NONELECTRIC COOKING WARE

Report to the President
on Investigation No. TA-201-39
Under Section 201
of the Trade Act of 1974

USITC PUBLICATION 1008

NOVEMBER 1979

United States International Trade Commission / Washington, D.C. 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

COMMISSIONERS

Joseph O. Parker, Chairman
Bill Alberger, Vice Chairman
George M. Moore
Catherine Bedell
Paula Stern

Kenneth R. Mason, Secretary to the Commission

This report was prepared principally by

Daniel F. Leahy, Jr., Office of Operations

Assisted by: Debra Baker, Office of Operations
John DePauw, Office of Industries
Clark Workman, Office of Economic Research

E. William Fry, Supervisory Investigator

Address all communications to
Office of the Secretary
United States International Trade Commission
Washington, D.C. 20436

NEWS
UNITED STATES INTERNATIONAL TRADE COMMISSION • Office of the Secretary • Washington, D.C. 20436

FOR RELEASE
November 13, 1979

CONTACT: Hal Sundstrom
(202) 523-0161

USITC 79-087

USITC FINDS U.S. INDUSTRY INJURED BY IMPORTS OF PORCELAIN-ON-STEEL COOKING WARE

Higher Import Duties Recommended to the President

The United States International Trade Commission has reported to the President its unanimous determination, by a 5-to-0 vote, that imports of cooking ware of steel, enameled or glazed with vitreous glasses (porcelain-on-steel), are a substantial cause of serious injury, or the threat thereof, to the domestic industry. With respect to all other types of nonelectric cooking ware the Commission determined that the articles are not being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported articles. The domestic industry injured or threatened with injury consists of the facilities used for the production of porcelain-on-steel cooking ware.

Concurring in the determination were Chairman Joseph O. Parker, Vice Chairman Bill Alberger, and Commissioners George M. Moore, Catherine Bedell, and Paula Stern.

In order to remedy the serious injury, or prevent the threat thereof, to the domestic industry, the Commission recommended to the President that an increased rate of duty with respect to porcelain-on-steel cooking ware, valued not over $2.25 per pound net weight, be imposed for a 5-year period so that the domestic industry will have an opportunity to adjust to whatever competitive conditions exist after the termination of import relief. Specifically, the Commission recommended that the addtional

more

duty should be 25 cents a pound for the first two years, dropping to 20 cents a pound in the third year, 15 cents a pound in the fourth year, and to 10 cents a pound in the fifth year. This would be in addition to the existing duty which is one cent a pound plus 2.5 percent ad valorem.

The Commission's investigation began May 15, 1979, under the authority of section 201(b) of the Trade Act of 1974, following receipt of a petition filed on behalf of the General Housewares Corp., of Terre Haute, Ind., the sole remaining domestic producer of porcelain-on-steel cooking ware. A second producer, located in Moundsville, W.V., ceased production in 1978.

In 1974, imports of porcelain-on-steel cooking ware totaled 6.9 million units. They steadily increased to 19.7 million units in 1978, or more than 180 percent. The ratio of imports of porcelain-on-steel cooking ware to domestic production increased by more than 300 percent from 1974 to 1978. Aggregate imports of the other types of cooking ware within the scope of the investigation increased from 18.2 million units to 45.6 million units over this period, or by 150 percent.

Total apparent domestic consumption of all types of nonelectric metal cooking ware within the scope of this investigation increased from 176 million units in 1974 to 212 million units in 1978. Consumption of porcelain-on-steel cooking ware increased by 43 percent in the same period. In 1974, imports supplied about one-third of the porcelain-on-steel cooking ware consumed in the United States; in 1978, they supplied more than two-thirds of this market.

The capacity utilization rate for the porcelain-on-steel cooking ware industry declined by about 35 percent between 1974 and 1978. During this period, employment in the production of these products fell by almost 35 percent. Net operating profit declined by almost 60 percent in 1978 from its 1975 peak level.

The Commission's public report, Nonelectric Cooking Ware (USITC Publication 1008), contains the views of the Commissioners in the investigation (No. TA-201-39). Copies may be obtained by calling (202) 523-5178; from the Office of the Secretary, 701 E Street NW., Washington, D.C. 20436; or at the USITC's New York office, 6 World Trade Center, Suite 629, New York, N.Y. 10048, telephone (212) 466-5599.

oOo

C O N T E N T S

CONTENTS

Figures

Tables

CONTENTS

CONTENTS

Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that would result in the disclosure of the operations of individual concerns. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

United States International Trade Commission
November 5, 1979

TO THE PRESIDENT:

In accordance with section 201(d)(1) of the Trade Act of 1974 (88 Stat. 1978), the United States International Trade Commission herein reports the results of an investigation relating to nonelectric cooking ware.

The investigation to which this report relates (investigation No. TA-201-39) was undertaken to determine whether--

> nonelectric cooking ware, provided for in items 533.77, 546.38, 546.56, 546.59, 653.85, 653.93, 653.94, 653.97, 654.05, 654.10, and 654.15 of the Tariff Schedules of the United States (TSUS),

is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The Commission instituted the investigation under the authority of section 201(b) of the Trade Act of 1974 on May 15, 1979, following receipt of a petition on May 4, 1979, filed on behalf of the General Housewares Corp., Terre Haute, Ind. The investigation as originally instituted concerned only cooking ware of steel, enameled or glazed with vitreous glasses, provided for in item 653.97 of the TSUS. On June 25, 1979, the Commission expanded the scope of its investigation by adding to it nonelectric cooking ware, provided for in items 533.77, 546.38, 546.56, 546.59, 653.85, 653.93, 653.94, 654.05, 654.10, and 654.15 of the TSUS.

Notice of the institution of the porcelain-on-steel cooking ware investigation and the public hearing to be held in connection therewith was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's office in New York City, and by publishing the notice in the Federal Register of May 22, 1979 (44 F.R. 29740). The notice expanding the scope of the investigation and changing the hearing date was published in the Federal Register of July 5, 1979 (44 F.R. 39316). A third notice postponing the hearing date from August 14, 1979, to September 6, 1979, was published in the Federal Register of August 9, 1979 (44 F.R. 46955).

The Commission held a public hearing in connection with the investigation on September 6 and 7, 1979, in the Commission's Hearing Room in Washington, D.C. All interested parties were afforded an opportunity to be present, to present evidence, and to be heard at the hearing. A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 1/

The information in this report was obtained from fieldwork and interviews by members of the Commission's staff, from other Federal agencies, from responses to the Commission's questionnaires, from information presented at the public hearing, from briefs submitted by interested parties, and from the Commission's files.

1/ Attached to the original report sent to the President, and available for inspection at the U.S. International Trade Commission, except for material submitted in confidence.

DETERMINATION, FINDINGS, AND RECOMMENDATION OF THE COMMISSION

Determination

On the basis of the investigation, the Commission determines that--

1) cooking ware of steel, enameled or glazed with vitreous glasses, provided for in TSUS item No. 653.97, is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing articles like or directly competitive with the imported articles; and

2) other types of nonelectric cooking ware provided for in TSUS items 533.77, 546.38, 546.56, 546.59, 653.59, 653.85, 653.93, 653.94, 654.05, 654.10, and 654.15 are not being imported in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported articles.

Findings and recommendation

The Commission finds and recommends that to prevent or remedy the serious injury to the domestic industry it is necessary to impose rates of duty, in addition to the present rates of duty, with respect to cooking ware of steel, enameled or glazed with vitreous glasses, provided for in item 653.97 of the TSUS, as follows-

Year	Articles valued not over $2.25 per pound net weight
1st year----	25 cents per pound, but not more than 50 percent ad valorem
2nd year----	25 cents per pound, but not more than 50 percent ad valorem
3rd year----	20 cents per pound, but not more than 50 percent ad valorem
4th year----	15 cents per pound, but not more than 50 percent ad valorem
5th year----	10 cents per pound, but not more than 50 percent ad valorem

Views of Chairman Joseph O. Parker and
Commissioners George M. Moore and Catherine Bedell

This investigation under section 201 of the Trade Act of 1974 was initiated by the U.S. International Trade Commission on the basis of a petition from the General Housewares Corp. The petition requested that the Commission institute an investigation to determine whether cooking ware of steel, enameled or glazed with vitreous glasses (porcelain-on-steel), is being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing like or directly competitive articles. Thereafter, the Commission broadened the scope of its investigation to include additional types of nonelectric cooking ware.

Under the amended notice of investigation, the Commission investigated whether imports of one or more of the articles under investigation are being imported in such increased quantities as to cause injury within the meaning of the statute to an industry in the United States producing an article like or directly competitive with an imported article. In our judgment, the information obtained in the investigation has established that imports of porcelain-on-steel cooking ware are causing injury within the meaning of section 201 to the domestic producers of such cooking ware. For the reasons set forth below, we have made a negative determination with respect to the other imported articles which are the subject of this investigation.

In the present investigation, the petitioner requested that the Commission examine the impact of imports of porcelain-on-steel cooking ware on the U.S. industry producing such cooking ware. As this investigation disclosed, there are a number of different types of nonelectric cooking ware produced and marketed, which are competitive in varying degrees depending

upon the market and the intended use. The record shows that porcelain-on-steel cooking ware production is limited to one company, the other producer having ceased production in 1978. This cooking ware is produced in a plant devoted solely to the production of porcelain-on-steel cooking ware.

In view of the differences between porcelain-on-steel and other types of cooking ware, and its uses and its market demand, it is this segment of the cooking ware industry which is facing the full competitive impact of imports of porcelain-on-steel cooking ware from several countries. Thus, for the purposes of this investigation, we have determined that the domestic industry should be defined as the facilities used for the production of porcelain-on-steel cooking ware.

In order to make an affirmative determination, the Commission must determine that imports of the articles in question have increased either in actual terms or relative to domestic production. In 1974, imports of porcelain-on-steel cooking ware totaled 6.9 million units. They steadily increased to 19.7 million units in 1978, or by more than 180 percent. The ratio of imports of porcelain-on-steel cooking ware to domestic production of these articles increased by more than 300 percent from 1974 to 1978. Thus, it is clear that imports of porcelain-on-steel cooking ware increased within the meaning of section 201. Aggregate imports of the other types of cooking ware within the scope of the investigation increased from 18.2 million units to 45.6 million units over this period, or by 150 percent.

In our judgment, the information obtained in the Commission's investigation establishes that these increased imports of porcelain-on-steel cooking ware are a substantial cause of serious injury within the meaning of section 201. No producers of other types of cooking ware claimed injury, and the information obtained in the investigation does not establish that

the producers of other types of cooking ware have been injured within the meaning of the statute.

Consumption of porcelain-on-steel cooking ware increased by 43 percent from 1974 to 1978. During this period, there was also a significant increase in market penetration by imports. In 1974, imports supplied about one third of the porcelain-on-steel cooking ware consumed in the United States; in 1978, they supplied more than two-thirds of this market.

In contrast, total apparent domestic consumption of all types of nonelectric metal cooking ware within the scope of the Commission's investitation increased from 176 million units in 1974 to 212 million units in 1978, representing an increase of 20 percent. During this period, the share of the domestic market being supplied by imports also increased rising from 14 percent to 31 percent. Thus, it is clear that imports of porcelain-on-steel cooking ware have captured a more than twice as large a share of the U.S. market as other types of cooking ware. It is significant to note that the size of the porcelain-on-steel market relative to that of the other types of cooking ware has remained the same during the period under consideration.

The increased competition from imports and the loss of market share in the porcelain-on-steel market had serious consequences for the domestic industry. Domestic production of porcelain-on-steel cooking ware declined by over 30 percent between 1974 and 1978, as did the quantity of producers' domestic shipments. Over the 5-year period, the value of such shipments also declined significantly. In contrast, the quantity of shipments of all types of nonelectric cooking ware remained essentially stable during this period, while the value of such shipments increased from $322 million to $428 million.

Capacity utilization in the domestic porcelain-on-steel industry declined by about 35 percent from 1974 to 1978, when one of the two domestic

producers ceased production. That decline and the cessation of production severely affected the number of production and related workers producing porcelain-on-steel cooking ware which declined by almost 40 percent. Man-hours worked by the employees declined at a similar rate.

The injury suffered by the domestic industry as described above is reflected in the industry's profit-and-loss experience. The U.S. producer which ceased production in 1978 suffered losses throughout 1976-78. The profit of General Housewares Corp., the remaining U.S. producer, was also affected adversely. In 1978, when imports of porcelain-on-steel cooking ware jumped by 6.5 million units, or by 50 percent, General Housewares experienced the lowest ratio of net operating profit to net sales of any year during 1974-78.

In sharp contrast to the experience of the domestic producers of porcelain-on-steel cooking ware, net sales of all types of nonelectric cooking ware by 12 major U.S. producers increased from $275 million in 1974 to $364 million in 1978, or by 32 percent. Net operating profit on these operations also increased, rising from $24.9 million in 1974 to $31.9 million in 1978, or by 28 percent. It is clear that the domestic producers of other types of nonelectric cooking ware have not been affected by increased imports to the same extent as producers of porcelain-on-steel cooking ware.

On the basis of these factors, we determine that imports of porcelain-on-steel cooking ware are being imported in such increased quantities as to be a substantial cause of serious injury or the threat thereof to the domestic producers of these articles. We have also determined that imports of the other articles set forth in the Commission's notice of investigation are not causing injury or the threat thereof within the meaning of section 201.

VIEWS OF COMMISSIONERS PAULA STERN AND BILL ALBERGER

On the basis of information obtained in this investigation, we determine that porcelain-on-steel cooking ware is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat thereof, to the domestic industry producing like or directly competitive products. We have further determined that the domestic industries producing other types of nonelectric cooking ware are not being seriously injured and are not threatened with serious injury.

The Trade Act of 1974 requires that each of the following conditions be met before an affirmative determination is made:

(1) There are increased imports (either actual or relative to domestic production) of an article into the United States;

(2) A domestic industry producing an article like or directly competitive with the imported article is seriously injured, or threatened with serious injury; and

(3) Such increased imports of an article are a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

The Domestic Industry

The Commission investigation encompassed all types of nonelectric cookware. Information obtained during this investigation revealed

that other types of nonelectric cookware may, to some extent, be substituted for porcelain-on-steel cookware. However, we have concluded that porcelain-on-steel cookware constitutes a separate industry after considering the following differences between porcelain-on-steel and other types of nonelectric cookware: (1) appearance and physical properties, (2) production requirements, and (3) the dominant determinants of consumer demand.

Porcelain-on-steel cookware has a nonporous, glass surface, which is considered to be sanitary, easy to clean, but subject to chipping. Because of its ability to withstand extremely high temperatures, porcelain-on-steel cookware is available in brilliant colors which cannot be duplicated in other types of cookware. It is produced in facilities that are dedicated exclusively to such production, and the equipment, raw materials, and technology employed cannot be used in producing other types of cookware. Many of the employees producing this cookware possess special skills which are not readily transferred to production of other types of cookware.

Finally, the information obtained by the Commission indicated that porcelain-on-steel cookware supplies a unique consumer market. As a result of the Commission's investigation, there is reason to believe that consumers of middle- to high-priced cookware behave differently than do consumers of inexpensive cookware. While medium- to high-priced merchandise is not viewed as particularly price sensitive, the demand

for inexpensive cookware seems to be highly price elastic. In addition, consumers of medium- to high-priced cookware are generally more knowledgeable about differences in cooking properties of various materials. It is thus probable that various types of cookware in the medium- to high-price range compete directly with each other.

In contrast with the more expensive cookware, porcelain-on-steel cookware caters to consumers who place high priorities on low prices. Having consistently sold at the lower end of the price scale during the period covered by this investigation, porcelain-on-steel cookware has maintained a stable share of the total U.S. market. By comparison, its closest competition in terms of price, stamped aluminum cookware, has steadily lost market share. It follows, therefore, that stamped aluminum cookware has not proven to be directly competitive with porcelain-on-steel cookware.

Price has been an especially important factor in the specialty cookware market. Unlike other materials used for the production of non-electric cookware, porcelain-on-steel can be fabricated economically into large capacity vessels. It thus has the major advantage of being particularly well-suited to the production of inexpensive specialty cookware, such as roasters and stock-pots. Although the industry markets all classes of porcelain-on-steel cookware -- fashion, utilitarian, and specialty -- its profitability has greatly depended upon sales in the latter two categories.

We have, therefore, determined that there is an identifiably separate industry in the United States producing porcelain-on-steel cookware. Supporting this conclusion is the fact that no domestic producer of other types of nonelectric cookware claimed injury or made an effort to represent itself at the Commission's hearing.

Thus, for the purposes of this investigation, the domestic industry should be defined as the facilities used for the production of porcelain-on-steel cooking ware. The domestic industry so defined consists of one company, General Housewares Corporation of Terre Haute, Indiana. A second producer, located in Moundsville, West Virginia, ceased production in 1978.

Increased Imports

U.S. imports of porcelain-on-steel cooking ware increased annually during 1974-78, rising from 6.9 million units in 1974, to 19.7 million units in 1978. The ratio of imports of porcelain-on-steel cookware to domestic production increased by more than 300 percent in this same period. Thus, it is evident that the first statutory requirement for an affirmative determination of increased imports has been satisfied.

Aggregate imports of the other nonelectric cooking ware considered in this investigation also increased during 1974-78, but less rapidly than imports of porcelain-on-steel. Imports of these articles increased from 18.2 million units in 1974, to 46 million units in 1978. Within the

category of all nonelectric cookware, only imports of stamped aluminum cookware did not increase. But as a practical matter, since separate data on profits, employment and other factors were not available (as they were for porcelain-on-steel) we have been forced to consider all other nonelectric cookware in a basket category. Given this limitation, we find increased imports in this basket category.

Serious Injury or Threat of Serious Injury

Sections 201(b)(2)(A) and (B) of the Trade Act provide guidelines for determining whether the domestic industry is being seriously injured or is threatened with serious injury. The Commission is to consider, among other economic factors, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate at a reasonable level of profit, significant unemployment or underemployment within the industry. Analysis of these factors indicates that the economic position of the domestic porcelain-on-steel industry is rapidly declining.

Underutilization of production capacity -- It is clear that the U.S. industry producing porcelain-on-steel cooking ware has experienced a considerable idling of productive facilities. The capacity utilization rate for this industry declined by about 35 percent between 1974 and 1978.

Significant unemployment or underemployment in the industry -- Employment in the production of porcelain-on-steel cooking ware fell by

almost 35 percent from 1974 to 1978. Manhours worked by production employees declined at a similar rate.

U.S. production and U.S. producers' shipments -- U.S. production and domestic shipments of porcelain-on-steel cookware both declined by about one-third during the 1974-1978 period. Despite the impact of inflation on cooking ware prices, the value of U.S. producers' shipments of porcelain-on-steel cooking ware declined during 1974-1978.

Inventories -- U.S. producers' porcelain-on-steel inventories trended downward during 1974-1978, dropping sharply in 1978 as a result of the liquidation of U.S. Stamping Co.'s inventory.

Profitability -- U.S. producers' net sales of porcelain-on-steel cookware increased by 13 percent from 1974 to 1977 and declined by 13 percent in 1978. Net operating profits declined by almost 60 percent in 1978 from their 1975 peak level. However, net profits as a share of net sales have not yet exhibited the severe decline evident in other traditional economic indicators. The trend in profitability is clearly downward, and in our judgment, absent relief, it is only a matter of time before the continuing loss of market share will erode profits significantly or cause them to disappear completely.

These downward trends in traditional economic indicators are particularly important in the face of other factors of concern to the industry. Foreign capacity to produce porcelain-on-steel cookware --

particularly in Korea and Taiwan, countries which have rapidly expanded their share of the U.S. market in recent years -- is scheduled to increase significantly in 1978-1980. In addition, there are signs that at least one foreign producer, Mexico, may have plans to increase its exports of specialty products, an area which has previously been a stronghold of sales for the domestic industry.

Economic data for all nonelectric metal cookware do not exhibit the same steady declines that the indices for porcelain-on-steel reveal. Capacity utilization declined by only 12 percent from 1974-1978. Employment fell approximately 8 percent from 1974-1975 and increased thereafter. Production and shipments have remained stable in quantity terms, and shipments have increased by 32 percent in terms of value. Net sales and net profits of the twelve major manufacturers of nonelectric metal cookware have increased annually during 1974-1978, resulting in a moderately healthy and constant ratio of net profits to net sales. Consequently, we do not find serious injury or threat thereof to producers of other types of nonelectric cookware.

Substantial Cause

Section 201(b)(4) of the Trade Act defines the term "substantial cause" to mean "a cause which is important and not less than any other cause." In making its determination, the Commission is to consider, among other factors, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

Total apparent domestic consumption of all types of nonelectric cooking ware within the scope of the Commission's investigation increased by 19 percent during 1974-1978. Apparent consumption of porcelain-on-steel cooking ware, however, grew at a much faster rate, more than doubling the rate reported for the aggregated industries. Imports captured all of this growth in the U.S. porcelain-on-steel market at a time when U.S. producers' shipments declined absolutely. Imports as a share of the U.S. market doubled between 1974 and 1978 and consequently account for more than two-thirds of apparent consumption.

The survey of retailers conducted by the Commission indicates that porcelain-on-steel cooking ware does, to a limited extent, compete for sales with other types of cooking ware at both the retail and "final" level of competition. Thus, the domestic industry could be suffering injury from not only imported porcelain-on-steel cookware but also from competition with other types of foreign and domestically produced cookware. As previously pointed out, however, porcelain-on-steel cooking ware has maintained its relative share of total U.S. consumption of all nonelectric cookware throughout the 1974-1978 period and the growth in consumption of porcelain-on-steel products has been captured by porcelain-on-steel imports. The impact of imports on domestic producers is highlighted by the fact that the largest decline in profits for General Housewares occurred from 1977-1978 when the increased imports was largest, jumping from 13.1 to 19.7 million units. Clearly, increased imports of porcelain-on-steel

imports are at least as important a cause of the serious injury or threat thereof being suffered by the domestic industry as any other factor affecting the domestic industry's performance.

Conclusion

On the basis of the issues discussed above, we have determined that the industry producing porcelain-on-steel cookware is being seriously injured or is threatened with serious injury within the meaning of Section 201 of the Trade Act of 1974, and we have determined in the negative with respect to the industries producing the other types of nonelectric cookware considered in this investigation.

Views of the Commission on Remedy

It is our view that relief in the form of increased rates of duty should be granted to the domestic industry which the Commission has found to be seriously injured or threatened with serious injury. Our finding with respect to the specific relief necessary to prevent or remedy such injury is set forth in the findings and recommendations appearing on page 3 of this report.

The recommended remedy is designed to apply the increased rates of duty to those articles of porcelain-on-steel cooking ware that compete most directly with domestically produced articles. For this reason, articles which are valued over $2.25 per pound, net weight, i.e., primarily high fashion cooking ware and better quality teakettles, are exempted from the escape action rates.

The recommended increased rates are specific rates--cents per pound--which are more restrictive on lower priced imports as distinguished from higher priced and higher fashion imports. Thus, the major burden of the remedy will be applied to articles which are priced at a level which have the most injurious impact on the domestic industry.

We believe that an increased rate of duty of 25 cents per pound for a 2-year period is necessary to remedy the serious injury experienced by this industry. Thereafter, we recommend that this additional duty be reduced in stages so that over the 5-year period of relief that we have recommended the domestic industry will have an opportunity to adjust to whatever competitive conditions will exist after the termination of import relief.

SUMMARY

On May 4, 1979, the United States International Trade Commission received a petition from the General Housewares Corp., Terre Haute, Ind., for import relief under section 201(a)(1) of the Trade Act of 1974. The petition requested that the Commission institute an investigation to determine whether cooking ware of steel, enameled or glazed with vitreous glasses, is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. On May 15, 1979, the Commission instituted investigation No. TA-201-39, on porcelain-on-steel cooking ware. On June 25, 1979, the Commission amended the scope of its investigation by adding other types of nonelectric cooking ware. The investigation was redesignated the nonelectric cooking ware investigation.

Nonelectric metal cooking ware is produced by approximately 22 domestic firms. Producers are located in Georgia, Illinois, Indiana, Kansas, New York, Ohio, and Wisconsin (six producers). These firms employed 7,638 production workers in 1978, representing an 8.6-percent decline from 1974 employment levels.

Data compiled from responses to questionnaires of the U.S. International Trade Commission show that U.S. production of nonelectric metal cooking ware declined irregularly from 193.2 million units in 1974 to 176.8 million units in 1978, or by approximately 8 percent, as shown in the following tabulation:

	U.S. production (million units)
1974	193.2
1975	168.0
1976	190.1
1977	172.5
1978	176.8
January-June--	
1978	90.3
1979	87.6

Production of porcelain-on-steel, stamped aluminum, and cast-iron cooking ware declined 34 percent, 17 percent, and 53 percent, respectively, during 1974-78. Cast aluminum and stainless steel cooking ware production increased from 1974 to 1978, peaking in 1976.

Principal sources of nonelectric metal cooking ware imports in 1978 were France, Hong Kong, Italy, Japan, the Republic of Korea, Spain, and Taiwan.

Imports increased from 25.2 million units in 1974 to 65.3 million units in 1978, representing an increase of approximately 160 percent. Imports of all types of metal cooking ware increased, as shown in the following tabulation:

Year	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
	Quantity (1,000 units)						
1974	342	11,400	1,257	6,940	3,207	2,027	25,173
1978	2,100	13,328	7,638	19,690	17,377	5,130	65,263
	Value (million dollars)						
1974	0.4	9.1	0.8	11.1	3.0	6.5	30.8
1978	4.9	11.9	6.6	39.8	23.1	7.3	93.7

Note.--Because of rounding, figures may not add to the totals shown.

Apparent U.S. consumption of nonelectric metal cooking ware increased from 176.2 million units in 1974 to 211.5 million units in 1978, or by 20 percent. Consumption increased for all product types during 1974-78 except stamped aluminum and cast-iron cooking ware. The ratio of imports to consumption for nonelectric metal cooking ware increased from 14.3 percent in 1974 to 30.9 percent in 1978, based on quantity. The ratios by product types also increased, as shown in the following tabulation (in percent):

Year	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
1974	***	10.5	20.0	***	13.1	***	14.3
1978	***	14.2	76.3	***	43.3	***	30.9

Net sales of nonelectric metal cooking ware by U.S. producers increased steadily from $275 million in 1974 to $364 million in 1978, or by 32 percent. Net operating profit also increased, rising from $24.9 million in 1974 to $31.9 million in 1978, representing an increase of 28 percent. Net sales of porcelain-on-steel cooking ware increased from * * * million in 1974 to * * * million in 1977 and then declined 13 percent to * * * million in 1978. Net operating profit rose to a peak of * * * million in 1975 and then declined

irregularly to * * * million in 1978. The ratio of net operating profit to net sales declined from a peak of * * * percent in 1975 to * * * percent in 1978.

Prices of most types of U.S.-produced metal cooking ware rose steadily throughout January 1976-June 1979. Import prices were generally lower than prices of comparable domestically produced cooking ware. Among the types of nonelectric metal cooking ware surveyed, stamped aluminum prices rose the most rapidly, increasing about 50 percent between January-June 1976 and January-June 1979. The price of a U.S.-produced seven-piece set of porcelain-on-steel cooking ware increased by 23 percent between January-June 1976 and the end of 1978.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On May 4, 1979, the U.S. International Trade Commission received a petition from the General Housewares Corp., Terre Haute, Ind., for import relief under section 201 (a) (1) of the Trade Act of 1974. Accordingly, on May 15, 1979, the Commission instituted an investigation under section 201 (b) of the Trade Act of 1974 to determine whether cooking ware of steel, enameled or glazed with vitreous glasses, provided for in item 653.97 of the Tariff Schedules of the United States (TSUS) is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. On June 25, 1979, the Commission expanded the scope of its investigation by adding to it nonelectric cooking ware, provided for in items 533.77, 546.38, 546.56, 546.59, 653.85, 653.93, 653.94, 654.05, 654.10, and 654.15 of the TSUS. 1/

Notice of the institution of the porcelain-on-steel cooking ware investigation and the public hearing to be held in connection therewith was given by posting copies of the notice at the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and at the Commission's office in New York City, and by publishing the notice in the Federal Register of May 22, 1979 (44 F.R. 29740). The notice expanding the scope of the investigation and changing the hearing date was published in the Federal Register of July 5, 1979 (44 F.R. 39316). 2/ A third notice postponing the hearing date from August 14, 1979, to September 6, 1979, was published in the Federal Register of August 9, 1979 (44 F.R. 46955).

The Commission's expanded investigation includes within its scope imports of ceramic and glass cooking ware. Staff interviews with domestic producers and importers have revealed that there have been no imports of ceramic cooking ware during the period under consideration and that glass cooking ware imports are insignificant. Domestic producers of ceramic and glass cooking ware have advised the Commission that they are not being seriously injured or threatened with serious injury by imports of any of the articles within the scope of the investigation. Therefore, ceramic and glass cooking ware will not be analyzed separately in this report, and will only be considered in connection with the aggregate nonelectric cooking ware market.

1/ TSUS items 533.73, 533.75, 546.52, 546.54, 653.90, 654.00, and 654.20 were initially considered by the Commission for inclusion in the expanded scope. Consultations with customs officials and industry representatives indicated that imports of cooking ware items under these items were nonexistent. Therefore, these items were not included in the expanded scope of the investigation and were not considered by the Commission in this investigation.

2/ Copies of the Commission's notices in this investigation can be found in App. A.

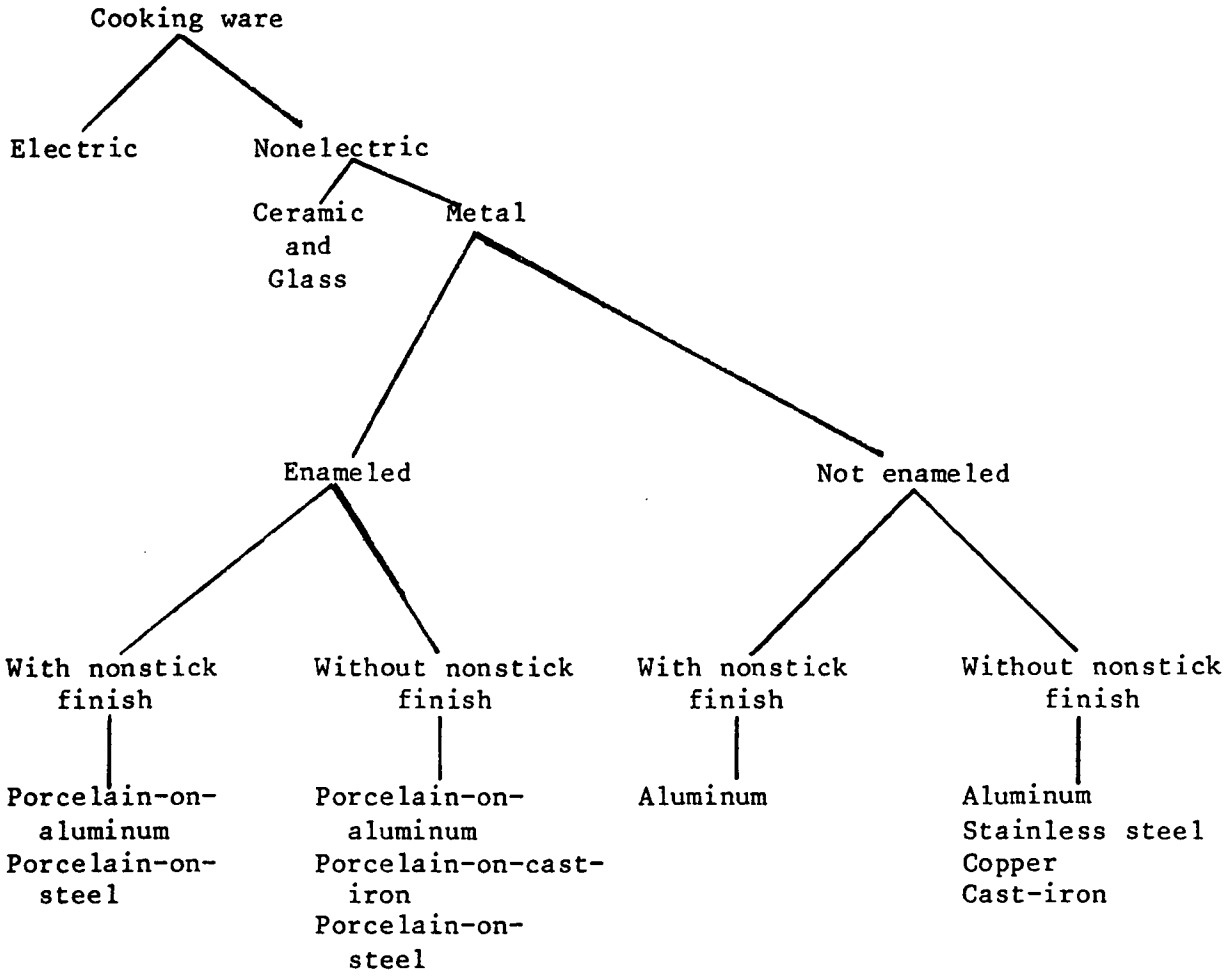
The Commission conducted a previous investigation concerning cast-iron cooking ware. That investigation, No. TA-201-21, 1/ which was completed in May 1977, resulted in a negative determination by the Commission.

1/ Cast-Iron Cooking Ware: Report to the President on Investigation No. TA-201-21. . ., USITC Publication 817, May 1977.

Description and Uses

For the purpose of this investigation, nonelectric cooking ware is defined as all metal, ceramic, or glass utensils, other than units having self-contained electrical heating elements used to cook food. Included within this definition are utensils made from cast aluminum, stamped aluminum, cast iron, porcelain-enameled iron and steel, stainless steel, tin, copper, glass, and ceramic materials. Examples of nonelectric cooking ware are saucepans, skillets, Dutch ovens, kettles, roasters, and cakepans.

The following diagram illustrates the various types of cooking ware that are available in the marketplace:



Porcelain-on-steel cooking ware

There are three groups of products within the class of porcelain-on-steel cooking ware. The first of these groups, utilitarian cooking ware, consists of skillets, saucepans, double boilers, and other assorted types of pots, constructed of thin-gage steel, with metal handles. These products are offered in basic colors, usually white with black trim. A second group, special-purpose cooking ware, consists of roasters, stock pots, canners, blanchers, and other unique types of cooking ware. This product group is characterized by slightly thicker gages of steel and is generally offered with a speckled white and blue surface. The final group of porcelain-on-steel cooking ware is fashion cooking ware, which is highly decorative, made of heavy-gage steel, with stainless steel rims and phenolic handles.

The fusing process for porcelain-on-steel results in a nonporous, glass cooking surface which makes the cooking ware sanitary and easy to clean. However, this surface is susceptible to cracks and chips. A major advantage of porcelain-on-steel cooking ware is that, unlike other cooking ware materials, it can be fabricated economically into large-capacity vessels, such as roasters and stockpots.

Each of the types of porcelain-on-steel cooking ware is manufactured by the same process, although the quality of both the steel body and the porcelain finish will vary from group to group. The first production step is the drawing of steel blanks into the desired utensil shape. This steel body is then etched with acid, cleaned with a caustic agent, and then treated with nickel. Base coats and color coats of porcelain enamel are then applied using custom-built equipment which applies different inside and outside colors at high rates of speed. A firing operation follows the application of each coat. Decals can then be fused to the final color coat. Porcelain enamel is essentially a highly durable glass which, with coloring oxides and other inorganic materials, is fused to the steel body at extremely high temperatures, usually at 1,475 degrees Fahrenheit. Fusing at this high temperature allows the attainment of brillant colors which cannot be attained with other types of cooking ware. For example, the fusing process for coating aluminum must be accomplished at considerably lower temperatures because aluminum melts at about 1,200 degrees. Fusing at the lower temperatures results in rather dull colors.

Aluminum cooking ware

Aluminum cooking ware generally consists of a full line of utensils used in the preparation of food. Included are saucepans, skillets, Dutch ovens, teakettles, and various other types of pots and pans. Aluminum cooking ware is lightweight and an excellent conductor of heat, which spreads quickly and evenly along the bottom and sides of the utensil. However, aluminum can interact with acid foods with resultant changes in color and taste. It can also be discolored by alkalies.

Aluminum cooking ware is made in several different ways, most frequently by stamping and drawing or casting. In the stamping and drawing method, flat

sheets or circles of metal rolled to the desired thickness are placed on a press, which then forms the sheet metal into the desired shape. In some instances interior or exterior finishes are applied, and appropriate handles and knobs are attached. In the casting method, molten aluminum is poured into a mold that forms a utensil of the desired configuration. When the metal cools, the mold is opened and the utensil is removed. It is then finished, and handles are attached. Aluminum cooking ware can be polished, or coated with interior (nonstick) and exterior (enamel or acrylic) finishes. Although spraying equipment similar to that used to apply porcelain-to-steel is used with aluminum, the drying furnaces must use much lower temperatures, resulting in less brillant exterior finishes.

Cast-iron cooking ware

Cast-iron utensils are made of iron alloys that impart great strength to the utensil. Improvements in casting alloys and techniques now permit the casting of thinner and consequently lighter weight utensils than were formerly available. Also, some cast-iron utensils are available with a porcelain-enamel exterior and interior finish.

Cast iron at present is used for a special class of utensils. It includes a variety of skillets, roasters, Dutch ovens, broilers, griddles, and some specialty items, such as muffin pans. These utensils are excellent for browning foods because of the even distribution of heat provided by the cast iron. However, this cooking ware tends to rust, stain, and, in some cases, pit. The production process for cast-iron cooking ware is similar in some respects to that employed in cast-aluminum cooking ware production.

Stainless steel cooking ware

It was long known that stainless steel might make excellent cooking ware because it was attractive, durable, resistant to tarnish, and did not interact with food. However, stainless steel lacked heat conductivity. Eventually this obstacle was overcome by bonding copper to the bottom of the cooking ware. A new line of cooking ware, called Revere Ware, was brought to market. The product's success after World War II was phenomenal. Apparently, U.S. homemakers liked high-quality cooking ware and were able to pay for it.

With increasing competition, the arrival of imports, the advent of the discount store, and the ending of "fair trade" (legal resale price maintenance), the popularity of Revere Ware fell in the late 1950's. Recently, however, copper-bottom stainless steel utensils have staged a revival with the growing demand for gourmet cooking ware. Various manufacturing processes are used to combine stainless steel with aluminum, copper, and carbon steel. Such a process, called cladding, bonds or laminates stainless steel to other metals. Some constructions sandwich a heat-conducting core of copper between two layers of stainless steel or add layers of aluminum or carbon steel. Utensils produced from these various laminated constructions, depending on the type of construction, are described as two-ply, three-ply, bottom clad, three-ply/bottom clad, and five-ply/bottom clad.

U.S. Tariff Treatment

Imported nonelectric cooking ware is classified for tariff purposes under items 533.77, 546.38, 546.56, 546.59, 653.85, 653.93, 653.94, 653.97, 654.05, 654.10 and 654.15 of the TSUS. The most-favored-nation rates of duty currently applicable to nonelectric cooking ware reflect a 50-percent reduction negotiated during the Kennedy round of trade agreements. The rates of duty applicable to various types of cooking ware, all of which have been in effect since January 1, 1972, when the final stage of the Kennedy round concessions was implemented, are set forth in the table on the following page.

Title V of the Trade Act of 1974 authorizes the establishment of a Generalized System of Preferences (GSP) for eligible articles imported from beneficiary developing countries. Effective January 1, 1976, imports of nonelectric metal cooking ware from all designated beneficiary developing countries became eligible for duty-free treatment under the provisions of the GSP. In September 1978, the Metal Cookware Manufacturers Association (MCMA) submitted a request to the Office of the Special Representative for Trade Negotiations (STR) to withdraw stainless steel and uncoated and coated aluminum cooking and kitchen ware from those articles accorded duty-free treatment under GSP. These petitions were denied by STR in March 1979. Cast-iron cooking ware imported from Taiwan is not entitled to the duty-free treatment provided by the GSP, since imports from Taiwan account for more than 50 percent of the value of total U.S. cast iron cooking ware imports and are therefore ineligible pursuant to section 504(c)(1)(B) of the Trade Act.

U.S. Producers

Approximately 25 firms produced nonelectric cooking ware in the United States in 1978. 1/ Ten producers located in the Midwestern States, principally in Wisconsin, accounted for more than three-quarters of the value of U.S. producers' shipments in 1978. The U.S. companies involved in the production of nonelectric cooking ware vary in size from a subsidary of the world's largest aluminum producer, Aluminum Co. of America, to small, single-plant firms. Two of the largest producers, Regal and West Bend, have subsidiary operations in Canada. The majority of the firms involved are diversified in their output, producing electric cooking ware, electric kitchen appliances, kitchen utensils, bar accessories, barbecue accessories, humidifiers, and other houseware items. Although all of the firms that produce nonelectric cooking ware produce at least one other product line, the importance of cooking ware to their overall operations varies significantly by company.

General Housewares Corp. (GHC), of Terre Haute, Ind., the petitioner in this investigation, is the only U.S. company currently producing

---

1/ Principal nonelectric cooking ware producers are listed in appendix B.

Nonelectric cooking ware: U.S. rates of duty, by types, on Jan. 1, 1979

TSUS item No.	Description	Rate of duty	
		Col. 1	Col. 2
533.77	Ceramic 1/	5 ¢ per dozen pieces + 17.5 % ad val.	10 ¢ per dozen pieces + 70 % ad val.
	Glass:		
546.38	Tempered 2/	12.5 % ad val.	50 % ad val.
546.56 (pt.)	Other 3/	30.0 % ad val.	60 % ad val.
546.59 (pt.)		15.0 % ad val.	60 % ad val.
	Iron or steel:		
	Not enameled or glazed with vitreous glasses:		
653.85	Cast articles, coated 4/	4.0 % ad val.	20 % ad val.
653.93	Cast iron, other	8.5 % ad val.	40 % ad val.
653.94	Stainless steel	do	do
653.94	Other iron or steel	do	do
	Enameled or glazed with		
653.97	vitreous glasses	1 ¢ per pound + 2.5 % ad val.	5 ¢ per lb + 30 % ad val.
654.05	Copper	7.5 % ad val.	40 % ad val.
	Aluminum:		
	Not enameled or glazed and not containing nonstick interior finishes:		
654.10	Cast articles	1.7 ¢ per pound + 8.5 % ad val.	8.5 ¢ per lb + 40 % ad val.
654.10	Stamped articles	do	do
	Enameled or glazed or containing nonstick interior finishes:		
654.10	Cast articles	do	do
654.10	Stamped articles	do	do
654.15	Tin	4.0 % ad val.	40 % ad val.

1/ Pyroceramic household ware including cups, saucers, plates, and other articles.
2/ Glassware (borasilic), specially tempered, used for preparing, serving, or storing food or beverages.
3/ Borasilic glass tableware, kitchenware, and cooking ware valued over $1.
4/ Cast-iron or cast-steel articles, coated (acrylic paint, etc.). No cooking ware imports are known to have entered under this TSUS item.

porcelain-on-steel cooking ware; its plant in Terre Haute is dedicated exclusively to such cooking ware. GHC produces cast-iron and cast-aluminum cooking ware in plants in Sidney, Ohio. The company also has a giftware group and a leisure furniture group.

GHC's sales of porcelain-on-steel cooking ware totaled * * * million in 1978, or about * * * percent of its total cooking ware group sales in that year. The following table sets forth the net sales of each of the firms' three product groups for the years 1974-78.

General Housewares Corp.: Net sales, by product groups, 1974-78

(In thousands of dollars)

Item	Year ended Dec. 31--				
	1974	1975	1976	1977	1978
Cooking ware	30,342	32,937	32,206	35,078	32,457
Giftware	12,174	10,919	11,700	13,973	15,205
Leisure furniture	13,691	10,302	10,243	11,366	13,163
Total	56,207	54,158	54,149	60,417	60,825

Source: Annual Reports of General Housewares Corp.

A second firm, U.S. Stamping Co., of Moundsville, W.Va., ceased production of porcelain-on-steel cooking ware in 1977. In March 1978, GHC purchased the production equipment of U.S. Stamping Co. and secured an option to purchase other assets, including the factory. The petitioner has stated that unless import relief is granted it will not be able to reopen the Moundsville facility. 1/

Three U.S. firms, Club Products Co., GHC, and Regal, produce cast-aluminum cooking ware. * * *. In addition to cooking ware, Club Products makes various aluminum diecast products for use in other consumer products.

Nine U.S. companies produce stamped aluminum cooking ware. * * *. Mirro produces a complete line of aluminum cooking ware, as well as aluminum camping ware, and small electric appliances. Other large producers are Enterprise Aluminum Co., Regal, and Aluminum Specialty Co.

1/ Transcript of the hearing, pp. 115, 270, 279-280, and 300-301.

Cast-iron cooking ware is produced by three U.S. companies--Atlanta Stove Works Co., GHC, and Lodge Manufacturing Co. 1/ * * * . In addition to cooking ware, these companies also produce cast-iron stoves and a variety of other cast-iron products. 2/

Eight U.S. companies produced stainless steel cooking ware in 1978. Revere Copper and Brass, Inc., of Clinton, Ill. and Farberware, of New York City, accounted for more than * * * of U.S. producers' total sales in that year. Revere, which manufactures three different lines of metal cooking ware, is a major U.S. producer of a wide variety of copper and aluminum mill products. Farberware manufactures stainless steel cooking ware bonded with aluminum bottoms, in addition to electric fry pans, coffee percolators, rotisseries, can openers, and other kitchen products.

The Foreign Industry

Nonelectric metal cooking ware is produced in almost every nation in the world. Principal foreign sources of such cooking ware are in Europe and Asia, particularly the Republic of Korea and Taiwan. Data on foreign production is not readily available; however, the following information was developed during the course of the investigation.

1/ A French producer of porcelain-on-cast-iron cooking ware, Le Creuset, has formed an American subsidiary, Le Creuset of America, Inc., located in Yemassee, S.C. * * *.

2/ See Cast-Iron Cooking Ware: Report to the President on Investigation No. TA-201-21. . ., USITC Publication 817, May 1977, and Cast-Iron Stoves: Report to the President on Investigation No. TA-201-24. . ., USITC Publication 826, July 1977.

France

There were approximately 50 French firms producing nonelectric metal cooking ware in 1978. Data on domestic shipments and on exports in 1978 are as follows.

Nonelectric metal cooking ware: French domestic shipments, total exports, and exports to the United States, by types, 1978

(In thousands of dollars)

Type	Domestic shipments	Total exports	Exports to United States
Aluminum	66,814	37,874	2,946
Enameled steel	33,921	45,595	3,476
Stainless steel	48,458	31,889	746

Source: Domestic shipments and total exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; exports to the United States compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

The French home market for nonelectric metal cooking ware is estimated at 25 million units, valued at $220 million (retail). The market (in terms of quantity) is equally divided between aluminum cooking ware and enameled-steel cooking ware, each of which accounts for about a 35-percent market share. Stainless steel cooking ware accounts for an estimated 18 percent and cast iron, for an estimated 9-percent market share.

* * * * * * *

Italy

Data are only available on porcelain-on-steel cooking ware as shown in the following table.

Porcelain-on-steel cooking ware: Italian production, domestic shipments, and exports to the United States, 1977 and 1978

Item	1977	1978
Production----------1,000 units--	5,364	5,350
Domestic shipments----------do----	3,788	3,810
Exports to the United States----------do----	399	1,248

Source: Domestic shipments compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; exports to the United States compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Italian production of nonelectric cooking ware is apportioned as follows: 13 percent, porcelain-on-steel; 38 percent, aluminum; 43 percent, stainless steel; and 6 percent, other. * * *. This firm sells its product, a high-quality fashion type of cooking ware, through food continuity programs.

Spain

The Spanish nonelectric metal cooking ware industry consists of 27 firms, 8 of which produce enameled cooking ware. Data on Spanish production and shipments are not available. However, in 1978, U.S. imports of porcelain-on-steel cooking ware from Spain totaled 2.7 million units, valued at $6.6 million. The typical Spanish porcelain-on-steel cooking ware import is a high-quality fashion unit, usually a seven-piece set.

Japan

The Japanese home market for nonelectric cooking ware (including ceramic and glassware) is estimated at $700 million, with an estimated production volume of 283,000 tons. Data on production, domestic shipments, total exports, and exports to the United States are shown in the following table.

Nonelectric metal cooking ware: Japanese production, domestic shipments, total exports, and exports to the United States, by types, 1978

(In thousands of dollars)

Item	Production	Domestic shipments	Total exports	Exports to the United States
Porcelain-on-steel	121,491	95,891	19,605	3,592
Other metal	317,850	343,786	54,968	1/
Total	439,341	439,677	74,573	1/

1/ Not available.

Source: Domestic shipments and total exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; exports to the United States compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Japan has been a major source of U.S. imports of porcelain-on-steel cooking ware for many years. The quality and price of its exports to the United States have been increasing. The current import from Japan is usually a higher price fashion type of porcelain-on-steel usually sold in sets and very often distributed through food continuity and premium programs.

Republic of Korea

The nonelectric cooking ware industry in the Republic of Korea consists almost entirely of aluminum, stainless steel, and porcelain-on-steel cooking ware. Data are not available on the aluminum cooking ware industry, although it is estimated to equal the stainless steel industry in size.

There are about 250 firms manufacturing stainless steel cooking ware and about 40 producers of porcelain-on-steel cooking ware in the Republic of Korea. Data on these two industries are shown in the following table.

Nonelectric metal cooking ware: Korean production, domestic shipments, total exports, and exports to the United States, by types, 1977 and 1978

(In thousands of dollars)

Type and year	Production	Domestic shipments	Total exports	Exports to the United States 1/
Stainless steel:				
1977	34,500	18,775	15,550	5,790
1978	52,520	28,610	24,915	9,825
Porcelain-on-steel: 2/				
1977	1,486	690	3/	484
1978	1,740	660	3/	1,113

1/ Compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

2/ Data of 5 largest manufacturers estimated to account for 70 to 80 percent of total Korean production and exports.

3/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, except as noted.

Korean stainless steel cooking ware production capacity 1/ has been rapidly expanding, and significant increases are also anticipated for porcelain-on-steel ware, as shown in the following tabulation:

	Stainless steel (1,000 units)	Porcelain-on-steel (1,000 units)
1977	43,360	3,300
1978	65,550	3,870
1979	90,830	5,000
1980	1/ 108,000	1/ 6,000

1/ Projected.

1/ Based on maximum sustainable output of a product mix that would allow optimum usage of production facilities.

The Korean product exported to the United States tends to be a basic, light-gage item intended for the low- to middle-price market. Substantial quantities of stainless steel cooking ware clad with copper have recently appeared on the market. These items are quite similar to domestic products in appearance, but are available at a wholesale value much lower than that of their U.S. competitors.

Taiwan

Data on the Taiwanese nonelectric metal cooking ware industry were not available from published sources. The data provided herein were compiled from responses to questionnaires of the U.S. International Trade Commission, except as noted. In most cases the data represent the results of specific firms rather than industry performance.

The Taiwanese nonelectric cooking ware industry produces aluminum, stainless steel, cast-iron, and porcelain-on-steel cooking ware. The industry has exhibited rapid growth since 1975, a large portion of which has been export oriented. There are currently 50 producers of stainless steel cooking ware; 10 of these are large-scale operations. Production in 1978 is estimated at $11 million, of which 50 percent was exported. More than 70 percent of total exports were to the United States.

Six major firms produce porcelain-on-steel cooking ware. Their production increased from 2.4 million units in 1977 to 4.4 million units in 1978 as a result of two large expansion projects which became operational in 1978. Industry data are provided in the following table.

Porcelain-on-steel cooking ware: Taiwanese production, domestic shipments, exports to the United States, and production capacity, 1977-80

(In thousands of units)

Year	Production 1/	Domestic shipments 1/	Exports to the United States 2/	Production capacity 1/
1977	2,400	833	533	2,230
1978	4,405	1,542	2,998	5,410
1979	3/ 5,055	3/ 1,678	4/	3/ 6,550
1980	3/ 5,320	4/	4/	3/ 6,550

1/ Based on data provided by the 3 largest producers exporting to the United States.

2/ Compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

3/ Projected.

4/ Not available.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission, except as noted.

Aluminum cooking ware is produced by about 40 Taiwanese firms 2 of which export to the United States. The following data highlight the operations of those two firms.

Aluminum cooking ware: Taiwanese production, exports to the United States, and production capacity, 1977-80

(In thousands of units)

Year	Production	Exports to the United States	Production capacity
1977	***	***	***
1978	***	***	***
1979	***	***	***
1980	***	***	***

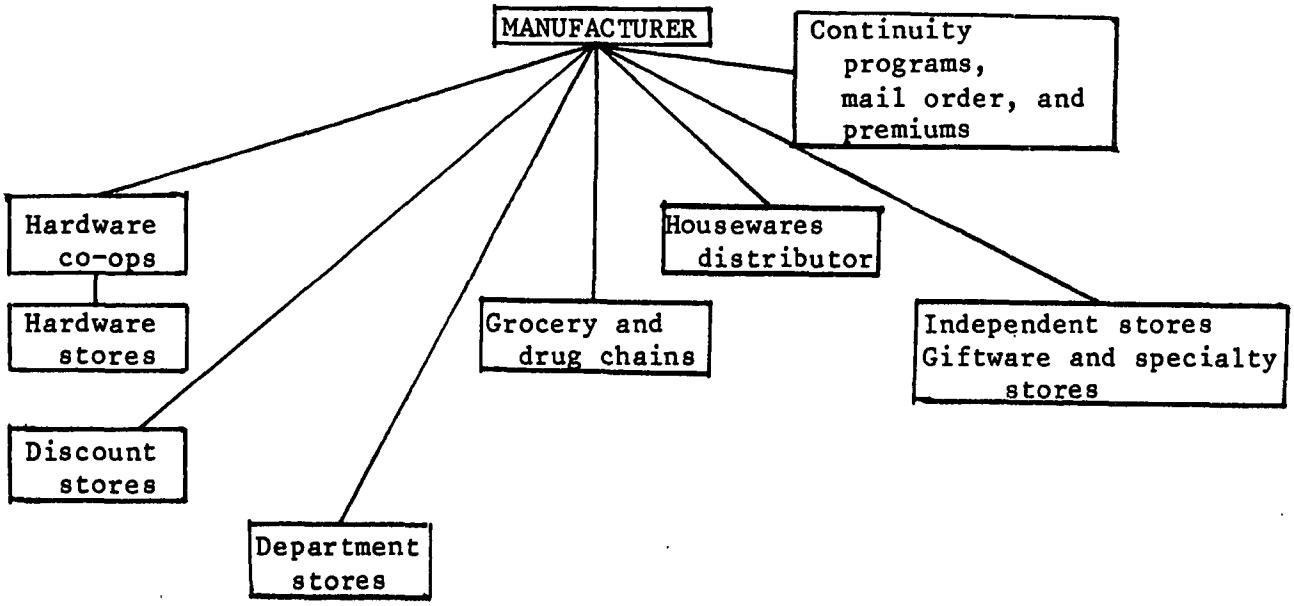
Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Taiwanese nonelectric metal cooking ware exported to the United States consists primarily of basic, light-gage cooking ware intended for the low- to middle-price market. Typical products are saucepans and frying pans.

Channels of Distribution

The channels of distribution used to market nonelectric metal cooking ware include those generally used in the marketing of consumer products plus one rather unique channel--continuity programs or promotions. The distribution channels for cooking ware are shown in the following diagram.

Figure 1.--Nonelectric cooking ware channels of distribution.



The use of distributors and co-ops is frequently employed in the marketing of consumer products. These channels enable the small independent retailer or small chain retailer to participate in the market when his buying power is so small that direct orders to a manufacturer are not possible. Other outlets, such as grocery chains, for which sales of cooking ware are an insignificant percent of their total sales volume, often do not order merchandise directly but contract with a rack-jobber. Rack-jobbers order and maintain stock, arrange displays and accept returns of unsold merchandise from the grocery chain.

Continuity programs, mail orders and premiums are somewhat unique distribution channels. Continuity programs are usually associated with grocery stores and are primarily aimed at drawing customers into the store rather than selling cooking ware. The product offered is usually a decorative cooking ware set of 7 or 10 pieces, which is offered for sale at sharply reduced prices, but only one piece at a time. The program may run 6 months and thereby attract return customers to the grocery store. Buyers for grocery chains try to vary the type of cooking ware used for promotions and often use other products such as ceramic tableware, stainless steel flatware, glassware, and so forth. Porcelain-on-steel cooking ware is often selected as a promotion item owing to its decorative characteristics. It is not stocked on a regular basis by most grocery chains. The advantage to the manufacturer in producing merchandise for promotions is the large-volume of the sale which enables him to make long production runs, thereby lowering unit costs. Large-volume sales to mail order and premium stores make this same cost saving available to the manufacturer.

Direct sales to department stores and discount chains are an important channel of distribution. Here the emphasis is on volume and profit margin.

The manufacturer must be able to provide the necessary volume at a price that will enable the retailer to obtain his required markup. Since this markup will vary with the type of outlet, the manufacturer must be able to offer articles in a number of price ranges or price points.

Importers participate in the U.S. market primarily through distributors, although inroads have been made in direct sales to department stores and in continuity programs. Domestic producers enjoy at least two significant advantages over import competition in the wholesale market--a close historical relationship with wholesale distributors and shorter delivery lead time. These advantages, however, diminish in the marketing of the low- and middle-price cooking ware (priced at $2 to $12 a piece) to high-volume retail outlets, where price is the overriding consideration.

During 1974-78, according to MCMA statistics, significant increases in the sales of cooking ware to retail outlets including sales to hardware and department stores, have occurred. In 1973, sales to these outlets accounted for only about 14 percent of total sales, and in 1978 for 21 percent, as shown in the following table. Significant declines during this period occurred in sales to discount stores, wholesale distributors, and premium outlets.

Percentage distribution of cooking ware sales by channels of distribution, 1974-78

Channel of distribution	1974	1975	1976	1977	1978
Retail direct hardware, department stores, including hardware co-ops	14.0	18.9	20.7	20.4	21.0
Discount stores (K-Mart, Zayre, Woolco, etc.)	13.9	13.4	13.9	12.6	14.7
Wholesale distributors	19.0	19.9	19.0	17.3	17.1
Drug, grocery, rack-jobbers	7.0	7.0	7.2	8.6	8.1
General merchandise, mail order, catalog showrooms	14.1	14.0	13.8	17.0	15.7
Stamps plans	2.9	2.1	1.7	1.6	1.5
Premiums	18.7	14.5	13.9	14.4	14.0
All other markets (includes military and door-to-door)	10.4	10.2	9.8	8.1	7.9
Total	100.0	100.0	100.0	100.0	100.0

Source: MCMA.

Another consideration in the marketing of nonelectric cooking ware is the nature of competition between the various types of cooking ware. There appears to be a two-tiered competitive situation in marketing cooking ware. The first level of competition occurs at the beginning of the distribution channel with the wholesale buyer who selects the types and lines of cooking ware that an outlet will offer for sale. The final consumers who purchase cooking ware through the outlet comprise the second level of competition.

The petitioner alleges that it is the first level of competition that determines what will be sold in the market. At this level, according to the petitioner, the buyer, whether for a retail store, co-op or distributor, will first decide which types of cooking ware he will carry, how many lines, and at what price points. His decisions will depend on his perception of the marketplace based on sales experience and/or surveys of consumer preferences. Once the buyer decides on the composition of his line he will examine the various articles available within a product category from both domestic and foreign sources. Thus, since it is the first level of competition which will determine what will be offered for sale to the final consumer, each type of cooking ware should be considered competitive only with other articles of its type (i.e., porcelain-on-steel competes with porcelain-on-steel, cast iron with cast iron, and so forth). Competition, according to the petitioner, is between the manufacturers of a particular type of cooking ware.

In order to assess the competitive situation which exists between the various types of cooking ware, the Commission contacted the buyers or merchandise managers for 37 retail outlets by telephone. The outlets were chosen randomly and included department stores, hardware stores, grocery stores, showroom (catalog) outlets, and direct sales (door-to-door distributors). In addition to examining the competitive relationship between the various types of cooking ware at the first level of competition, the Commission also assessed the retailers' perceptions of key factors behind the final consumers' purchasing decisions.

With reference to the petitioner's allegation that one type of cooking ware does not compete with another type for sales at the first level of competition, the Commission was advised by buyers that while for most types of outlets, buyers do make an initial decision regarding the types of cooking ware to be carried, the number of lines, and the range of price points, actual orders to manufacturers depend solely upon customer demand. Such demand is gaged by monitoring inventory levels, past sales, and analyses of market trends. While the "shelf space" allocated to a specific type of cooking ware may remain generally constant from year to year for a specific outlet, shelf space is not an accurate indicator of the amount of cooking ware of a specific type ordered by the outlet or purchased by the final consumer. As long as a type of cooking ware is offered for sale by an outlet, it will be allotted a certain amount of shelf space so that it can be displayed to the customer. The amount of shelf space allotted is not a factor of the rate that the merchandise is "turning over." Buyers indicated to the Commission that they frequently replenish depleted stocks of specific items. Although, for example, a seven-piece set of stainless steel cooking ware may be allocated the same amount of shelf space as a seven-piece set of porcelain-on-steel cooking ware, it may be in greater demand by customers and sell at twice the rate of the porcelain-on-steel.

For each type of outlet contacted by the Commission, it was the opinion of the buyer that the consumer had a preconceived idea of the type of cooking ware to be purchased when entering the outlet and, with the possible exception of low-price cooking ware, which is price sensitive, does not change that decision once in the outlet. The specific factors behind the customer's purchasing decision were perceived by the buyers to depend largely on whether the customer was purchasing low-price or medium- to high-price merchandise.

Low-end merchandise was carried mainly by certain department stores (e.g., S. H. Kress) and grocery chains (e.g., Acme) among those outlets contacted by the Commission. These types of outlets do not attempt to offer a wide range of types and lines of cooking ware to their customers, but concentrate on specific high-volume items. The retail price point of an item was mentioned by buyers at department stores offering low-end merchandise as the key factor behind the purchasing decision of a consumer; the purchase of cooking ware at grocery chains was viewed largely as an impulse purchase.

Medium- to high-price merchandise is viewed as not being particularly price sensitive by the buyers contacted. This range of cooking ware is sold by department stores (such as Sears and Macy's), showroom outlets (e.g., W. Bell), and certain hardware stores. Customers were viewed by the buyers as basing their purchasing decisions on such factors as the brandname, apparent quality, and the style or color. Approximately half the buyers felt that consumers are aware of specific performance characteristics and buy accordingly; the remaining half disagreed. However, those consumers buying gourmet cooking ware were generally considered to be better informed. Color was frequently mentioned as a key characteristic which appealed to consumers buying all ranges of porcelain-on-steel cooking ware. Buyers for department stores offering medium- to high-price merchandise indicated that it was important to offer the customer a wide variety of types and lines of cooking ware in different styles and colors. Catalog and showroom outlets, in contrast, attempt to offer for sale that merchandise which will appeal to the largest group of consumers; they strongly emphasized the importance of offering name-brand merchandise in attracting customers.

The Question of Increased Imports

Data on imports of various types of cooking ware were not separately reported in the official statistics of the U.S. Department of Commerce from January 1974 through June 1979, the period for which data are presented in this report. The data on imports presented herein were developed by adjusting official import statistics on the basis of an analysis of import entry documents and on the basis of the data obtained in response to the Commission's importer questionnaires. A detailed explanation of the methodology employed in adjusting the official statistics is set forth in appendix C.

U.S. imports of nonelectric metal cooking ware increased from 25.2 million units valued at $30.8 million in 1974 to 65.3 million units valued at $93.7 million in 1978. During this period the quantity of imports increased 159 percent and the value increased 204 percent. Imports in January-June 1979 were 35.3 million units valued at $54.9 million, compared with 29.1 million

units valued at $40.1 million in the corresponding months of 1978. Detailed data on U.S. imports by country of origin are found in tables 1-6, appendix D, and are summarized in the following table.

Nonelectric metal cooking ware: U.S. imports for consumption, 1974-78, January-June 1978, and January-June 1979

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other 1/	Total 1/
	Cast	Stamped					
	Quantity (1,000 units)						
1974	342	11,400	1,257	6,940	3,207	2/ 2,027	2/ 25,173
1975	620	11,350	2,059	9,191	3,208	2,084	28,512
1976	1,074	15,993	8,391	10,967	7,578	4,790	48,793
1977	1,358	15,478	8,730	13,141	9,512	4,864	53,083
1978	2,100	13,328	7,638	19,690	17,377	5,130	65,263
Jan.-June--							
1978	924	5,998	3,297	9,722	7,125	2,009	29,075
1979	1,406	5,874	5,248	8,636	10,936	3,237	35,337
	Value (1,000 dollars)						
1974	348	9,114	760	11,104	3,012	2/ 6,509	2/ 30,847
1975	779	11,557	1,496	16,016	3,161	5,685	38,694
1976	1,202	16,580	6,497	21,200	7,280	7,672	60,431
1977	2,146	14,910	7,149	25,989	12,685	7,703	70,582
1978	4,877	11,955	6,569	39,836	23,133	7,324	93,694
Jan.-June--							
1978	1,951	5,260	2,835	17,376	9,485	3,167	40,074
1979	3,503	4,683	4,776	22,007	16,200	3,780	54,949

1/ Includes tin, copper, iron or steel (other than cast and stainless), and porcelain-on-iron. Also includes an insignificant amount of glass cooking ware.

2/ Does not include cooking ware made of tin.

Source: Imports compiled from official statistics of the U.S. Department of Commerce as adjusted by the U.S. International Trade Commission on the basis of an analysis of import entry documents and responses to the Commission's importers questionnaire.

Porcelain-on-steel imports increased at an annual rate of 29.8 percent from 6.9 million units in 1974 to 19.7 million units in 1978. The value of such imports increased from $11.1 million in 1974 to $39.8 million in 1978, representing an increase of 259 percent. Imports declined about 11 percent in January-June 1979 compared with those in January-June 1978. Principal sources of porcelain-on-steel imports in terms of quantity in 1978 were Japan (18.2 percent), Taiwan (15.2 percent), Spain (13.7 percent), Mexico (10.7 percent), Italy (6.3 percent), and the Republic of Korea (5.6 percent). Significant quality differences exist between the porcelain-on-steel cooking ware products from these countries. The following tabulation shows unit values, by countries, in 1978:

Country	Unit Value
France	$5.28
Italy	3.53
Japan	2.83
Spain	2.46
Republic of Korea	1.55
Taiwan	1.49
Mexico	1.04

In terms of pricing points, the imports from Mexico, Taiwan, and the Republic of Korea are primarily low to middle-price cooking ware. Imports from Japan, Spain, Italy, and France are of higher quality and price. Imports from Austria and West Germany are of extremely high value and are rarely marketed in the same outlets as other imported or domestically produced porcelain-on-steel cooking ware.

Cast-aluminum cooking ware imports increased sharply from 342,000 units, valued at $348,000, in 1974 to 2.1 million units, valued at $4.9 million, in 1978. In terms of quantity, about 70 percent of the imports originated in Taiwan in 1978. Hong Kong, France, and the Republic of Korea were additional sources of these imports.

Stamped aluminum cooking ware imports peaked in 1976 at 16.0 million units and then declined to 13.3 million units in 1978. Imports in 1978 were valued at $12.0 million. Principal sources of stamped aluminum cooking ware imports, in terms of quantity entered in 1978, were Taiwan (37 percent), Hong Kong (20 percent), and the Republic of Korea (19 percent).

Imports of cast-iron cooking ware rose sharply from 1.3 million units in 1974 to 8.7 million units in 1977, representing an annual growth rate of 132 percent. Such imports declined to 7.6 million units, valued at $6.6 million, in 1978. The principal sources of cast-iron cooking ware imports in 1978 were Taiwan (66 percent) and the Republic of Korea (9 percent).

Stainless steel cooking ware imports increased steadily from 1974 to 1977 and almost doubled in 1978, totaling 17.4 million units, valued at $23.1 million, in that year. The Republic of Korea, Taiwan, and Japan were the

principal sources of stainless steel cooking ware imports in terms of quantity, accounting for 57 percent, 16 percent, and 15 percent of 1978 imports, respectively.

Imports of nonelectric metal cooking ware from the Republic of Korea, Taiwan, 1/ and Mexico have been entitled to duty-free entry under the provisions of the GSP since January 1, 1976. As shown in the following table, both Taiwan and the Republic of Korea have been able to capitalize on their duty-free status.

Nonelectric metal cooking ware: U.S. imports for consumption, by selected sources, 1975 and 1978

(In thousands of units)

Year	Taiwan	Republic of Korea	All countries
1975	5,029	3,711	28,512
1978	17,197	14,374	65,263

Source: Compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

From 1975 (the last year that duties were imposed) to 1978, imports from Taiwan increased 242 percent, those from the Republic of Korea increased 287 percent, and those from all sources increased 129 percent.

As a designated beneficiary developing country, Mexico also receives duty-free treatment for its exports of metal cooking ware to the United States. Imports of such cooking ware, almost entirely of porcelain-on-steel, declined during the first 2 years of the GSP program. Porcelain-on-steel cooking ware imports from Mexico increased in 1978 but were still 10 percent below the 1975 level.

Imports of nonelectric metal cooking ware by U.S. producers increased from 880,000 units, valued at $5.2 million, in 1974 to 1.2 million units, valued at $4.7 million, in 1978, when such imports accounted for about 2 percent of total U.S. imports (in terms of quantity). * * * . Most imports by U.S. producers, such as * * *, were of types of cooking ware not produced by the particular company; the producers were merely attempting to round out their cooking ware lines to make their overall product line more attractive to potential buyers. In two cases, however, producers imported the same type of cooking ware they produced domestically. GHC imported porcelain-on-steel cooking ware from Japan as well as porcelain-on-iron cooking ware from Japan * * *. GHC's porcelain-on-steel imports, * * * never exceeded * * * units in any year during 1974-78. * * *.

1/ Cast-iron cooking ware imported from Taiwan is not eligible for duty-free entry into the United States.

U.S. imports have increased both absolutely and relative to domestic production. As shown in the following table, the ratio of imports to domestic production of all nonelectric metal cooking ware rose from 13.0 percent in 1974 to 36.9 percent in 1978.

Nonelectric metal cooking ware: U.S. imports for consumption, and production, 1974-78

Item	1974	1975	1976	1977	1978
Imports-------1,000 units--	25,173	28,512	48,793	53,083	65,263
Production----------do----	193,180	168,043	190,054	172,483	176,807
Ratio of imports to production------percent--	13.0	17.0	25.6	30.8	36.9

Source: U.S. production compiled from data submitted in response to questionnaires of the U. S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

The ratios of imports to domestic production for all types of nonelectric metal cooking ware increased from 1974 to 1978 (table 7). Ratios for stamped aluminum and cast-iron cooking ware, however, exhibited declines from 1977 to 1978. Porcelain-on-steel cooking ware experienced the largest 1-year shift in the ratio of imports to production, increasing from * * * percent in 1977 to * * * percent in 1978.

The Question of Serious Injury to the Domestic Industry

U.S. production

U.S. production of nonelectric metal cooking ware declined from a peak of 193.2 million units in 1974 to 168.0 million units in 1975; production increased to 190.1 million units in 1976 and then declined to 176.8 million units in 1978. Although there appears to be some seasonality associated with the sales of certain types of cooking ware (e.g., canners, crab pots, gift items), the production of cooking ware is spread evenly through the year. U.S. production by type of cooking ware is shown in the following table.

Nonelectric metal cooking ware: U.S. production, by types, 1974-78 and, by quarters, January 1978-June 1979

(In thousands of units)

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
1974	***	126,967	6,242	***	27,810	***	193,180
1975	***	104,455	3,828	***	26,564	***	168,043
1976	***	114,526	4,148	***	31,969	***	190,054
1977	***	97,083	3,092	***	29,971	***	172,483
1978	***	105,526	2,904	***	28,814	***	176,807
1978:							
Jan.-Mar	***	26,357	677	***	7,419	***	44,360
Apr.-June	***	27,633	865	***	7,505	***	45,911
July-Sept	***	26,304	634	***	7,003	***	43,139
Oct.-Dec	***	25,232	730	***	6,887	***	43,399
1979:							
Jan.-Mar	***	25,092	794	***	5,897	***	42,063
Apr.-June	***	27,116	821	***	8,431	***	45,542

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Although production in some categories increased from 1974 to 1978, it peaked prior to 1978 for most categories. Overall changes in production between 1974 and 1978 are shown in the following tabulation:

Type	Increase or decrease (-), 1978 over 1974	Share of total production, 1978
	Percent	Percent
Cast aluminum	25.0	3.4
Stamped aluminum	-16.9	59.7
Cast iron	-53.5	1.6
Porcelain-on-steel	-34.1	5.5
Stainless steel	3.6	16.3
Other metal cooking ware	90.1	13.4
Total	- 8.5	100.0

Capacity 1/ and capacity utilization

The Commission requested that domestic producers report their annual capacity to produce nonelectric metal cooking ware by type, in units, for the

1/ Reported capacity was based on 1978 product mix and operating facilities 3 shifts a day, 5 days a week, 50 weeks a year.

years 1974-79. As indicated in the following tabulation, the capacity of the U.S. industry has moved within a narrow range, increasing from 345.9 million units in 1974 to 361.3 million units in 1979:

	Capacity 1,000 units
1974	345,916
1975	347,407
1976	345,876
1977	355,826
1978	357,856
1979 1/	361,321

1/ Annualized.

U.S. producers' production capacity is detailed by product type in table 8. More than 55 percent of total nonelectric metal cooking ware capacity in 1978 was dedicated to the production of stamped aluminum cooking ware, as shown in the tabulation below:

Type	Percentage distribution of total U.S. capacity to produce nonelectric metal cooking ware	
	1974	1978
Cast aluminum	***	***
Stamped aluminum	56.5	55.5
Cast iron	2.6	2.5
Porcelain-on-steel	***	***
Stainless steel	14.3	14.0
Other metal	***	***
Total	100.0	100.0

Although U.S. Stamping Co. closed its plant in 1978, porcelain-on-steel capacity remained unchanged, since General Housewares Corp. purchased all of the equipment located in the U.S. Stamping facility. The Commission has determined that although the U.S. Stamping facility has been closed for more than a year and some equipment has been moved to other locations, the facility could be returned to production status without major expenditures of capital. GHC estimates that phase 1 of its plans to reactivate the Moundsville plant would require an expenditure of * * * to purchase the facility, make necessary repairs and modifications to the building and acquire additional items of equipment.

Data on capacity utilization of nonelectric metal cooking ware, by types, are detailed in table 9. As shown in the following tabulation, the overall capacity utilization ratio for all nonelectric metal cooking ware declined from 55.9 percent in 1974 to 48.5 percent in January-June 1979:

	Capacity utilization (Percent)
1974	55.9
1975	48.4
1976	54.9
1977	48.5
1978	49.4
1979 (January-June)	48.5

As previously stated, capacity was based on operating production facilities 3 shifts a day, 5 days a week, 50 weeks a year. Although such a level of operation would constitute the optimally efficient use of manpower and equipment, only in a period of extraordinarily high demand could such levels be reached. Thus the trend in capacity utilization rates may be a more reliable indicator of injury in this investigation than the actual rates of utilization. Nonelectric metal cooking ware utilization declined from 55.9 percent in 1974 to 49.4 percent in 1978. Capacity utilization was lowest in the porcelain-on-steel cooking ware sector, declining from a peak utilization rate of * * * percent in 1975 to a low of * * * percent in 1978. Utilization increased to * * * percent in January-June 1979. Utilization of capacity was highest in stainless steel cooking ware production, with an average of 57.2 percent. Such utilization was at its highest level in 1976, rising to 62.5 percent before declining to 56.1 percent in 1978.

U.S. producers' domestic shipments

U.S. producers' domestic shipments of nonelectric metal cooking ware peaked in 1977 at 161.3 million units and then declined to 154.3 million units in 1978. Shipments in 1978 were valued at $427.6 million, as shown in the following table.

Nonelectric metal cooking ware: U.S. producers' domestic shipments, by types, 1974-78, January-June 1978, and January-June 1979

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
	Quantity (1,000 units)						
1974	***	99,377	5,258	***	23,461	***	157,072
1975	***	89,413	3,521	***	25,006	***	146,133
1976	***	91,540	3,655	***	29,380	***	158,723
1977	***	88,757	2,634	***	26,981	***	161,312
1978	***	83,599	2,518	***	26,353	***	154,327
Jan.-June							
1978	***	39,936	1,302	***	13,907	***	75,097
1979	***	47,483	1,311	***	12,946	***	79,771
	Value (1,000 dollars)						
1974	***	162,088	10,583	***	95,180	***	321,695
1975	***	167,464	9,088	***	104,641	***	338,943
1976	***	171,162	9,276	***	127,822	***	378,750
1977	***	177,878	8,784	***	144,368	***	411,452
1978	***	198,240	8,863	***	142,715	***	427,613
Jan.-June							
1978	***	92,344	4,276	***	70,200	***	204,308
1979	***	118,082	4,467	***	71,056	***	232,891

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

During 1974-78, U.S. producers' domestic shipments of stamped aluminum, porcelain-on-steel, and cast-iron cooking ware declined by 16 percent, 31 percent, and 52 percent, respectively. Shipments of stainless steel cooking ware were relatively unchanged between 1974 and 1978; but declined by 10 percent between 1976 and 1978. Shipments of cast-aluminum and other metal cooking ware (copper, tin, brass, and porcelain-on-iron) increased by 110 percent and 113 percent, respectively, between 1974 and 1978.

Exports

U.S. producers' nonelectric metal cooking ware exports, as shown in the following table, increased from 6.1 million units in 1974 to 8.1 million units in 1978, representing a 33-percent increase.

Nonelectric metal cooking ware: U.S. producers' exports, by types, 1974-78, January-June 1978, and January-June 1979

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
	Quantity (1,000 units)						
1974	***	2,449	226	***	2,139	***	6,055
1975	***	3,343	207	***	2,366	***	7,252
1976	***	3,508	237	***	2,848	***	8,094
1977	***	3,233	234	***	2,719	***	7,514
1978	***	3,177	146	***	3,586	***	8,095
Jan.-June--							
1978	***	1,778	77	***	1,996	***	4,667
1979	***	1,444	70	***	1,606	***	4,238
	Value (1,000 dollars)						
1974	***	5,381	574	***	8,640	***	17,075
1975	***	7,668	651	***	9,821	***	21,155
1976	***	8,781	695	***	12,236	***	24,948
1977	***	7,344	752	***	15,291	***	26,728
1978	***	7,853	545	***	16,266	***	27,716
Jan.-June--							
1978	***	3,954	255	***	8,630	***	14,846
1979	***	3,815	243	***	9,431	***	16,270

1/ Less than 500 units.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.—Because of rounding, figures may not add to the totals shown.

Exports of porcelain-on-steel cooking ware remained relatively stable throughout 1974-78, peaking at * * * units, valued at * * *, in 1976. Exports declined slightly in 1978 to * * * units, valued at * * *. Cast-aluminum and cast-iron cooking ware exports, which never accounted for more than * * * percent of U.S. production of these articles in any year during 1974-78, declined significantly during that period. The fact that both of these items are labor intensive in relation to other cooking ware products probably accounts for their poor export performance. Stamped aluminum and stainless steel cooking ware, both mass-produced, and low-labor-content items accounted for more than 80 percent of the quantity of

U.S. exports of cooking ware in 1978. The share of total exports for each type of cooking ware in 1978 is summarized in the following tabulation:

Type	Quantity	Percent of total
	1,000 units	
Cast aluminum	***	***
Stamped aluminum	3,177	39.4
Cast iron	146	1.8
Porcelain-on-steel	***	***
Stainless steel	3,586	44.5
Other metal	***	***
Total	8,095	100.0

Inventories

U.S. producers' year end inventories of nonelectric metal cooking ware fluctuated between 34.4 million units and 30.6 million units during 1974-78, as shown in table 10 and summarized in the following table.

Nonelectric metal cooking ware: U.S. producers' end-of-period inventories and shipments, 1974-78, January-June 1978, and January-June 1979

Item	1974	1975	1976	1977	1978	Jan.-June-- 1978	Jan.-June-- 1979
Inventories---million units	34.4	31.6	32.1	32.8	30.6	38.5	28.4
Shipments---------do----	157.1	146.1	158.7	161.3	154.3	75.1	79.8
Ratio of inventories to shipments--------percent	21.9	21.6	20.2	20.3	19.8	51.1	35.6

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

As shown above, producers' inventories remained virtually unchanged throughout 1974-78. Inventories as a share of shipments followed a slightly downward trend. Porcelain-on-steel cooking ware inventories declined sharply in 1978, a decline attributable to the selling off of inventories by U.S. Stamping Co. Yearend inventories for other types of cooking ware exhibited no sudden shifts during 1974-78. Inventories at midyear represent a higher share of shipments as manufacturers prepare for the holiday selling period.

Importers' yearend inventories increased throughout 1974-78, rising from 905,000 units in 1974 to 4.0 million units in 1978 (table 11). 1/ Although part of this large increase is attributable to the overall increase in importers' share of the U.S. market, importers' yearend inventories also increased as a share of total imports, rising from 3.6 percent in 1974 to 6.1 percent in 1978, as shown in the following table.

Nonelectric metal cooking ware: U.S. importers' end-of-period inventories and imports for consumption, 1974-78, January-June 1978, and January-June 1979

Item	1974	1975	1976	1977	1978	Jan.-June	
						1978	1979
Inventories---million units---	0.9	1.0	2.1	3.3	4.0	4.4	4.9
Imports----------do----	25.2	28.5	48.8	53.1	65.3	29.1	35.3
Ratio of inventories to imports---------percent--	3.6	3.5	4.3	6.2	6.1	15.1	13.9

Source: Inventories compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

As imports supply a larger share of the market, the need to provide expanded service to new and existing customers requires that the importers maintain larger inventories.

U.S. employment

The average number of production workers employed in U.S. establishments producing nonelectric metal cooking ware and the man-hours worked by those employees are shown in the following table.

1/ Data on importers' inventories were compiled from questionnaire responses and represent only a portion of total stocks of imported cooking ware.

Nonelectric metal cooking ware: Average number of employees in U.S. establishments producing nonelectric metal cooking ware, total and production and related workers producing nonelectric metal cooking ware, and man-hours worked by them, 1974-78, January-June 1978, and January-June 1979

Item	1974	1975	1976	1977	1978	January-June	
						1978	1979
Average number of--							
All employees	12,318	11,317	11,835	11,362	11,627	11,395	11,526
Production and related workers	8,357	7,400	7,807	7,435	7,638	7,584	7,689
Man-hours worked by production and related employees producing nonelectric cooking ware--							
thousands--	15,086	12,542	14,040	13,244	13,331	6,901	6,715

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

The average number of all persons employed declined irregularly from 12,318 persons in 1974 to 11,627 persons in 1978, representing a decline of 5.6 percent. The average number of production and related employees followed a similar trend, declining from 8,357 persons in 1974 to 7,638 persons in 1978, or by 8.6 percent. The average number of all employees and of production and related workers, was slightly higher in January-June 1979 than in the corresponding period of 1978.

Man-hours worked closely followed the trend reported for the average number of employees, falling from 15.1 million hours in 1974 to 13.3 million hours in 1978. The productivity of production and related workers exhibited little growth during 1974-78, as shown in the following table.

Indexes of output per man-hour worked producing nonelectric metal cooking ware, 1974-78

(1974=100)

Year	Output
1974	100
1975	105
1976	106
1977	102
1978	104

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Separate data on employment and man-hours worked are available only for porcelain-on-steel cooking ware. Production of such cooking ware was carried out in plants dedicated exclusively to that purpose. Other types of nonelectric cooking ware were usually produced in conjunction with more than one type of cooking ware or in some cases with electric cooking ware. Because of an inability to allocate the number of persons or man-hours dedicated to the production of a particular type of cooking ware, the firms involved reported data for all nonelectric metal cooking ware. Data on porcelain-on-steel cooking ware are shown in the following table.

Average number of persons employed in U.S. establishments producing porcelain-on-steel cooking ware, total and production and related workers, and man-hours worked by them, 1974-78, January-April 1978 and, January-April 1979

* * * * * * *

Employment in the production of porcelain-on-steel cooking ware fell sharply from * * * employees in 1974 to * * * employees in 1978, representing a decline of about 35 percent. Although a large portion of this decline is accounted for by the withdrawal of U.S. Stamping Co. from production in 1978, the remaining U.S. producer, General Housewares Corp., also experienced sharp employment declines. The employment figures for January-April 1978 include temporary employment by U.S. Stamping Co. to turn work in process and raw materials into finished goods. The productivity of production workers for GHC and total porcelain-on-steel production are shown in the following table.

Indexes of output per man-hour worked producing porcelain-on-steel cooking ware for General Housewares Corp. and total, 1974-78

(1974=100)

Year	Output	
	GHC	Total
1974	***	***
1975	***	***
1976	***	***
1977	***	***
1978	***	***

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Title II, chapter 2, of the Trade Act of 1974 provides for adjustment assistance to workers, firms, and communities when increased imports have contributed importantly to their economic difficulties. The following petitions for adjustment assistance have been received and decided on by the U.S. Department of Labor.

Company and location	Number of workers	Product	Decision on eligibility for assistance 1/ and date
Birmingham Stove & Range, Birmingham, Al.	361	Cast-iron cooking ware	Certified (6-14-77).
U.S. Stamping Co. Moundsville, W. Va.	232	Porcelain-enameled cooking ware	Certified (12-26-77).
General Housewares Corp., Sidney, Ohio	39	Cast-iron cooking ware	Certified (7-24-78).
Club Products Co., Cleveland, Ohio.	85	Cast aluminum cooking ware	Certified (12-08-78).
General Houseware Corp., Terre Haute Ind.	200	Porcelain-on-steel cooking ware	Certified (1-26-79).
EKCO Housewares Massillon, Ohio	250	Stainless steel cooking ware	Denied (8-10-79).

1/ Certified means the workers involved are eligible to receive adjustment assistance.

Profit-and-loss experience

Data on the financial experience of the nonelectric metal cooking ware industry were provided by 12 U.S. producers, which in the aggregate represented more than 85 percent of the value of U.S. producers' total sales in 1978. With the exception of porcelain-on-steel cooking ware, data were provided for aggregate nonelectric metal cooking ware operations only. 1/ Such data are detailed in table 12.

Net sales of nonelectric metal cooking ware by U.S. producers increased steadily from $275 million in 1974 to $364 million in 1978, representing an increase of 32 percent. Net operating profit also increased, rising from $24.9 million in 1974 to $31.9 million in 1978, or by 28 percent.

Profit-and-loss data for porcelain-on-steel cooking ware producers are shown in the following table.

1/ Data on operations by individual product (e.g., cast aluminum, cast iron) were not collected because of the difficulty in obtaining accurate data by product line.

Profit-and-loss experience of U.S. producers on their porcelain-on-steel cooking ware operations, by companies, 1974-78

* * * * * * *

Net sales of porcelain-on-steel cooking ware increased from * * * in 1974 to * * * in 1975. Net sales declined slightly in 1976, increased to * * * in 1977, and then declined 13 percent to * * * in 1978. Net operating profit amounted to * * * in 1975 and then declined irregularly to * * * in 1978. Net operating profit in 1978 was about 44 percent below the 1974 level. The ratio of net operating profit to net sales declined from * * * percent in 1975 to * * * percent in 1978. The petitioner stated in hearing testimony that a 12-percent profit-to-sales ratio would be reasonable for the industry. 1/

Individual data for the two firms in the porcelain-on-steel industry followed the same trend as the aggregated data. U.S. Stamping experienced declining profit from 1974 to 1975 and a loss in each year thereafter until the plant closed in 1978. General Housewares Corp. had its most profitable year in 1975, when it realized a * * * percent return on sales. Sales and profit declined in 1976, increased slightly in 1977, and then declined again in 1978. 2/ * * *. The following tabulation shows the ratios of various cost components to net sales for GHC during 1974-78 in percent:

Year	Raw materials	Direct labor	Depreciation	Other factory costs	Total cost of goods sold	General, selling, and administration expenses
1974	***	***	***	***	***	***
1975	***	***	***	***	***	***
1976	***	***	***	***	***	***
1977	***	***	***	***	***	***
1978	***	***	***	***	***	***

* * * * * * *

1/ Transcript of the hearing, p. 296.

2/ GHC changed inventory valuation in 1977. This change decreased 1978 profit by * * *.

Investment in nonelectric metal cooking ware

The value of net assets employed by nine producers in the production of nonelectric metal cooking ware during 1976-78 is shown in the following tabulation (in thousands of dollars):

Year	Original-cost basis	Net book value	Estimated replacement cost
1976	131,310	93,683	197,983
1977	138,364	101,67[illegible]	209,449
1978	154,288	118,87[illegible]	232,071

U.S. producers' investment in nonelectric metal cooking ware facilities increased 17 percent from 1976 to 1978 based on original cost. Net book value and replacement cost increased 27 percent and 17 percent, respectively.

Investment in facilities used in the production of porcelain-on-steel cooking ware followed the same trend as aggregate industry investment, as shown in the following tabulation (in thousands of dollars):

Year	Original-cost basis	Net book value	Estimated replacement cost
1976	***	***	***
1977	***	***	***
1978	***	***	***

Although the data on porcelain-on-steel cooking ware investment indicate an increase in investment, the 1978 data reflect a transfer of assets rather than increased investment. The machinery and equipment of the U.S. Stamping Co., a division of Lisk-Savoy Corp., was purchased by General Housewares Corp. in 1978. Although these assets were simply transferred from one firm to the other, appreciation of the assets caused the overall net asset figures to increase.

Return on investment

Calculations of return on investment during 1976-78 using net operating profit and investment data are shown in the following tabulation:

Item	1976	1977	1978
Total investment 1/-----1,000 dollars--	197,983	209,449	232,071
Return on investment----------percent--	11.7	10.9	13.8
Porcelain-on-steel investment 2/ 1,000 dollars--	***	***	***
Return on investment----------percent--	***	***	***

1/ 9 producers.
2/ 2 producers.

The operating income figure used to calculate return on investment was before taxes, interest charges, or general corporate overhead; consequently, these figures are larger then if figures for net profit after taxes had been used. Net asset data were provided to the Commission on an original-cost and a net-book-value basis, as well as at replacement cost. The use of replacement-cost valuation in the calculation of the aforementioned ratios, however, affords the most stable assets measure. Both original-cost and book-value calculations are somewhat distorted by the effects of depreciation and the time period during which the investments were originally made.

The Question of Substantial Cause

U.S. consumption and market penetration of imports 1/

Apparent consumption of nonelectric metal cooking ware increased from 176.2 million units in 1974 to 211.5 million units in 1978, representing an increase of 20.0 percent. Consumption in January-June 1979 was 110.9 million units, representing an 11.4 percent-increase over consumption in the corresponding period of 1978. The value of nonelectric metal cooking ware consumption increased from $335.5 million in 1974 to $493.6 million in 1978. The ratio of imports to apparent consumption of nonelectric metal cooking ware, in terms of quantity, increased from 14.3 percent in 1974 to 30.9 percent in 1978. In January-June 1979, the ratio increased to 31.9 percent.

1/ Data on apparent U.S. consumption of all nonelectric cooking ware, including ceramic and glass, can be found in table 13.

Nonelectric metal cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

(Quantity in thousands of units; value in thousands of dollars)

Period	Producers' shipments	Imports 1/	Exports	Apparent consumption	Ratio (percent) of imports to consumption
	Quantity				
1974	157,072	25,173	6,055	176,190	14.3
1975	146,133	28,512	7,252	167,393	17.0
1976	158,723	48,793	8,094	199,422	24.5
1977	161,312	53,083	7,514	206,881	25.7
1978	154,327	65,263	8,095	211,495	30.9
Jan.-June					
1978	75,097	29,075	4,667	99,505	29.2
1979	79,771	35,337	4,238	110,870	31.9
	Value				
1974	321,695	30,847	17,075	335,467	9.2
1975	338,943	38,694	21,155	356,482	10.9
1976	378,750	60,431	24,948	414,233	14.6
1977	411,452	70,582	26,728	455,306	15.5
1978	427,613	93,694	27,718	493,589	18.9
Jan.-June					
1978	204,308	40,074	14,846	229,536	17.5
1979	232,891	54,949	16,270	271,570	20.2

1/ Includes an insignificant amount of glass cooking ware.

Source: U.S. producers' shipments and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce as adjusted by the U.S. International Trade Commission.

Data on consumption by types of cooking ware are detailed in tables 14 to 19 and summarized in the following table.

Nonelectric metal cooking ware: Apparent U.S. consumption, by types, 1974-78, January-June 1978, and January-June 1979

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
	Quantity (million units)						
1974	***	108.3	6.3	***	24.5	***	176.2
1975	***	97.4	5.4	***	25.8	***	167.4
1976	***	104.0	11.8	***	34.1	***	199.4
1977	***	101.0	11.1	***	33.8	***	206.9
1978	***	93.8	10.0	***	40.1	***	211.5
Jan.-June							
1978	***	44.2	4.5	***	19.0	***	99.6
1979	***	51.9	6.5	***	22.3	***	110.9
	Value (million dollars)						
1974	***	165.8	10.8	***	89.6	***	335.5
1975	***	171.4	9.9	***	98.0	***	356.5
1976	***	179.0	15.1	***	122.9	***	414.2
1977	***	185.4	15.2	***	141.8	***	455.3
1978	***	202.3	14.9	***	149.6	***	493.6
Jan.-June							
1978	***	93.7	6.9	***	71.1	***	229.5
1979	***	119.0	9.0	***	77.8	***	271.6

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce as adjusted by the U.S. International Trade Commision.

Note.--Because of rounding figures may not add to the totals shown.

U.S. consumption of porcelain-on-steel cooking ware increased from * * * million units, valued at * * * million, in 1974 to * * * million units, valued at * * * million, in 1978, or by 43 percent in terms of quantity and 74 percent in terms of value. The ratio of imports to consumption increased from * * * percent in 1974 to * * * percent in 1978. Apparent consumption of cast-aluminum and stainless steel cooking ware increased between 1974 and 1978 by 147 percent and 64 percent, respectively. Stamped aluminum cooking ware consumption declined 13.4 percent from 1974 to 1978, and cast-iron consumption peaked in 1976 at 11.8 million units and then fell 15 percent to 10.0 million units in 1978.

Data on U.S. market shares by types of cooking ware, are shown in the following table.

Nonelectric metal cooking ware: Percentage distribution of U.S. consumption, by types, 1974-78, January-June 1978, and January-June 1979

(In percent)

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
	Quantity						
1974	***	61.5	3.6	***	13.9	***	100.0
1975	***	58.2	3.2	***	15.4	***	100.0
1976	***	52.3	5.9	***	17.1	***	100.0
1977	***	48.8	5.4	***	16.3	***	100.0
1978	***	44.3	4.7	***	19.0	***	100.0
Jan.-June							
1978	***	44.4	4.5	***	19.1	***	100.0
1979	***	46.8	5.9	***	20.1	***	100.0
	Value						
1974	***	49.4	3.2	***	26.7	***	100.0
1975	***	48.1	2.8	***	27.5	***	100.0
1976	***	43.2	3.6	***	29.7	***	100.0
1977	***	40.7	3.3	***	31.1	***	100.0
1978	***	41.0	3.0	***	30.3	***	100.0
Jan.-June							
1978	***	40.8	3.0	***	31.0	***	100.0
1979	***	43.8	3.3	***	28.6	***	100.0

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Cast-aluminum, cast-iron, porcelain-on-steel, and stainless steel cooking ware all increased their respective shares of the overall U.S. market for nonelectric metal cooking ware from 1974 to 1977. The largest decrease in market share was experienced by stamped aluminum cooking ware, which declined from 61.5 percent of the market in 1974 to 44.3 percent in 1978.

Lost sales

The Commission requested that the petitioner report any sales lost to imports of porcelain-on-steel cooking ware. In response, the petitioner supplied the Commission with a list of 12 firms to which they allegedly lost

sales of porcelain-on-steel cooking ware totaling * * * from 1974 to 1978. The Commission was unable to contact three of the firms listed to verify alleged lost sales, which amounted to only * * *. Details of the nine firms contacted are as follows.

* * * * * * *

The competitive relationship between domestic and imported porcelain-on-steel cooking ware was addressed by the Commission in its survey of retailers. Of those firms contacted by the Commission which stock porcelain-on-steel cooking ware, approximately half purchased at least a portion of their porcelain-on-steel requirements from General Housewares and half purchased only imports. A significant number of those retailers which purchase imported porcelain-on-steel cooking ware reported that they obtain the other types of cooking ware they carry solely through domestic manufacturers.

Lower priced imports and the lack of variety in style, color, and fittings (handles/knobs) of U.S.-produced cooking ware were the factors most often cited by buyers for department stores, hardware stores, and grocery

chains for purchasing imported porcelain-on-steel cooking ware. Imports appeared to be most price competitive among the low-end porcelain-on-steel lines. The importance of offering variety and innovative merchandise was emphasized by outlets which carry medium- to high-price merchandise. A significant percentage of buyers for these types of outlets stated that General Housewares is not competitive with imports in the variety of styles and colors of porcelain-on-steel cooking ware it offers.

Several of the showroom (catalog) outlets contacted by the Commission also reported that they stock only domestically manufactured cooking ware with the exception of that of porcelain on steel. The importance of offering recognizable name-brands was the primary reason behind their sourcing pattern. Buyers for showroom outlets indicated that their customers tend to equate a name brand with the perceived quality of the merchandise, and the name brand was considered to be an important factor in influencing a customer to select a specific item of cooking ware. However, only one of the retailers contacted which felt the name brand was relevant listed General Housewares as a name brand.

Prices

Semiannual domestic and import prices of selected articles of nonelectric cooking ware are presented in figures 2 to 4 and in tables 20 to 24 for January-June 1976 through January-June 1979. Although the various price series for domestic articles are believed to represent recent industry trends, the import prices should be viewed with caution. Because of poor questionnaire responses and wide variations in the quality and source of imported articles, the import prices shown in the graphs and tables often fluctuate widely from period to period. Despite these problems, two important conclusions emerge from an overall review of the data. First, prices of most types of U.S.-produced cooking ware rose steadily throughout the period. Second, import prices were generally lower than domestic prices of similar articles.

Rising costs of materials, energy, and labor combined with low rates of capacity utilization and declining labor productivity explain much of the increase in nonelectric cooking ware prices during the past 3 years. * * *.

Of the prices for the types of nonelectric cooking ware surveyed, those for stamped-aluminum cooking ware rose the most rapidly between the January-June 1976 and January-June 1979. Increases ranged from 50 percent for a seven-piece set to 25 percent for a 1-quart saucepan. Cast-iron cooking ware products recorded the smallest increases during this period. All the cast-iron items surveyed increased by less than 10 percent. The sharply differing rates of price increases between cast-iron and stamped-aluminum products can be partly explained by the fact that the cost of primary aluminum

Figure 2.--Nonelectric cooking ware: Domestic and import prices of an 8-inch cast-iron skillet.

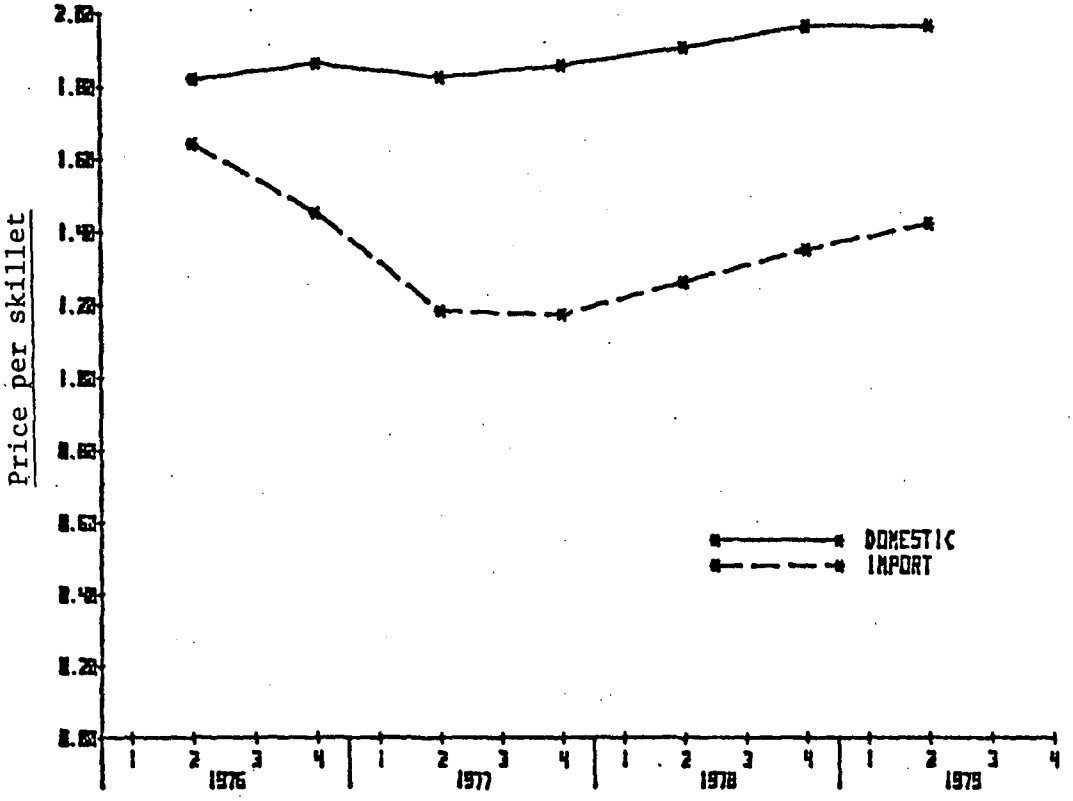


Figure 3.--Nonelectric cooking ware: Domestic and import prices of a 7-piece stainless steel set.

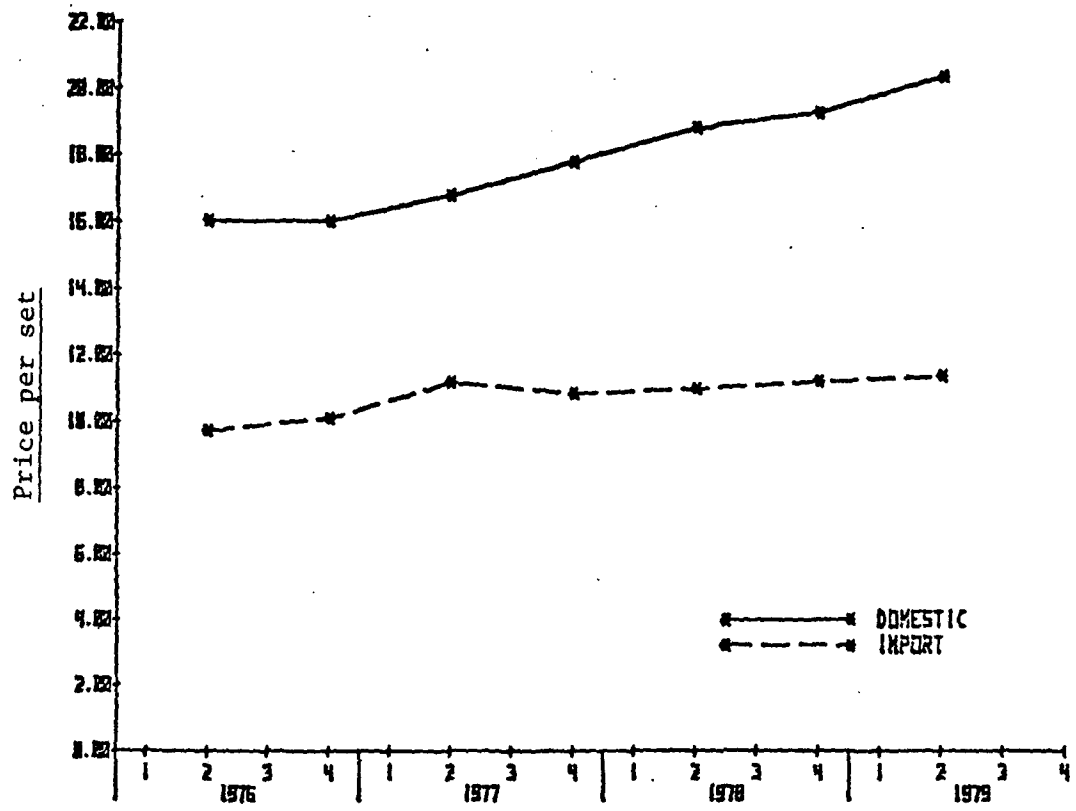
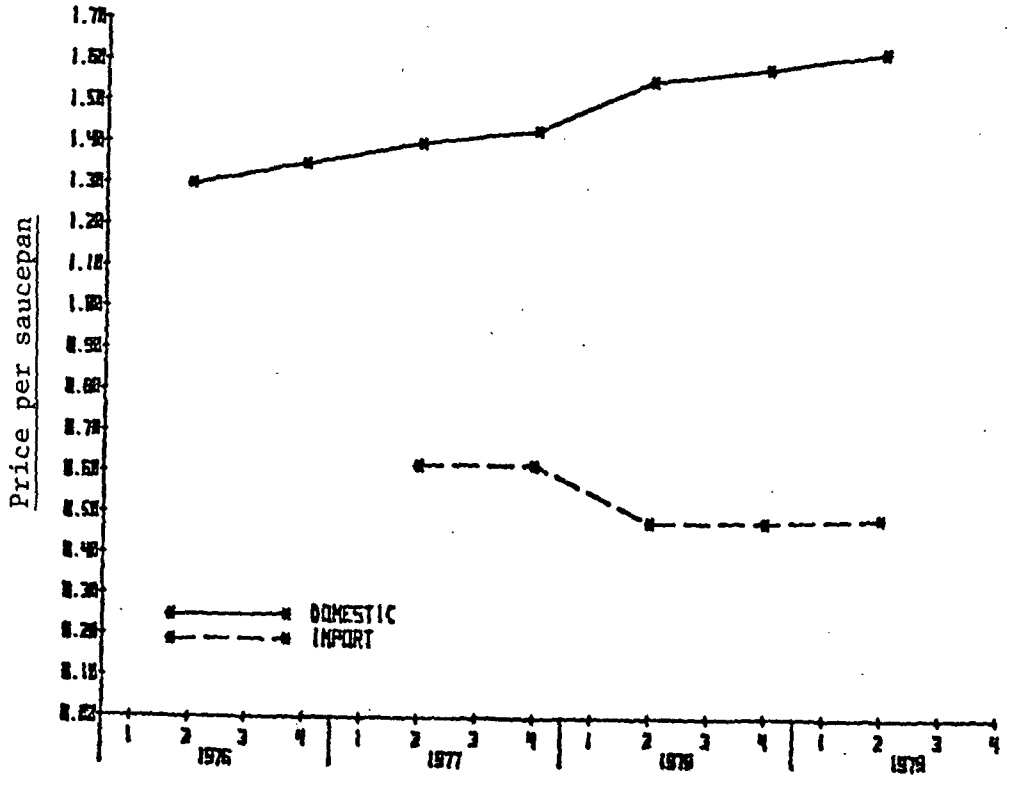


Figure 4.--Nonelectric cooking ware: Domestic and import prices of a 1-quart stamped-aluminum saucepan.



rose much more rapidly than the cost of pig iron during the 3-year time span. 1/ Table 20 shows that the price of a domestically produced seven-piece porcelain-on-steel cooking ware set increased by 23 percent between January-June 1976 and 1978. However, no further increases have occurred since that time.

Although the import price data should be viewed with caution, it is apparent that import prices of most nonelectric cooking ware were lower than domestic prices between 1976 and January-June 1979. Among the articles surveyed, the only exceptions were the seven-piece stamped-aluminum set and the seven-piece porcelain-on-steel set. All the questionnaire data for porcelain-on-steel cooking ware were obtained from firms that imported higher value cooking ware from Spain, Japan, West Germany, Italy, and Finland. Wholesale prices for the less expensive imported cooking ware from Korea, Taiwan, and Mexico were only obtained for the January-June 1979 period. Such data showed that seven-piece porcelain-on-steel fashion cooking ware sets from Taiwan and the Republic of Korea undersold comparable domestically-produced sets by margins of 36 percent and 22 percent, respectively. Specialty cooking ware imported from Mexico, such as coffee pots, skillets, stock pots, and spaghetti cookers, undersold comparable domestically-produced items by margins ranging from 18 percent to 50 percent. Although price data for these three import sources are not available for 1976-78, 2/ the unit value data in the table on page A-26 suggests that prices from these countries are significantly lower than those for Japanese and European suppliers, and are also lower on average, than domestic prices. Imports from Mexico, the Republic of Korea, and Taiwan accounted for 35 percent of all porcelain-on-steel imports in 1978.

Efforts of U.S. producers to compete with imports

U.S. producers of nonelectric metal cooking ware reported a number of examples of their efforts to become more competitive with imports. These efforts fall into three categories--production, marketing and distribution.

Production-related activities included automation of production lines, purchases of new equipment, and cost-reduction techniques such as new heat-release decals and switching from raw material in sheet form to coil form for easier and less costly handling. As shown in the following table, U.S. producers have made substantial expenditures on machinery and equipment.

1/ Department of Commerce data indicate that prices of primary aluminum rose by 32 percent between May 1976 and May 1979, while pig iron prices rose by only 11 percent during this period.

2/ The transcripts of the hearing provide evidence on p. 177 and 246 of instances where Mexican and Taiwanese prices were lower than domestic prices for similar articles.

Nonelectric metal cooking ware: U.S. producers' capital expenditures, 1974-78 and January-June 1979

(In thousands of dollars)

Item	1974	1975	1976	1977	1978	Jan.-June 1979
Land and land improvements	449	129	81	146	522	37
Building and leasehold improvements	378	106	310	997	358	55
Machinery, equipment, and fixtures:						
New	9,930	5,366	5,469	7,132	5,448	2,864
Used	20	44	233	144	213	62
Other	107	78	14	13	24	174
Total	10,884	5,723	6,107	8,432	6,565	3,192

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capital expenditures by GHC 1/, the sole remaining porcelain-on-steel cooking ware producer, are as follows:

	Expenditures (1,000 dollars)
1974	***
1975	***
1976	***
1977	***
1978	***
1979 (January-April)	***

Although the majority of U.S. producers' capital expenditures were related to competitive efforts to upgrade facilities, more than 1.1 million dollars worth was expended since 1974 to comply with regulations of various Government agencies. GHC incurred an expense of * * * in 1975 for pollution control at its porcelain-on-steel cooking ware production facility. Additional costs of * * * are expected at this plant sometime in the first half of 1980. The company is also installing pollution-control equipment at its Sidney, Ohio, foundry at a cost of * * *.

The second category of competitive efforts is those relating to marketing. Research and development expenditures aimed primarily at expanding product lines to appeal to consumers' varied tastes increased from $1.4 million in 1976 to more than $2.1 million in 1978, or by about 50 percent. Many companies have developed their own market research departments and have

1/ Porcelain-on-steel facilities only.

undertaken direct consumer advertising, a practice that had been abandoned for a number of years. * * *.

The third category of competitive efforts deals with distribution. Producers have streamlined and automated their packaging procedures, established regional warehouses, computerized their order processing, and designed new labeling and display racks. U.S. producers have also entered the promotional market through credit card sales and food continuity programs. These areas have been less sensitive to import competition, although importers are now making inroads into this market.

Possible causes of serious injury other than increased imports

Microwave ovens.--The development of microwave ovens, electronic heating devices which heat food by application of high-frequency energy, is likely to affect the demand for nonelectric metal cooking ware. The introduction of electronic controls, where previous models had only manual controls, by Amana Refrigeration, Inc. in 1975 led to an upsurge in demand for these ovens. 1/ Approximately 13 percent of all U.S. households currently contain microwave ovens. An annual growth rate of 15 percent has been forecast by market analysts, indicating that, by 1985, 50 percent of all households will contain such units.

The two principal advantages of microwave cooking are shortened cooking time and the uniform heating of food. Metal cooking ware is not suitable for use in microwave ovens: food may be placed only in glass, ceramic, or plastic utensils, or on paper. Recently, several lines of cooking ware designed and marketed primarily for use in microwave ovens have been introduced. However, since the use of microwave ovens is not suitable for the preparation of many types of meals, the need for basic metal cooking ware items such as seven-piece sets would remain even in households containing microwave ovens. The impact of microwave cooking on nonelectric cooking ware shipments would probably be concentrated (1) on the replacement market, and (2) among open-stock items. Available consumer dollars would not be directed towards upgrading "basic" cooking ware items; the purchase of some specialty items of metal could be displaced by purchases of items designed for use in microwave ovens.

Competition between different types of cooking ware.--The argument was made by the petitioner in the subject investigation that porcelain-on-steel cooking ware is a unique product which does not compete with other types of cooking ware. The survey of retailers conducted by the Commission indicated that porcelain-on-steel cooking ware does, to a limited extent, compete for

1/ Countertop Microwave Ovens From Japan: Determination of "A Reasonable Indication of Injury" in Inquiry No. AA1921-Inq.-28 Under the Antidumping Act, 1921. . ., USITC Publication 1003, September 1979.

sales with other types of cooking ware at both the retail and "final" level of competition. Thus, the petitioner could be suffering injury not only from imported porcelain-on-steel cooking ware but also from competition with other types of foreign and domestically produced cooking ware. This apparently is not the case, however, because as shown in the table on page A-45, porcelain-on-steel cooking ware maintained its relative share of total U.S. consumption of nonelectric metal cooking ware during 1974-78 and January-June 1979.

One of the questions the Commission asked buyers of cooking ware in its retailers' survey was whether they noted a chanGe in customer demand for porcelain-on-steel cooking ware and, if they did, to what factors they attributed the change. Of those buyers noting a change, approximately half indicated that customer demand for porcelain-on-steel cooking ware had increased, while half felt that demand had decreased. The factor most often cited as a cause of an increase in demand by buyers (all of whom were associated with department stores carrying low-end cooking ware) was that customers were more interested in fashion cooking ware. Other buyers indicated that they were at present promoting their cooking ware departments through brochures and displays. Sales of porcelain-on-steel cooking ware, which lends itself to this type of promotion, consequently increased.

Buyers who reported a decrease in demand for porcelain-on-steel cooking ware generally attributed the decrease to two factors: (1) The introduction of cooking ware with an interior coating of silverstone (silverstone is not applied to porcelain-on-steel cooking ware), and (2) excessive chipping of porcelain-on-steel cooking ware. Customers were perceived by buyers to be very responsive to the introduction of new products such as silverstone and to advertising. Silverstone is a nonstick coating recently developed by E.I. du Pont de Nemours & Co. which is usually applied to stamped-aluminum cooking ware. Buyers indicated that silverstone-coated cooking ware is competing successfully with porcelain-on-steel and other types of cooking ware for sales and predicted that this trend will continue.

Buyers also reported that excessive chipping, especially with light-gage porcelain-on-steel cooking ware, was responsible for a decrease in sales. The problem was reported for porcelain-on-steel items manufactured both by General Housewares and by foreign producers. In most cases, the buyer indicated that the customer was aware of this problem and did not consider buying porcelain-on-steel products because of it. Other retailers indicated that while their customers were not initially aware of the problem, they had either reduced their porcelain-on-steel cooking ware purchases or switched sources owing to high rates of return of such cooking ware by the customer.

APPENDIX A

U.S. INTERNATIONAL TRADE COMMISSION NOTICES CONCERNING INVESTIGATION NO. TA-201-39, NONELECTRIC COOKING WARE

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

PORCELAIN-ON-STEEL COOKING WARE

[TA-201-39]

Notice of Investigation and Hearing

Investigation instituted. Following receipt of a petition on May 4, 1979, filed on behalf of the General Housewares Corp., Terre Haute, Ind., the United States International Trade Commission on May 15, 1979, instituted an investigation under section 201(b) of the Trade Act of 1974 to determine whether cooking ware of steel, enameled or glazed with vitreous glasses, provided for in item 653.97 of the Tariff Schedules of the United States (TSUS), is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Public hearing ordered. A public hearing in connection with this investigation will be held in Washington, D.C., at 10:00 a.m., e.d.t., on Thursday, July 12, 1979, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street, NW. Requests for appearances at the hearing should be received in writing by the Secretary of the Commission at his office in Washington not later than noon, Friday, July 6, 1979.

Inspection of petition. The petition filed in this case is available for public inspection at the Office of the Secretary, U.S. International Trade Commission and at the New York City office of the U.S. International Trade Commission located at 6 World Trade Center.

By order of the Commission.

Kenneth R. Mason

Kenneth R. Mason
Secretary

Issued: May 16, 1979

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

NONELECTRIC COOKING WARE

(TA-201-39)

Notice of Expansion of Scope of Investigation and Change of Hearing Date

Notice is hereby given that the United States International Trade Commission, on June 25, 1979, amended the scope of its investigation No. TA-201-39, Porcelain-on-Steel Cooking Ware, being conducted under section 201(b) of the Trade Act of 1974, by adding to the scope of the investigation nonelectric cooking ware, provided for in items 533.77, 546.38, 546.56, 546.59, 653.85, 653.93, 653.94, 654.05, 654.10, and 654.15 of the Tariff Schedules of the United States (TSUS). The investigation, redesignated the Nonelectric Cooking Ware investigation, is being conducted to determine whether nonelectric cooking ware, provided for in items 533.77, 546.38, 546.56, 546.59, 653.85, 653.93, 653.94, 653.97, 654.05, 654.10, and 654.15 of the TSUS, is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. Notwithstanding the broadening of the scope of this investigation, the Commission may find that imports are affecting only more narrowly defined product classes.

A public hearing in connection with this investigation originally scheduled for July 12, 1979, is rescheduled on Tuesday, August 14, 1979, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street,

N.W., Washington, D.C., at 10:00 a.m., e.d.t. Requests for appearances at the hearing should be received in writing by the Secretary of the Commission at his office in Washington not later than noon, Thursday, August 9, 1979.

Notice of the Commission's institution of the investigation and hearing was published in the Federal Register of May 22, 1979 (44 F.R. 29740).

By order of the Commission.

Kenneth R. Mason
Secretary

Issued: June 25, 1979

UNITED STATES INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C.

NONELECTRIC COOKING WARE
(TA-201-39)

Notice of Postponement of Public Hearing

Notice is hereby given that the United States International Trade Commission has postponed its public hearing in connection with investigation No. TA-201-39, nonelectric cooking ware, scheduled for Tuesday, August 14, 1979. The public hearing will be held Thursday, September 6, 1979, in the Hearing Room, U.S. International Trade Commission Building, 701 E Street, N.W., Washington, D.C., at 10:00 a.m., e.d.t. Requests for appearances at the hearing should be received in writing by the Secretary of the Commission at his office in Washington not later than noon, Friday, August 31, 1979.

By order of the Commission.

Kenneth R. Mason
Secretary

ISSUED: July 31, 1979

APPENDIX B

DOMESTIC PRODUCERS AND THEIR PRODUCTS

Aluminum Specialty
Manitowoc, Wis.
Stamped aluminum

Anchor Hocking
Lancaster, Ohio
Glass

Atlanta Stove Works
Atlanta, Ga.
Cast iron

Commercial Aluminum Cookware Co.
Toledo, Ohio
Stamped aluminum

Composite Metal Products
Eighty Four, Pa.
Stamped aluminum

Corning Glass Works
Corning, N.Y.
Ceramic and glass

Club Products Co.
Jacksonville, Ark.
Cast aluminum stamped

EKCO Housewares Co.
Franklin Park, Ill.
Stainless steel, tin

Enterprise Aluminum Co.
Macon, Ga.
Stamped aluminum, stainless steel

Farberware
Bronx, N.Y.
Stainless steel

General Houseware Corp.
Terre Haute, Ind.
Porcelain-on-steel
Cast aluminum, cast iron

Jeannette Corp.
Jeanette, Pa.
Glass

Leyse Aluminum Co.
Kenaunee, Wis.
Stamped aluminum

Lodge Manufacturing
South Pittsburg, Tenn.
Cast iron

Mirro Aluminum
Manitowoc, Wis.
Stamped aluminum

Northland Aluminum
Minneapolis, Minn.
Stamped aluminum

Regal Ware, Inc.
Kewaskum, Wis.
Cast aluminum, stainless steel, copper

Revere Copper and Brass
Clinton, Ill.
Aluminum, stainless steel, copper

Vita Craft Corp.
Shawnee, Kans.
Stainless steel

The Vollrath Co.
Sheboygan, Wis.
Stainless steel

Wear-Ever Aluminum, Inc.
Chillicothe, Ohio
Stamped aluminum

West Bend Company
West Bend, Wis.
Stamped aluminum, stainless steel

APPENDIX C

METHODOLOGY USED TO ESTIMATE U.S. IMPORTS

Calculation of Import Statistics for Investigation No. TA-201-39, Nonelectric Cooking Ware

The U.S. Department of Commerce compiles statistics on the quantity and value of imports of nonelectric cooking ware by (TSUSA) item number. The unit of quantity reported is individual pieces of cooking ware. 1/

The import data in this report for the years 1974-77 for cooking ware of cast aluminum, stamped aluminum, and stainless steel were obtained directly from the official statistics of the U.S. Department of Commerce. Effective January 1, 1978, the coverage of the TSUS item numbers for cast aluminum (654.10), stamped aluminum (654.10), and stainless steel cooking ware (653.94) was expanded to include both cooking ware and kitchenware. It was therefore necessary to adjust the official statistics of the U.S. Department of Commerce for these items, for 1978 and January-June 1979, to exclude kitchenware. Such adjustments were based on an examination of import trends and responses received by the Commission from questionnaires sent to importers of cooking ware.

U.S. imports of cast-iron cooking ware entered the United States from 1974 through 1977 under a TSUSA item (653.9560) that included uncoated iron or steel cooking ware other than that made from stainless steel. Since a previous analysis by the Commission 2/ indicated that the amount of merchandise other than cast-iron cooking ware entering under that item was insignificant and did not alter the basic import trends, the Commission did not attempt to adjust the official statistics. Beginning January 1, 1978, the coverage of this TSUSA item was revised to exclude iron or steel cooking ware other than of cast iron; the coverage of this item was also expanded to include kitchenware made of cast iron. Since the amount of cast-iron kitchenware in this item is believed to be insignificant, the Commission did not adjust the official import statistics for 1978 and January-June 1979 to exclude kitchenware. Statistics on the quantity of imports of cast-iron cooking ware have not been collected by the Commerce since 1978. The statistics reported by the Commission for such cooking ware were calculated by applying estimated unit values for 1978 and January-June 1979 to the value of imports compiled by Commerce.

Prior to January 1, 1978, porcelain-on-steel and porcelain-on-iron cooking ware entered the United States under TSUSA item 653.9720. Since then, these items have entered under TSUSA item 653.9725, which includes porcelain-on-steel and porcelain-on-iron kitchenware items. On the basis of data submitted to the Commission by importers of enameled iron and steel and an analysis of import entry documents, the Commission estimated the relative percentages of porcelain-on-steel and porcelain-on-iron cooking ware and kitchenware entering under TSUSA items 653.9720 and 653.9725. These percentages, which are reported in the following table, were applied to the official statistics compiled by the U.S. Department of Commerce.

1/ Quantity is not reported for cast-iron cooking ware (TSUS item 653.93).

2/ Cast-Iron Cooking Ware: Report to the President on Investigation No. TA-201-21. . ., USITC Publication 817, May 1979.

Estimated percentages of porcelain-on-metal cooking ware and kitchenware entering under TSUSA Nos. 653.9720 1/ and 653.9725, 2/ 1974-78, January-June 1978, and January-June 1979

(In percent)

Period	Porcelain-on-steel cooking ware	Porcelain-on-iron cooking ware	Kitchenware 3/
	Quantity		
1974	80	20	0
1975	89	11	0
1976	90	10	0
1977	93	7	0
1978	94	6	.5
January-June			
1978	94	6	.5
1979	94	6	.5
	Value		
1974	68	32	-
1975	80	20	-
1976	82	18	-
1977	88	12	-
1978	92	8	0.5
January-June			
1978	92	8	0.5
1979	94	6	0.5

1/ 1974-77.
2/ 1978, January-June 1978, and January-June 1979.
3/ Estimated percentage of kitchenware applied to official statistics for 1978, January-June 1978, and January-June 1979; percentages of porcelain-on-steel and porcelain-on-iron cooking ware applied to remainder.

Source: Estimated by the Commission on the basis of an analysis of import entry documents and responses to Commission questionnaires sent to importers.

Other metal nonelectric cooking ware includes cooking ware of porcelain on iron, copper, tin, and uncoated iron and steel. Official statistics for copper cooking ware were adjusted (for 1978 to the present) to exclude kitchenware on the basis of data received by the Commission in response to questionnaires sent to importers. Official import statistics for tin cooking ware, which is imported under a TSUSA item that includes articles suitable for food and beverage service, were adjusted to include only cooking ware on the basis of an analysis of import entry documents. Imports of ceramic and glass cooking ware were compiled by the Commission from data submitted in response to questionnaires.

APPENDIX D

STATISTICAL TABLES

Table 1.—Nonelectric metal cooking ware: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	Jan.-June--	
						1978	1979
	Quantity (1,000 units)						
Taiwan	4,227	5,101	12,681	14,611	18,773	7,384	8,463
Republic of Korea	3,050	3,664	8,561	11,496	14,834	5,962	10,764
Japan	3,369	3,592	5,537	8,430	6,885	1,473	3,150
France	3,814	4,205	5,491	4,035	2,878	1,692	1,714
Spain	3,062	2,451	2,349	2,153	2,955	1,214	2,812
Italy	1,183	1,273	1,775	1,960	3,793	1,193	1,147
Hong Kong	2,218	1,443	2,488	3,186	6,597	2,431	2,817
All other	4,250	6,783	9,911	7,212	8,548	7,726	4,470
Total	25,173	28,512	48,793	53,083	65,263	29,075	35,337
	Value (1,000 dollars)						
Taiwan	2,632	3,032	8,909	11,622	19,926	7,282	10,134
Republic of Korea	2,132	2,033	6,220	11,929	17,697	7,019	14,025
Japan	4,405	4,425	3,321	13,026	15,126	7,555	7,716
France	6,139	10,222	13,960	10,490	8,634	5,141	5,574
Spain	5,748	5,700	6,222	6,074	7,385	2,611	7,593
Italy	1,096	1,670	2,974	3,712	6,848	2,478	1,865
Hong Kong	1,182	684	1,240	3,429	4,083	1,374	2,107
All other	7,513	10,928	17,585	10,300	13,995	6,614	5,935
Total	30,847	38,694	60,431	70,582	93,694	40,074	54,949

Source: Compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 2.—Porcelain-on-steel nonelectric cooking ware: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	Jan.-June--	
						1978	1979
	Quantity (1,000 units)						
Japan	1,079	1,380	2,488	3,519	3,592	1,817	1,372
Spain	2,397	2,100	2,057	1,952	2,691	1,073	2,639
Taiwan	18	18	46	533	2,998	855	790
Italy	2	62	361	399	1,248	436	192
France	535	620	662	1,144	658	424	274
Mexico	1,293	2,363	1,989	1,943	2,104	1,002	1,215
Republic of Korea	161	54	244	484	1,113	376	608
All other	1,455	2,594	3,120	3,167	5,286	3,739	1,546
Total	6,940	9,191	10,967	13,141	19,690	9,722	8,636
	Value (1,000 dollars)						
Japan	1,859	2,250	4,332	7,425	10,149	5,077	4,865
Spain	3,821	4,461	4,874	5,223	6,616	2,274	7,114
Taiwan	20	12	85	808	4,480	1,320	1,565
Italy	5	178	951	1,201	4,408	1,401	766
France	1,363	2,162	2,512	3,502	3,476	2,106	2,176
Mexico	809	2,125	1,978	1,469	2,178	985	1,205
Republic of Korea	200	68	415	757	1,721	572	978
All other	3,027	4,760	6,053	5,604	6,808	3,641	3,338
Total	11,104	16,016	21,200	25,989	39,836	17,376	22,007

Source: Imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 3.--Cast aluminum nonelectric cooking ware: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	Jan.-June--	
						1978	1979
	Quantity (1,000 units)						
Taiwan	157	409	824	1,073	1,449	638	970
Hong Kong	24	81	23	1	189	83	127
Republic of Korea	24	2	26	162	147	65	98
France	2	3	8	1/	168	74	112
Italy	15	23	76	11	63	28	42
All other	120	102	117	111	84	36	57
Total	342	620	1,074	1,358	2,100	924	1,406
	Value (1,000 dollars)						
Taiwan	174	533	756	1,471	3,024	1,210	2,172
Hong Kong	14	30	23	3	536	215	385
Republic of Korea	10	7	9	266	439	176	315
France	3	8	8	1	293	117	210
Italy	19	55	107	35	195	78	140
All other	128	146	299	370	390	155	281
Total	348	779	1,202	2,146	4,877	1,951	3,503

1/ Less than 500 units.

Source: Imports compiled from official statistics of the U.S. Department of Commerce as adjusted by the U.S. International Trade Commission.

Table 4.--Stamped aluminum nonelectric cooking ware: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	Jan.-June--	
						1978	1979
	Quantity (1,000 units)						
France	2,999	3,324	4,325	2,363	1,210	544	533
Taiwan	2,982	3,033	4,316	5,415	4,906	2,206	2,160
Hong Kong	1,781	918	1,333	2,125	2,727	1,227	1,201
Republic of Korea	1,674	2,219	4,173	3,990	2,584	1,162	1,138
Italy	1,119	1,030	898	825	826	372	364
All other	845	826	948	760	1,075	487	478
Total	11,400	11,350	15,993	15,478	13,328	5,998	5,874
	Value (1,000 dollars)						
France	3,546	6,829	9,520	4,471	2,653	1,167	1,040
Taiwan	1,791	1,316	1,926	2,671	2,610	1,148	1,023
Hong Kong	944	444	672	2,133	2,345	1,031	919
Republic of Korea	884	656	1,884	2,450	1,739	765	682
Italy	937	1,086	1,241	1,535	1,068	470	419
All other	1,012	1,226	1,337	1,650	1,540	679	600
Total	9,114	11,557	16,580	14,910	11,955	5,260	4,683

Source: Imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 5.--Cast-iron nonelectric cooking ware: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	Jan.-June--	
						1978	1979
	Quantity (1,000 units)						
Taiwan	715	1,236	6,212	6,342	5,039	2,284	2,612
France	29	50	82	110	487	174	496
Republic of Korea	4	154	718	957	677	248	759
Japan	259	386	418	555	1/	1/	1/
West Germany	21	6	18	7	1/	1/	1/
All other	229	227	943	759	1/	1/	1/
Total	1,257	2,059	8,391	8,730	7,638	3,297	5,248
	Value (1,000 dollars)						
Taiwan	319	788	4,578	4,983	4,737	2,147	2,743
France	30	39	141	202	1,067	381	1,250
Republic of Korea	13	120	619	704	508	186	554
Japan	186	248	454	573	62	30	125
West Germany	16	6	13	12	55	53	5
All other	196	295	692	675	140	38	99
Total	760	1,496	6,497	7,149	6,569	2,835	4,776

1/ Not available.

Source: Imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 6.--Stainless steel nonelectric cooking ware: U.S. imports for consumption, by principal sources, 1974-78, January-June 1978, and January-June 1979

Source	1974	1975	1976	1977	1978	Jan.-June--	
						1978	1979
	Quantity (1,000 units)						
Republic of Korea	1,147	1,282	3,386	5,790	9,825	4,038	6,187
Taiwan	330	333	961	984	2,751	1,130	1,732
Japan	1,351	1,313	2,620	1,815	2,551	1,048	1,606
France	51	50	125	123	104	47	65
Hong Kong	224	160	220	466	1,444	593	910
All other	104	70	266	334	702	269	436
Total	3,207	3,208	7,578	9,512	17,377	7,125	10,936
	Value (1,000 dollars)						
Republic of Korea	931	1,165	3,062	7,360	12,486	5,120	8,745
Taiwan	311	239	805	902	3,512	1,440	2,460
Japan	1,181	1,084	2,004	2,218	3,480	1,427	2,437
France	258	227	649	928	746	306	523
Hong Kong	104	75	115	327	689	282	482
All other	227	371	645	950	2,220	910	1,553
Total	3,012	3,161	7,280	12,685	23,133	9,485	16,200

Source: Imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 7.—Nonelectric metal cooking ware: Ratios of U.S. imports for consumption to production, by types, 1974-78, January-June 1978, and January-June 1979

(In percent)

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
1974	***	9.0	20.1	***	11.5	***	13.0
1975	***	8.1	53.8	***	12.1	***	17.0
1976	***	14.0	202.3	***	23.7	***	25.7
1977	***	15.9	282.3	***	31.7	***	30.8
1978	***	12.6	263.0	***	60.3	***	36.9
Jan.-June--							
1978	***	11.1	213.8	***	20.2	***	32.2
1979	***	11.3	325.0	***	76.3	***	40.3

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 8.—Nonelectric metal cooking ware: U.S. production capacity, by types, 1974-79

(In thousands of units)

Year	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
1974	***	195,306	9,000	***	49,545	***	345,916
1975	***	196,178	9,000	***	49,464	***	347,407
1976	***	191,560	9,000	***	51,151	***	345,876
1977	***	193,445	9,000	***	51,926	***	355,826
1978	***	195,994	9,000	***	51,407	***	357,856
1979	***	200,394	9,000	***	50,472	***	361,321

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 9.--Nonelectric metal cooking ware: U.S. capacity utilization, by types, 1974-78 and January-June 1979

(In percent)

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
1974	***	65.0	69.4	***	56.2	***	55.9
1975	***	53.2	42.5	***	53.7	***	48.4
1976	***	59.8	46.1	***	62.5	***	54.9
1977	***	50.2	34.4	***	57.7	***	48.5
1978	***	53.8	32.3	***	56.1	***	49.4
1979 (Jan.-June)	***	52.1	35.9	***	56.8	***	48.5

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 10.—Nonelectric metal cooking ware: U.S. producers' inventories, Dec. 31 of 1974-78 and June 30 of 1978 and 1979

(In thousands of units)

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
Dec 31--							
1974	***	25,864	237	***	3,806	***	34,440
1975	***	22,083	228	***	3,170	***	31,601
1976	***	23,796	347	***	3,088	***	32,097
1977	***	22,704	266	***	3,950	***	32,835
1978	***	21,679	407	***	3,181	***	30,572
June 30--							
1978	***	28,078	365	***	4,306	***	38,480
1979	***	19,018	472	***	3,268	***	28,358

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 11.--Nonelectric metal cooking ware: U.S. importers' inventories, Dec. 31, 1974-78 and June 30 of 1978 and 1979

(In thousands of units)

Period	Aluminum		Cast-iron	Porcelain-on-steel	Stainless steel	Other	Total
	Cast	Stamped					
Dec. 31--							
1974	1/	454.2	86.8	135.5	116.8	111.8	905.1
1975	1/	623.1	148.2	130.5	78.9	48.8	1,029.5
1976	46.4	1,030.8	283.4	324.9	293.5	157.8	2,136.8
1977	99.8	2,053.1	263.1	497.6	260.0	171.6	3,345.2
1978	26.3	2,469.2	671.9	465.8	262.0	132.2	4,027.4
June 30--							
1978	95.7	2,998.3	395.9	388.5	375.5	183.2	4,437.1
1979	35.0	3,341.3	410.7	565.5	431.0	168.5	4,952.0

1/ Less than 50 units.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 12.--Profit-and-loss experience of U.S. producers on their production of nonelectric metal cooking ware, 1974-78

Year	Net sales	Cost of goods sold	Gross profit	General, selling, and administrative expenses	Net operating profit	Ratio of net operating profit to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1974	274,999	204,529	70,470	45,604	24,866	9.0
1975	289,604	213,512	76,092	48,652	27,440	9.5
1976	316,812	232,801	84,011	53,443	30,568	9.6
1977	339,007	252,930	86,077	55,402	30,675	9.0
1978	364,287	270,812	93,477	61,561	31,914	8.6

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 13.—Nonelectric cooking ware: 1/ U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

* * * * * * *

Table 14.—Porcelain-on-steel cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

* * * * * * *

Table 15.--Cast aluminum cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

* * * * * * *

Table 16.--Stamped aluminum cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

(Quantity in thousands of units; value in thousands of dollars)

Period	Producers' shipments	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption
	Quantity				
1974	99,377	11,400	2,449	108,328	10.5
1975	89,413	11,350	3,343	97,420	11.7
1976	91,540	15,993	3,508	104,025	15.4
1977	88,757	15,478	3,233	101,002	15.3
1978	83,599	13,328	3,177	93,750	14.2
January-June--					
1978	39,936	5,998	1,778	44,156	13.6
1979	47,483	5,874	1,444	51,913	11.3
	Value				
1974	162,088	9,114	5,381	165,821	5.5
1975	167,464	11,557	7,668	171,353	6.7
1976	171,162	16,580	8,781	178,961	9.3
1977	177,878	14,910	7,344	185,444	8.0
1978	198,240	11,955	7,853	202,342	5.9
January-June--					
1978	92,344	5,260	3,954	93,650	5.6
1979	118,082	4,683	3,815	118,950	3.9

Source: U.S. producers' shipments and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 17.--Cast-iron cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

(Quantity in thousands of units; value in thousands of dollars)

Period	Producers' shipments	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption
	Quantity				
1974	5,258	1,257	226	6,289	20.0
1975	3,521	2,059	207	5,373	38.3
1976	3,655	8,391	237	11,809	71.1
1977	2,634	8,730	234	11,130	78.4
1978	2,518	7,638	146	10,010	76.3
January-June--					
1978	1,302	3,297	77	4,522	72.9
1979	1,311	5,248	70	6,489	80.9
	Value				
1974	10,583	760	574	10,769	7.1
1975	9,088	1,496	651	9,933	15.1
1976	9,276	6,497	695	15,078	43.1
1977	8,784	7,149	752	15,181	47.1
1978	8,863	6,569	545	14,887	44.1
January-June--					
1978	4,276	2,835	255	6,856	41.4
1979	4,467	4,776	243	9,000	53.1

1/ Not available.

Source: U.S. producers' shipments and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 18.--Stainless steel cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

(Quantity in thousands of units; value in thousands of dollars)

Period	Producers' shipments	Imports	Exports	Apparent consumption	Ratio (percent) of imports to consumption
	Quantity				
1974	23,461	3,207	2,139	24,529	13.1
1975	25,006	3,208	2,366	25,848	12.4
1976	29,380	7,578	2,848	34,110	22.2
1977	26,981	9,512	2,719	33,774	28.2
1978	26,353	17,377	3,586	40,144	43.3
January-June--					
1978	13,907	7,125	1,996	19,036	37.4
1979	12,946	10,936	1,606	22,276	49.1
	Value				
1974	95,180	3,012	8,640	89,552	3.4
1975	104,641	3,161	9,821	97,981	3.2
1976	127,822	7,280	12,236	122,866	5.9
1977	144,368	12,685	15,291	141,762	8.9
1978	142,715	23,133	16,266	149,582	15.5
January-June--					
1978	70,200	9,485	8,630	71,055	13.3
1979	71,056	16,200	9,431	77,825	20.8

Source: U.S. producers' shipments and exports compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce, as adjusted by the U.S. International Trade Commission.

Table 19.--Other nonelectric metal cooking ware: U.S. producers' shipments, imports for consumption, exports, and apparent consumption, 1974-78, January-June 1978, and January-June 1979

* * * * * * *

Table 20.—Porcelain-on-steel cooking ware: Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and importers for sales of 7-piece sets, 1/ by specified periods, January 1976-June 1979

Period	Domestic cooking ware		Imported cooking ware		Ratio of average import price to average domestic price
	Range	Arithmetic average	Range	Arithmetic average	
					Percent
1976:					
Jan.-June	***	***	$15.25-$20.44	$17.48	***
July-Dec	***	***	16.18- 20.91	18.00	***
1977:					
Jan.-June	***	***	16.82- 27.32	21.12	***
July-Dec	***	***	12.93- 27.32	19.31	***
1978:					
Jan.-June	***	***	13.22- 31.58	21.88	***
July-Dec	***	***	13.66- 35.79	22.11	***
1979:					
Jan.-June 2/	***	***	12.87- 38.06	20.11	***

1/ Consists of 4 bottoms and 3 covers. The 4 bottoms consist of 2 saucepans (1 quart to 3 quarts), 1 skillet (8 to 10 inches), and 1 Dutch oven (4 to 6 quarts).

2/ Prior to 1979 reported prices were for imports from Austria, Finland, Italy, Japan, and Spain. January-June 1979 prices also include prices for imports from the Republic of Korea and Taiwan.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 21.--Cast-aluminum cooking ware: Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and importers for sales of 7-piece sets, 1/ by specified periods, January 1976-June 1979

Period	Domestic cooking ware		Imported cooking ware		Ratio of average import price to average domestic price
	Range	Arithmetic average	Range	Arithmetic average	
					Percent
1976:					
Jan.-June	***	***	$7.57	$7.57	***
July-Dec	***	***	7.57	7.57	***
1977:					
Jan.-June	***	***	$19.80- 25.65	22.73	***
July-Dec	***	***	7.21- 25.65	17.56	***
1978:					
Jan.-June	***	***	19.80- 29.53	24.78	***
July-Dec	***	***	8.53- 29.53	21.61	***
1979: Jan.June	***	***	20.39- 29.53	24.97	***

1/ Consists of 4 bottoms and 3 covers. The 4 bottoms consist of 2 saucepans (1 quart to 3 quarts), 1 skillet (8 to 10 inches), and 1 Dutch oven (4 to 6 quarts).

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 22.—Stamped-aluminum cooking ware: Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and importers for sales of selected types, by specified periods, January 1976-June 1979

Period	Domestic cooking ware		Imported cooking ware, arithmetic average	Ratio (percent) of average import price to average domestic price
	Range	Arithmetic average		
	12 gage or heavier, 7-piece set 1/			
1976:				
Jan.-June	$10.55-$15.28	$12.92	-	-
July-Dec	11.59- 25.11	13.05	-	-
1977:				
Jan.-June	12.16- 25.11	17.41	$25.70	147.6
July-Dec	12.16- 25.11	17.56	25.70	146.4
1978:				
Jan.-June	12.77- 27.11	18.42	25.70	139.5
July-Dec	13.40- 27.11	17.94	25.70	143.3
1979: Jan.-June	14.08- 29.51	19.41	29.53	152.1
	19 gage or lighter, 1-quart saucepan 2/			
1976:				
Jan.-June	$0.80-$2.38	$1.30	-	-
July-Dec	.85- 2.43	1.35	-	-
1977:				
Jan.-June	.90- 2.43	1.40	$0.62	44.3
July-Dec	.94- 2.43	1.43	.62	43.4
1978:				
Jan.-June	.99- 2.68	1.55	.48	31.0
July-Dec	1.04- 2.68	1.58	.48	30.4
1979: Jan.-June	1.09- 2.68	1.62	.49	30.3

1/ Consists of 4 bottoms and 3 covers. The 4 bottoms consist of 2 saucepans (1 quart to 3 quarts), 1 skillet (8 to 10 inches), and 1 Dutch oven (4 to 6 quarts), all coated with silverstone.

2/ Noncoated, sunray interior finish.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 23.—Cast-iron cooking ware: Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and importers for sales of selected types, by specified periods, January 1976-June 1979

Period	Domestic cooking ware		Imported cooking ware		Ratio (percent) of average import price to average domestic price
	Range	Arithmetic average	Range	Arithmetic average	
	6-1/2" skillet, polished				
1976:					
Jan.-June	$1.33-$1.35	$1.34	$0.65-$2.00	$0.98	73.1
July-Dec	1.35- 1.40	1.38	.65- 2.00	1.30	94.2
1977:					
Jan.-June	1.33- 1.35	1.34	.57- .96	.75	56.0
July-Dec	1.33- 1.39	1.36	.57- .96	.76	55.9
1978:					
Jan.-June	1.39- 1.42	1.41	.65- .96	.80	56.7
July-Dec	1.42- 1.47	1.46	.70- .96	.84	57.5
1979: Jan.-June	1.42- 1.47	1.46	.70- 1.10	.89	61.0
	8" polished skillet				
1976:					
Jan.-June	$1.77-$1.86	$1.82	$0.75-$3.00	$1.64	90.1
July-Dec	1.86- 1.87	1.86	.75- 3.00	1.45	78.0
1977:					
Jan.-June	1.77- 1.86	1.82	.80- 1.40	1.18	64.8
July-Dec	1.77- 1.92	1.85	.80- 1.40	1.17	63.2
1978:					
Jan.-June	1.88- 1.92	1.90	.90- 1.65	1.26	66.3
July-Dec	1.88- 2.04	1.96	1.00- 1.60	1.35	68.9
1979: Jan.-June	1.88- 2.04	1.96	1.10- 1.80	1.42	72.5

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 24.--Stainless steel cooking ware: Ranges and arithmetic averages of lowest net selling prices received by U.S. producers and importers for sales of solid stainless 7-piece sets, 1/ by specified periods, January 1976-June 1979

Period	Domestic cooking ware		Imported cooking ware		Ratio of average import price to average domestic price
	Range	Arithmetic average	Range	Arithmetic average	
					Percent
1976:					
Jan.-June	$15.75-$16.35	$16.05	$8.75-$10.50	$9.75	60.7
July-Dec	15.75- 16.35	16.05	8.75- 11.21	10.12	63.1
1977:					
Jan.-June	16.35- 17.33	16.84	9.50- 13.25	11.20	66.5
July-Dec	17.45- 18.20	17.83	8.75- 14.00	10.88	61.0
1978:					
Jan.-June	18.65- 19.11	18.88	10.00- 12.00	11.01	58.3
July-Dec	18.65- 20.07	19.36	9.82- 12.14	11.24	58.1
1979: Jan.-June	19.65- 21.27	20.46	10.75- 12.00	11.42	55.8

1/ Consists of 4 bottoms and 3 covers. The 4 bottoms consist of 2 saucepans (1 quart to 3 quarts), 1 skillet (8 to 10 inches), and 1 Dutch oven (4 to 6 quarts).

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Library Cataloging Data

U.S. International Trade Commission.
Nonelectric cooking ware. Report to the President on investigation no. TA-201-39 under section 201 of the Trade act of 1974. Washington, 1979.

17, A 91 p. illus. 28 cm. (USITC Publication 1008)

1. Kitchen utensils. 2. Enameled ware.
3. Aluminum. 4. Steel, Stainless.
5. Cast-iron. 6. Enamel and enameling.
I. Title. II. Title: Cooking ware.

UNITED STATES
INTERNATIONAL TRADE COMMISSION
WASHINGTON, D.C. 20436

OFFICIAL BUSINESS

ADDRESS CORRECTION REQUESTED

PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, $300

U.S.MAIL

ADDRESS CHANGE
☐ Remove from List
☐ Change as Shown
Please detach address label and mail to address shown above.