

UNITED STATES TARIFF COMMISSION

COLLAPSIBLE BABY STROLLERS  
FROM JAPAN

Determination of No Injury or Likelihood Thereof in  
Investigation No. AA1921-112  
Under the Antidumping Act, 1921,  
as Amended



TC Publication 556  
Washington, D. C.  
March 1973

UNITED STATES TARIFF COMMISSION

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Address all communications to  
United States Tariff Commission  
Washington, D. C. 20436

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March 12, 1973

[AA1921-112]

COLLAPSIBLE BABY STROLLERS FROM JAPAN

Determination of No Injury or Likelihood Thereof

The Treasury Department advised the Tariff Commission on December 12, 1972, that collapsible baby strollers, designed as folding strollers to be carried on the arm when not in use, from Japan 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. AA1921-112 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.

Notice of the institution of the investigation and of a hearing to be held in connection therewith was published in the Federal Register of December 20, 1972 (37 F.R. 28096). Notice of the rescheduling of the hearing date was published in the Federal Register of February 12, 1973 (38 F.R. 4294). A public hearing was held on February 22, 1973.

In arriving at its determination, 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 the investigation, the Commission has unanimously determined 1/ that an industry in the United States is not being or is not likely to be injured, or is not prevented from being established, by reason of the importation of collapsible baby strollers, designed as folding strollers to be carried on the arm when not in use, from Japan, sold, or likely to be sold, at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

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1/ Commissioner Young did not participate in the decision.

## Statement of Reasons

The Japanese collapsible baby stroller found by the Treasury Department as being, or likely to be, sold at less than fair value (LTFV) was of a novel construction; it was lightweight and was designed to fold in a manner that permitted it to be carried on the arm like an umbrella when not in use. It was manufactured in Japan under a patent owned by O. F. MacLaren of Barby, England. The importation of such strollers from Japan began in July 1970 and terminated in November 1972. No collapsible lightweight strollers of essentially the same design as the Japanese stroller sold at LTFV were made in the United States until March 1971, when Cross River Products, Inc.--the complainant in this investigation--began the manufacture of such strollers. Throughout its brief period of importation the Japanese LTFV stroller was sold in the United States at wholesale from \$18 to \$19 each, while Cross River's stroller sold from \$12.75 to \$13.75 each, or from 33 percent to 24 percent below the price of the LTFV stroller. Thus, in the instant case three relatively rare facts in a dumping investigation were evident: (1) the imports found to be sold at LTFV were in the U.S. market first, (2) there was no margin of underselling by LTFV imports, and (3) notwithstanding the lower price of the Cross River stroller and the competition experienced therefrom by the Japanese product, the price of the Japanese stroller was not reduced.

Other relevant facts bearing on the Commission's negative determination are the minimal penetration of the U.S. market by the LTFV

imports, the success with which the complainant established itself in the market, and the termination of LTFV imports.

The Japanese strollers sold at LTFV consisted of a single model. During the brief period of their importation, from July 1970 to November 1972, they entered at the rate of a few thousand units a year. The estimated production of baby strollers of all types in the United States was 1.4 million units in 1970 and 1.6 million in 1972. In relation to those quantities, the imports were negligible. Moreover, the United States is a net exporter of baby strollers and was so in 1972, even of the particular type of stroller from Japan sold at LTFV.

Sales of the Cross River stroller from their start (March 1971) dwarfed those of the Japanese stroller. Moreover, unlike those of the Japanese stroller, such sales by Cross River multiplied. Compared with 20,000 to 30,000 units sold by Cross River in 1971, sales by the firm reached more than 120,000 units in 1972 and rapidly outdistanced sales of the Japanese stroller, even in the New York City area, to which sales of the latter were largely confined. The imports dwindled in 1972. They have now ceased, and license to the patent under which they were supplied has been reissued to a U.S. manufacturer of juvenile furnishings. Indeed, any future competition to Cross River's stroller business is likely to come from this U.S. manufacturer as well as from other domestic producers, one of which is currently marketing a lightweight folding stroller similar to that produced by Cross River.

In any case, it is clear that even if Cross River were considered to constitute an industry apart from the manufacturers of all types of strollers within the meaning of the Antidumping Act, it has not been prevented from being established or injured, nor is it likely to be injured. On the contrary, it has been singularly successful in the face of imports from Japan sold at LTFV, which it undersold and out-sold by significant margins. The rapid emergence of the Cross River stroller was not achieved without cost. The cost, however, was that of gaining establishment and recognition and not that of confronting imports, which were trivial.

In summary, the small volume of imports at LTFV had no impact on the industry producing all types of baby strollers. Even if the sole U.S. producer of essentially the same kind of baby stroller were considered to constitute an industry, an affirmative determination would not be warranted, because (1) imports prior to Cross River's entry into the market clearly caused no injury, (2) Cross River's entry into the market proved quite successful (in fact, it undersold the imported article--whose price was not adjusted downward--by a significant margin), and (3) the performance of LTFV imports subsequent to Cross River's entry into the market, and their termination, makes the possibility of present or future injury from them an unlikely proposition.

