of the foregoing, we conclude that a domestic industry is not being, or is not likely to be, injured by reason of imports of Kanekalon wigs from Hong Kong sold at less than fair value.

