

UNITED STATES TARIFF COMMISSION

ELECTRONIC COLOR SEPARATING OR
SORTING MACHINES FROM THE UNITED KINGDOM

Determination of No Injury or Likelihood Thereof in
Investigation No. AA1921-123
Under the Antidumping Act, 1921,
as amended



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UNITED STATES TARIFF COMMISSION

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September 7, 1973

[AA1921-123]

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Determination of No Injury or Likelihood Thereof

On June 7, 1973, the Tariff Commission received advice from the Treasury Department that electronic color separating or sorting machines from the United Kingdom 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. AA1921-123 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 July 31, 1973. Notice of the investigation and hearing was published in the Federal Register of June 20, 1973 (38 F.R. 16118).

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 the investigation, the Commission 1/ has unani-
mously determined that an industry in the United States is not being
or is not likely to be injured, or is not prevented from being estab-
lished, by reason of the importation of electronic color separating or
sorting machines from the United Kingdom sold, or likely to be sold, at
less than fair value within the meaning of the Antidumping Act, 1921,
as amended.

1/ Commissioners Leonard and Young did not participate in the de-
cision.

Statement of Reasons 1/

In the instant antidumping case, the Treasury Department advised the Tariff Commission that electronic color separating or sorting machines from the United Kingdom (hereinafter referred to as "color sorters") are being or are likely to be sold at less than fair value (LTFV). There were no imports of color sorters from any other foreign source. These color sorters are used chiefly to sort agricultural commodities of granular substance (such as beans, rice, coffee, nuts, etc.) by color. The purpose of the process is to separate out defective pieces and foreign substances, thereby upgrading the quality of the commodity sorted.

In making this determination, the Commission considered the United States industry to consist of those facilities in the United States engaged in the production of electronic color separating or sorting machines. There are presently three domestic producers of color sorters, two of which accounted for over 90 percent of the total sales value of all such machines during the period 1969-72.

A Commission survey of recent purchasers of the imported color sorters from the United Kingdom indicated that price was not the foremost consideration in their purchase determination. Factors more important than the initial price included the adaptability of a color sorter for specific uses and ease of maintenance. Sales of domestic producers lost to imports of U.K. color sorters by reason of

1/ Vice Chairman Parker and Commissioner Ablondi concur in the result.

LTFV sales were negligible. Moreover, evidence available to the Commission indicates that the U.K. color sorters sold at LTFV did not result, by reason of their being sold at LTFV, in depressing the prices of domestic producers. The prices of the imported color sorters sold at LTFV were higher than the prices of most domestically produced color sorters. To the extent that underselling occurred, it was closely related to the introduction of multi-channel 1/ gravity drop color sorters which provide color sorting capacity at a much lower price per channel than single-channel machines. The prices of both imported and domestic color sorters, on a per channel basis, have declined as the manufacturers turned increasingly to produce multi-channel machines.

Imported color sorting machines from the United Kingdom were the first multi-channel machines in the U.S. market--introduced in 1969. In terms of the number of channels supplied, imports from the United Kingdom achieved a 30-percent share of apparent U.S. consumption during that year. The imports declined considerably between 1969 and 1970 and a similar drop was experienced in the shipments of U.S. producers. These declines were attributable to generally depressed economic conditions in the U.S. market at that time. In 1971, the domestic shipments of color sorters, in terms of the number of channels,

1/ One color sorter may incorporate any number of channels--the part of a color sorter which conveys the product to be sorted to the viewing chamber.

more than tripled with the introduction of multi-channeled gravity drop machines manufactured by a domestic producer, and such shipments remained at a high level in 1972. Thus, while imports of color sorters from the United Kingdom increased in 1972, the share of the U.S. market supplied by the domestic producers was larger in 1972, when Treasury found sales at less than fair value, than in earlier years. Excluding domestic shipments of color sorters to rice producers to whom no imported color sorters were sold, data on apparent U.S. consumption 1/ shows that the share of the U.S. market accounted for by imported color sorters declined from 32 percent in 1971 to 27 percent in 1972. There is no evidence that imports of color sorters disrupted the U.S. market by reason of their having been sold at LTFV.

Further evidence of the competitive strength of the domestic industry is demonstrated by its financial experience. In 1972, the year during which the Treasury Department found imports sold at LTFV, aggregate profits of two major domestic concerns producing color sorters were at a peak for the years 1969-1972.

Considering all the evidence developed during this investigation, any injury suffered by the domestic industry by reason of the imports of color sorters sold at LTFV is de minimis. With regard to likelihood of future injury to the U.S. industry, both the U.S. importer and the United Kingdom exporter of color sorters have offered

1/ Apparent consumption is calculated by adding imports to domestic shipments and subtracting U.S. exports from that total.

assurances to the Treasury Department and to the Tariff Commission that LTFV sales ceased in May 1973 and will not reoccur.

On the basis of the foregoing, the Commission has determined that an industry in the United States is not being or is not likely to be injured by reason of the importation of electronic color separating or sorting machines from the United Kingdom at less than fair value. 1/

1/ The prevention of establishment of an industry is not at issue in this case.