

UNITED STATES TARIFF COMMISSION

PAPERMAKING MACHINERY AND PARTS FROM SWEDEN

Determination of No Injury or Likelihood Thereof in
Investigation No. AA1921-128
Under the Antidumping Act, 1921,
as Amended



TC Publication 618
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UNITED STATES TARIFF COMMISSION

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UNITED STATES TARIFF COMMISSION
Washington, D.C.

October 24, 1973

[AA1921-128]

PAPERMAKING MACHINERY AND PARTS FROM SWEDEN

Determination of No Injury or Likelihood Thereof

The Treasury Department advised the Tariff Commission on July 24, 1973, that papermaking machinery and parts thereof from Sweden 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. AA1921-128 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 July 25, 1973 (38 F.R. 19916-17). A public hearing was held September 18 and 19, 1973.

In arriving at its determination, the Commission gave due consideration to all written submission 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 1/ determined that an industry in the United States is not being or is not

1/ Commissioners Leonard and Young did not participate in the decision.

likely to be injured, or is not prevented from being established,
by reason of the importation of papermaking machinery and parts thereof
from Sweden, that are being, or are likely to be, sold at less than
fair value within the meaning of the Antidumping Act, 1921, as amended.

Statement of Reasons

The papermaking machines in question are not fungible or standardized products, but large and complex devices, weighing several hundred tons, extending for as much as 600 feet, and consisting of numerous major components incorporating thousands of intricate parts. These machines were specifically designed to meet the specifications and performance of the buyer and produced under contract.

Customs investigated one U.S. sale of two papermaking machines by the only manufacturer of such machines in Sweden, AB Karlstads Mekaniska Werkstad (KMW). These machines were sold under contract to the Weyerhaeuser Company for installation at that company's new mill at Valliant, Oklahoma. This sale is the only one that KMW has executed in selling entire papermaking machines in the United States.

Although KMW held the contract to supply both the papermaking machines for the mill, it did not produce or export all the components of either machine. By value, roughly one quarter of the parts and components were purchased in the United States. Some additional parts were purchased overseas from a subsidiary of a U.S. producer. The less than fair value margins 1/ found by the Treasury Department in the sale of these machines amounted to several hundred thousand dollars on a contract valued in excess of ten million dollars. The elimination of the LTFV margins calculated by Treasury would not have resulted in a price advantage in favor of the lowest bidding domestic producer

1/ The term "margin" connotes the difference between the home market price (f.o.b. plant) and the price for which the imported product was sold (f.o.b. plant) to an arm's length buyer, or the equivalent, for export to the United States.

either on the larger machine independently, or on both machines as a package.

In our opinion, 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 papermaking machinery and parts thereof of the class or kind from Sweden determined by the Treasury Department to be sold, or likely to be sold at less than fair value within the meaning of the Antidumping Act.