



ECONOMIC CONSULTING SERVICES, LLC

**BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**IN THE MATTER
OF
CERTAIN AMOPHOUS SILICA FABRIC FROM CHINA**

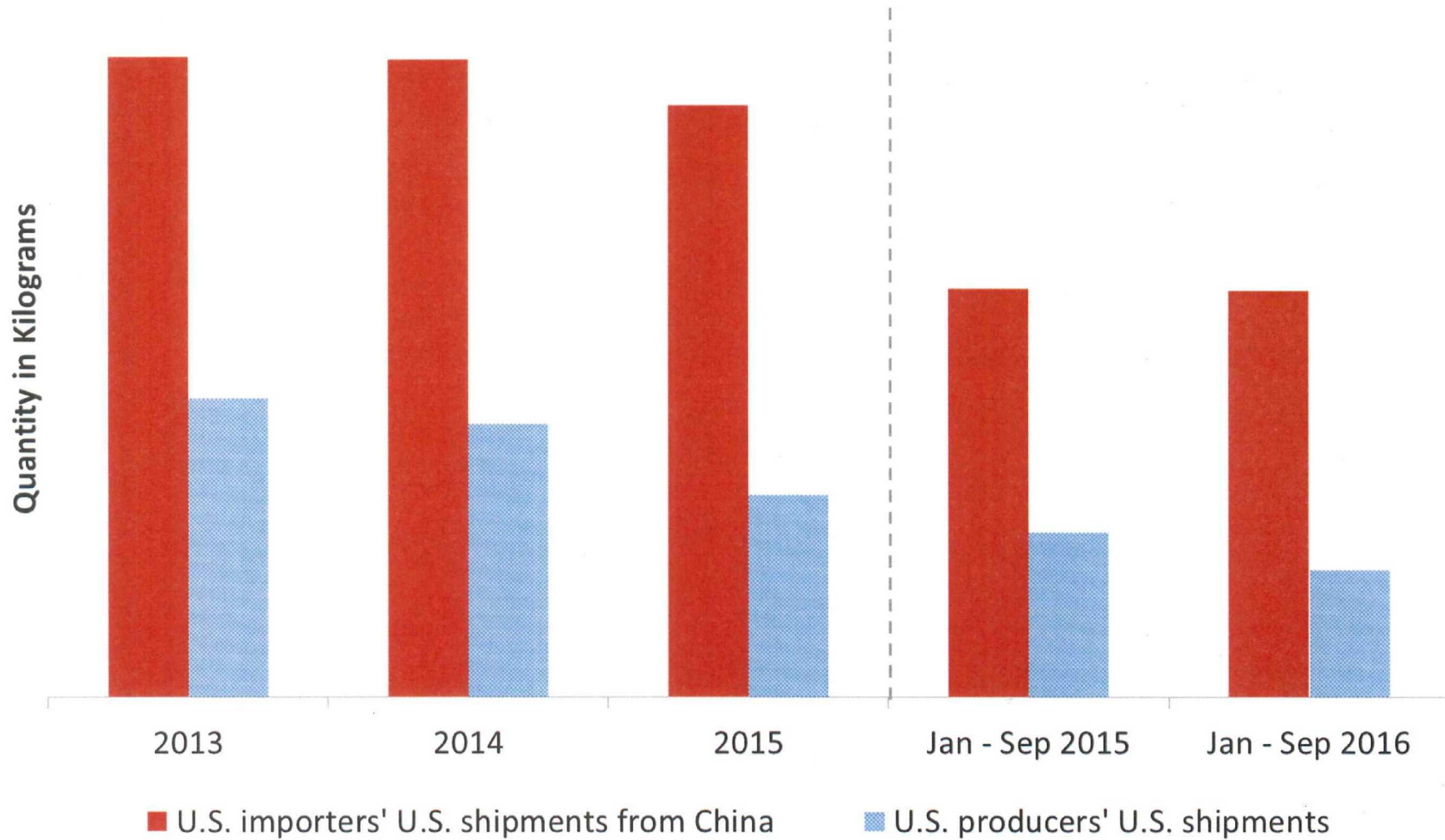
Inv. No. 701-TA-555 and 731-TA-1310 (Final)

**EXHIBITS TO TESTIMONY OF
JIM DOUGAN
VICE PRESIDENT
ECONOMIC CONSULTING SERVICES, LLC**

January 18, 2017

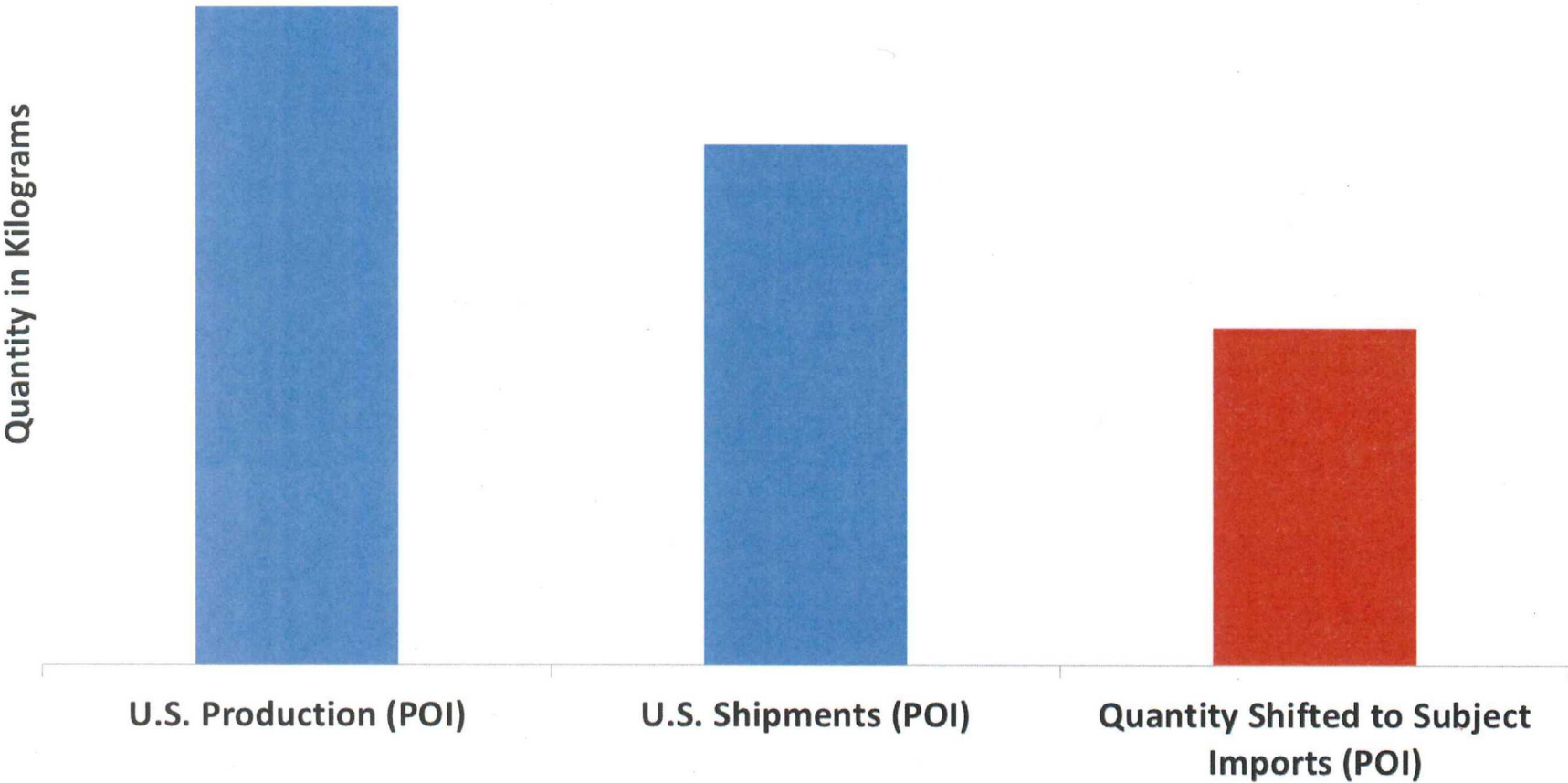
Washington, D.C.

Subject Imports Grew Market Share in a Declining Market



Source: Prehearing Staff Report Tables IV-4 and VII-2.

Purchasers Confirm Switching Massive Volumes to Subject Imports Because of Low Prices



Sources: Prehearing Staff Report at Tables V-9, III-2, III-3 at page III-5, and Purchaser Questionnaire Regarding RFQs/Bids at table 4 (c).

The Record Shows Overwhelming Evidence of Underselling

“...prices for ASF imported from China were below those for U.S.-produced product in all 35 instances (approximately 1.8 million square yards); margins of underselling ranged from 15.7 to 68.4 percent.”

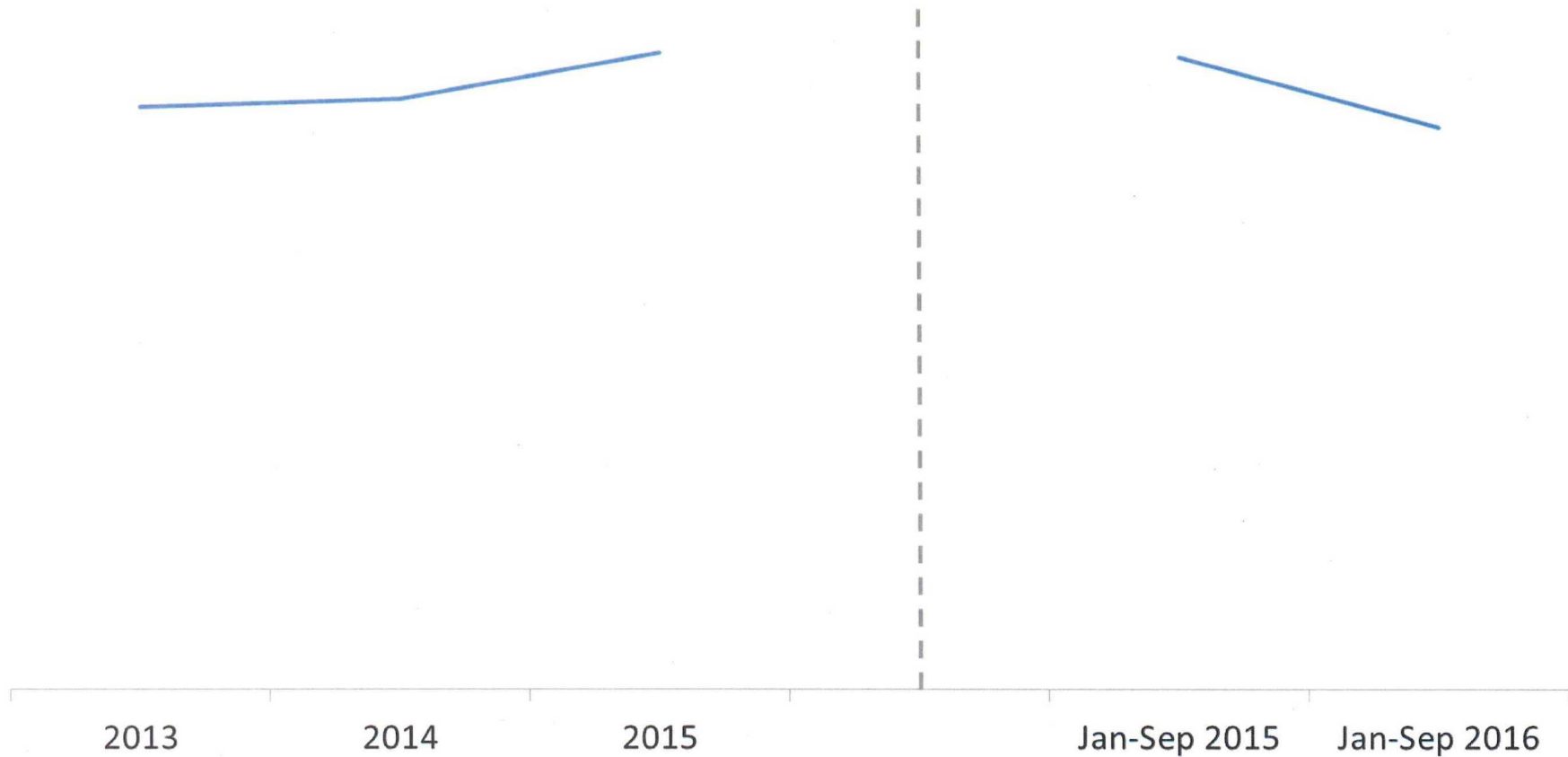
-Prehearing Staff Report (Public Version) at V-17.

Subject Imports Depressed U.S. Prices

- Significant purchaser confirms U.S. producers lowered prices to compete with low-priced imports from China
- Despite price cuts, U.S. producers still lost sales
- Fewer sales to price-sensitive customers mask full depressive impact of unfairly traded subject imports

Subject Imports Suppressed U.S. Prices

COGS / Sales Ratio:

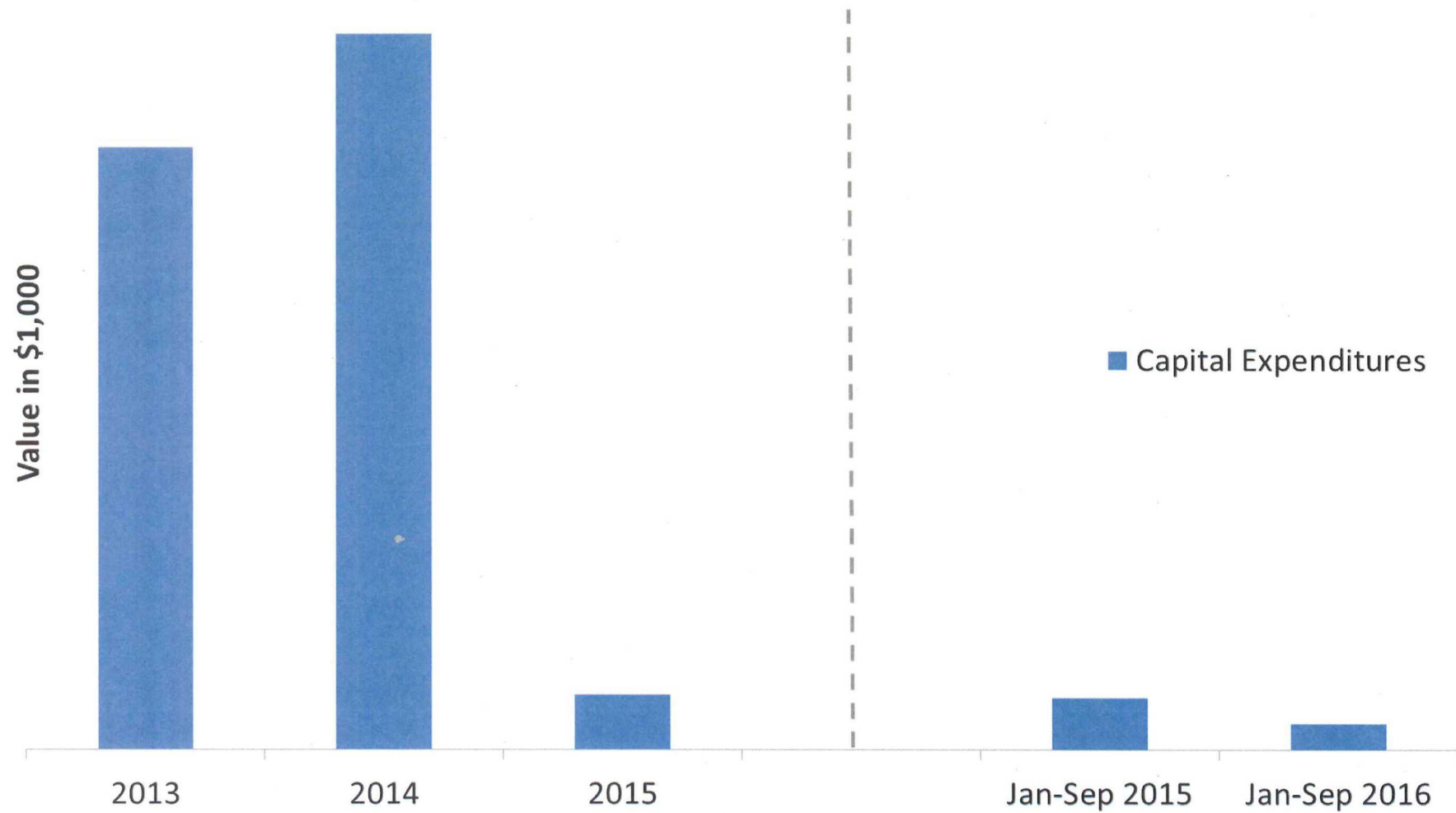


Source: Prehearing Staff Report at Table VI-1.

Subject Imports Have Caused Significant Adverse Impact to the Domestic Industry

- Production, shipments, capacity utilization, net sales quantity and net sales value down over the POI
- Extreme financial hardship

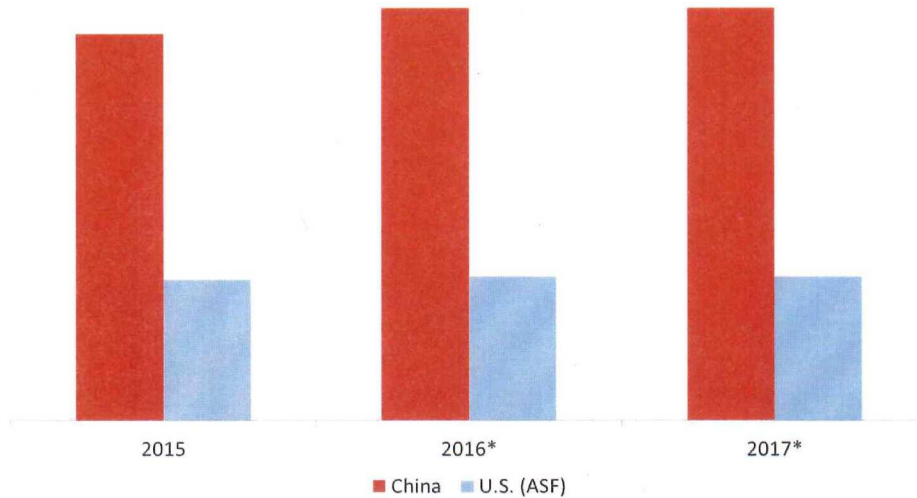
Domestic Producers Have Severely Reduced Capital Investments



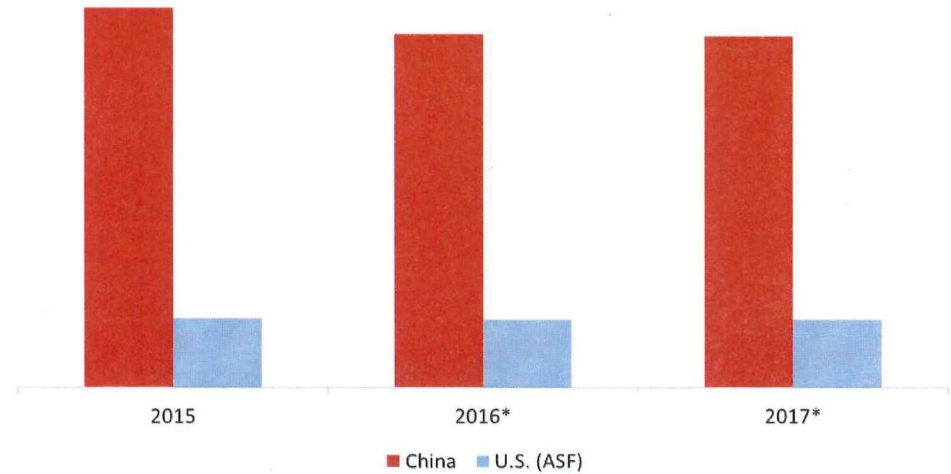
Source: Prehearing Staff Report at Table VI-3.

Chinese Capacity and Production Dwarf Domestic Capacity and Production

Chinese Capacity vs. U.S. Capacity



Chinese Production vs. U.S. Production



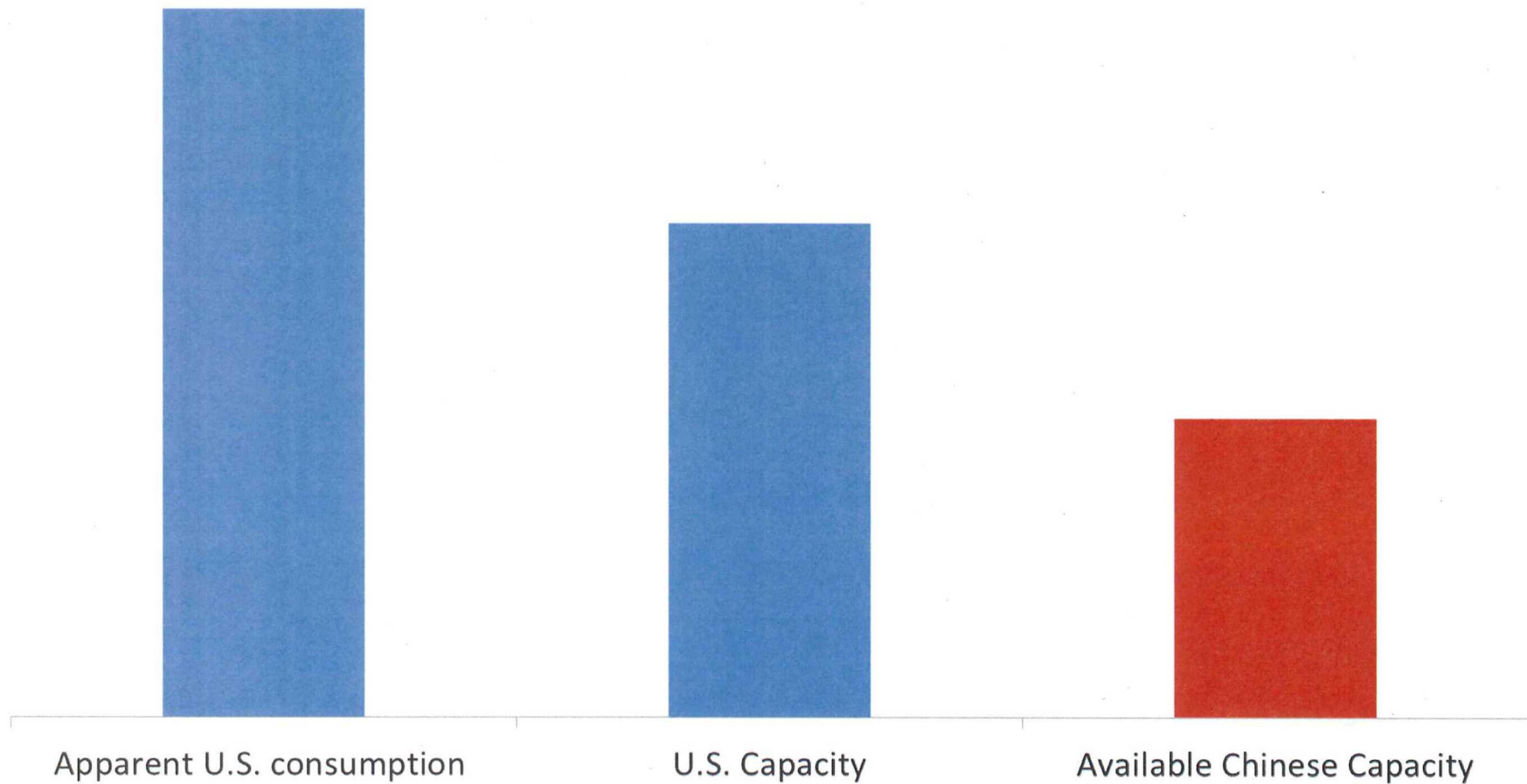
Source: Prehearing Staff Report at pages VII-6 and III-3.

* U.S. ASF Capacity is the annualized capacity calculated based on part year 2016 data, and assuming that 2017 will be consistent with 2016.

Source: Prehearing Staff Report at pages VII-6 and III-3.

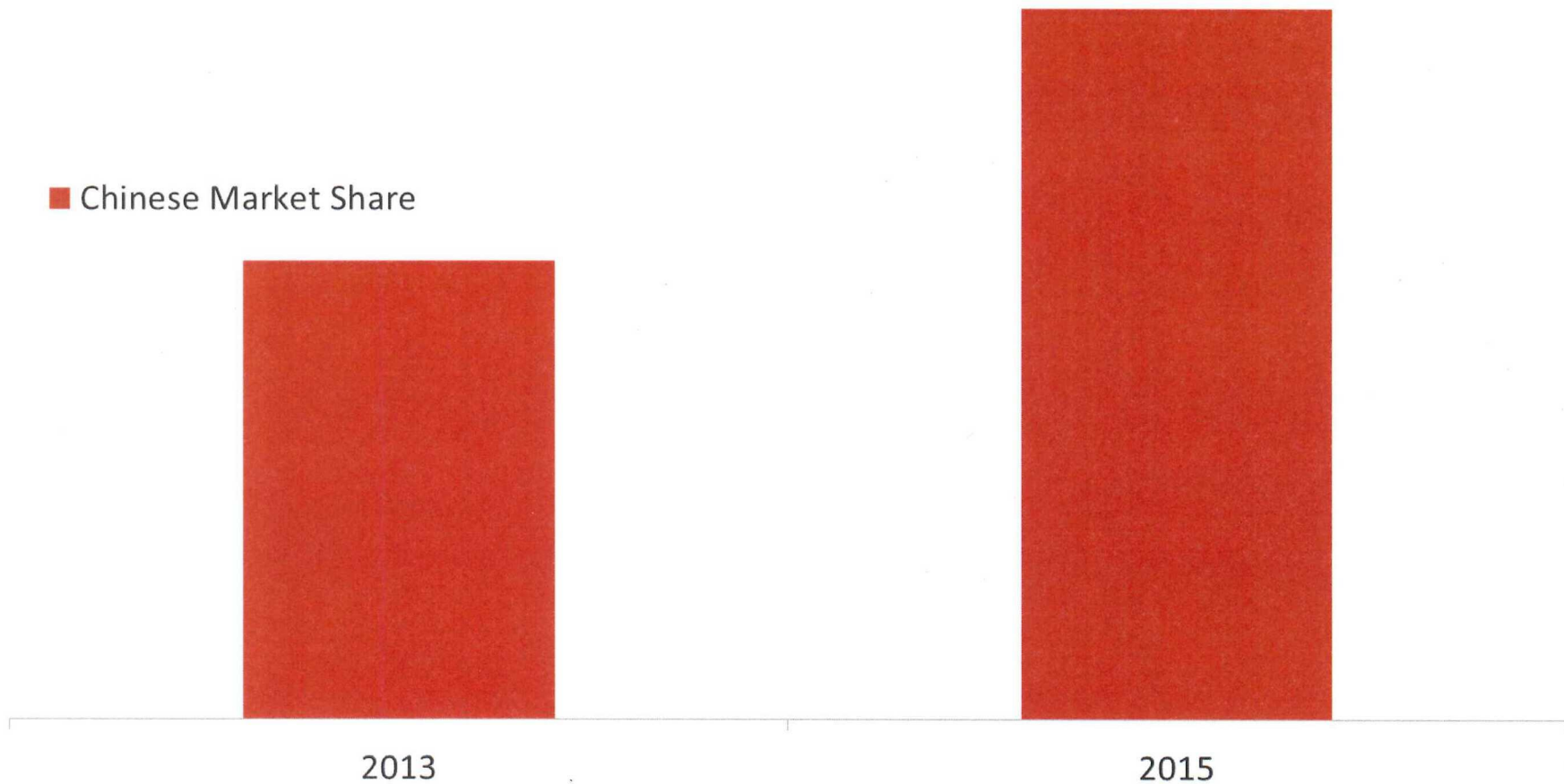
*U.S. ASF Production is the annualized production calculated based on part year 2016 data, and assuming that 2017 will be consistent with 2016.

Available Capacity in China is Enormous Relative to U.S. Capacity and Consumption in 2015



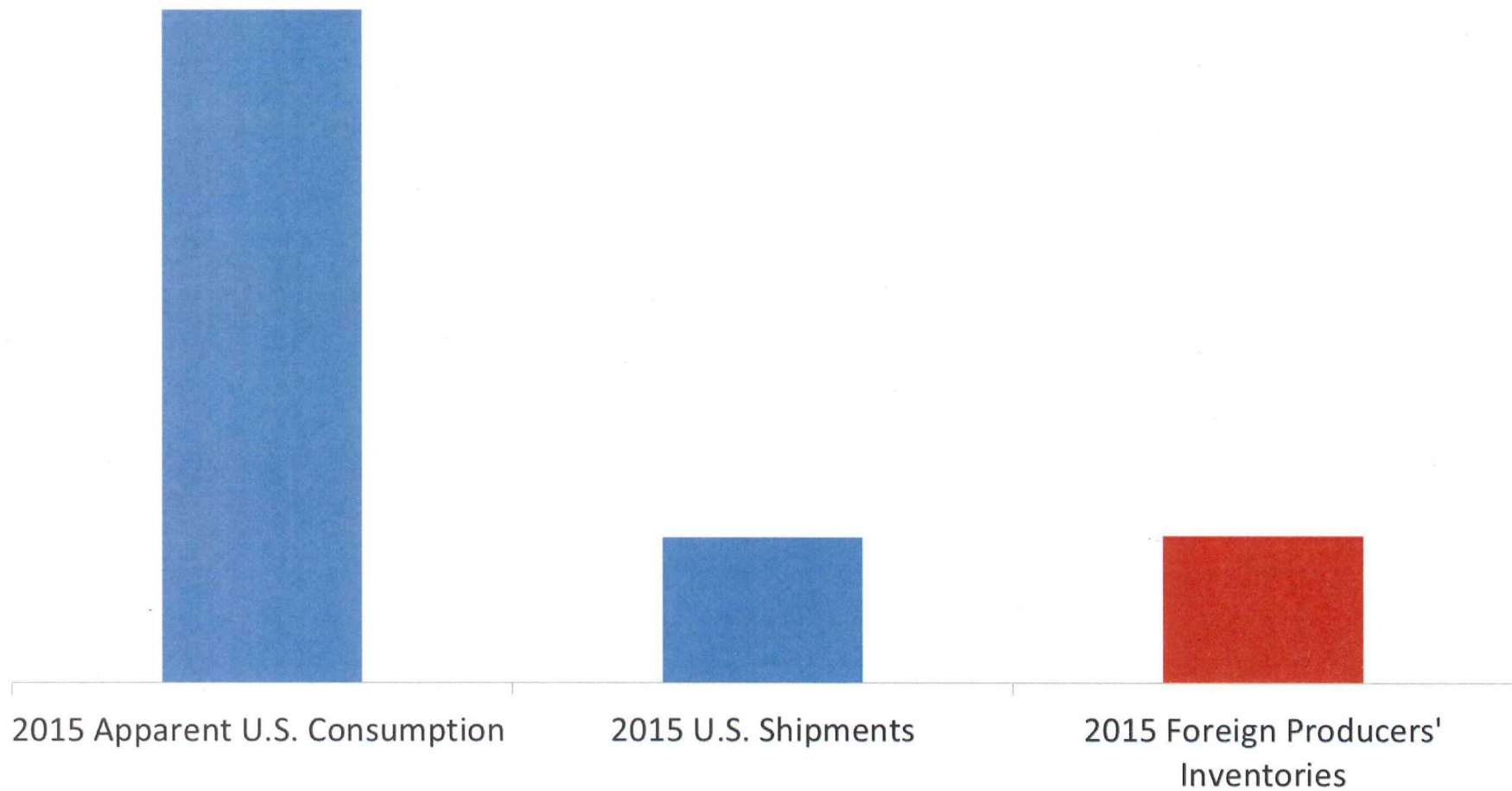
Source: Prehearing Staff Report at Tables IV-4, III-2 and VII-2.

Chinese Producers Rapidly Increased their Penetration of U.S. Market



Source: Prehearing Staff Report at Tables IV-4 and VII-2 .

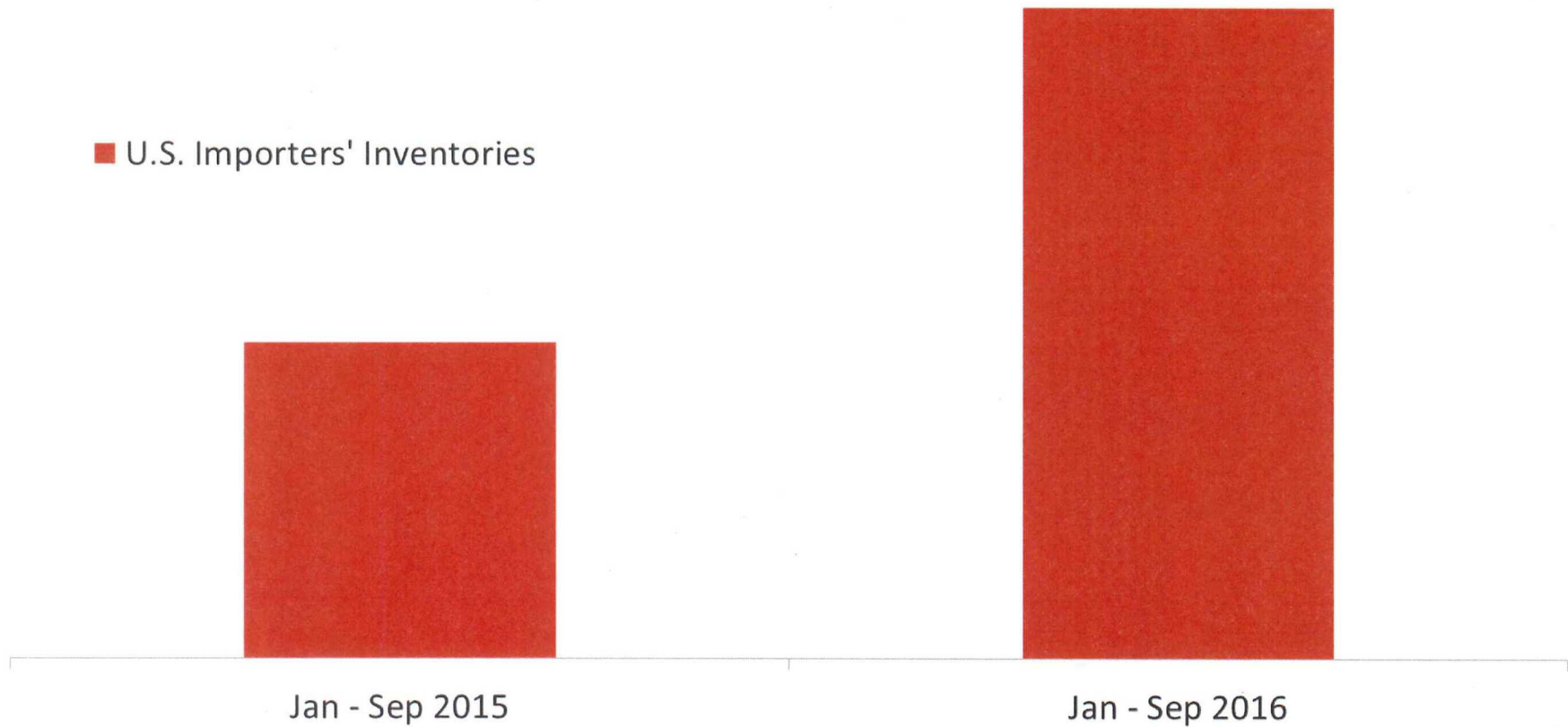
Chinese Producers' Inventories Threaten the Domestic Industry



Source: Prehearing Staff Report at Tables IV-4 and VII-2.

Importers' Inventories of Chinese ASF Threaten the Domestic Industry

■ U.S. Importers' Inventories



Source: Prehearing Staff Report at Table VII-3.