

UNITED STATES TARIFF COMMISSION

ACRYLONITRILE-BUTADIENE-STYRENE TYPE OF PLASTIC RESIN
IN PELLET AND POWDER FORM FROM JAPAN

Determination of No Injury or Likelihood Thereof in
Investigation No. AA1921-132
Under the Antidumping Act, 1921, as Amended



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UNITED STATES TARIFF COMMISSION

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[AA1921-132]

ACRYLONITRILE-BUTADIENE-STYRENE TYPE OF PLASTIC RESIN
IN PELLET AND POWDER FORM FROM JAPAN

Determination of No Injury

The Treasury Department advised the Tariff Commission on October 5, 1973 that acrylonitrile-butadiene-styrene type of plastic resin in pellet and powder form from Japan (except resin products of Ube Cycon, Ltd.) is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act of 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 AA1921-132 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 on October 18, 1973 (38 F.R. 28984). A public hearing was held on November 14, 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 staff from questionnaires, personal interviews, and other sources.

On the basis of the investigation, the Commission 1/ has unanimously determined that an industry in the United States is not being and is not likely to be injured and is not prevented from being established, by reason of the importation of acrylonitrile-butadiene-styrene type of plastic resin in pellet and powder form from Japan that is being 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 decision.

Statement of Reasons 1/

In our opinion, an industry in the United States is not being injured by reason of the importation of ABS plastic resin from Japan which the Department of the Treasury found is being or is likely to be sold at less than fair value (LTFV) within the meaning of the Antidumping Act of 1921, as amended.

ABS plastic resin imported from Japan and found to have been sold, or likely to be sold, at less than fair value by the Treasury Department is the same as that produced and sold by the U.S. producers of ABS plastic resin. For the purposes of the Commission's determination, the industry considered in this investigation consists of those facilities in the United States that are engaged in the production of ABS plastic resin.

The overall quantity and U.S. market penetration of LTFV imports of ABS plastic resin from Japan have been minimal, and such imports have not caused injury to an industry in the United States.

During the period in which the Treasury found LTFV sales, the domestic industry was operating at full capacity, and enjoyed record sales and increasing profits.

U.S. imports of ABS plastic resin from Japan amounted to 1.1 percent of U.S. apparent consumption in 1971 and increased to 3.1 percent of U.S. apparent consumption in 1972. However, LTFV imports from Japan were valued at \$407,000 during the 5-month period of the Treasury investigation (September 1972-February 1973). On an annual

1/ Vice Chairman Parker concurs with the result.

basis, such LTFV imports accounted for only one half of one percent of U.S. apparent consumption of ABS plastic resin which totaled 813 million pounds in 1972.

Imports of Japanese ABS plastic resin have filled the needs of U.S. consumers when the U.S. plastic resin industry was unable to supply them, owing to a rapidly expanding domestic market. According to data supplied to the Commission, several of the largest U.S. producers, comprising over one half of the U.S. industry, have been leading U.S. importers of Japanese ABS powder-form resin from their Japanese joint-venture subsidiaries.

The Commission investigation reveals that several U.S. producers lost sales to LTFV imports, but we believe such lost sales were so few and so scattered that they were not the cause of any injury to an industry in the United States.

Although U.S. producers' prices were lower, on the average, in 1972 than they had been in earlier years, there is no persuasive evidence that such lower prices were the result of sales of LTFV imports from Japan. Such lower prices appeared to be the result of competition between domestic producers.

In 1972, the year in which apparently most LTFV imports from Japan entered, U.S. producers' sales of ABS plastic resin (810 million pounds) were higher than in any of the preceding four years, in each of which increases were registered. In addition, the financial condition of the industry in 1972 was substantially better than it had been in 1971 and earlier years.

Furthermore, nearly all U.S. producers of ABS plastic resin are currently producing at full capacity and have been unable to fill new orders and are allocating existing supplies, largely because of raw material and fuel shortages. U.S. producers' shipments during the first half of 1973 were substantially greater than they had been during the first six months of 1972 and, in fact, were at record levels. In 1973, U.S. producers' prices were generally increasing.

By mid-1973, Japanese producers ceased exporting ABS plastic resin to the United States by reason of raw material shortages plus an increased demand in Japan.

Because of a rapidly expanding world market for ABS plastic resin, and the devaluation of the U.S. dollar vis-a-vis the Japanese yen, it is expected that the Japanese will not expand exports of ABS plastic resin.

In view of the foregoing, the Commission concludes that an industry in the United States is not being nor is likely to be injured by reason of imports of ABS plastic resin from Japan sold, or likely to be sold, at LTFV.

