

**Remarks by the Separate Customs Territory of Taiwan,
Penghu, Kinmen and Matsu at Regular Meeting
of the Committee on Anti-Dumping Practices
on Wednesday 30 April 2014**

Subject:

**3. Semi-Annual Reports of anti-dumping actions
(Article 16.4)**

**Antidumping duty imposed by Brazil on nylon synthetic
filaments products and cold-rolled stainless steel products.**

Thank you, Mr. Chairman/Madam Chair.

- The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu would like to express our concern over Brazil's handling of the antidumping case on nylon synthetic filaments and cold-rolled stainless steel products as described in its Semi-Annual Report.

- **In the case concerning certain nylon synthetic filaments (polyamide 6, polyamide 6.6)**, on 27 December 2013, Brazil published its final determination as a result of the investigation and proceeded to impose antidumping duty for a period of five years. On 8 January of this year (2014), one of our respondents appealed to the Council of Ministers of the Chamber of Foreign Trade (CAMEX) against the determination of the duty by the Department of Commercial Defence (DECOM). The appeal was dismissed with no explanation given for the 3% upward adjustment in cost and no correction to the error made by DECOM in its calculation of the dumping margin.
- To be specific, DECOM wrongly calculated the average group (CODIP) costs using the simple average method instead of the weighted average method. In addition, in conducting the sales-below-cost test, DECOM erroneously deducted the indirect selling expenses and the financial expenses from the net sales price, in spite of the previously verified fact that such expenses had already been accounted for in the costs. These errors led to an incorrect result in the sales-below-cost test and, in turn, to an error in the calculation of the normal value.
- The aforementioned practices are inconsistent with Articles 2.2.1 and 2.4 of the Anti-Dumping Agreement. Moreover, we would contend that by wrongly using a simple average dumping margin of the two selected respondents to calculate

the dumping margin that applied to our non-selected cooperative respondents, the Brazil authority is in violation of Article 9.4 of the Agreement. For this reason, in accordance with normal WTO practice, we are asking Brazil to present an explanation for its handling of this case.

- **On cold-rolled stainless steel products**, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu would like to express our serious concern, once again, over anti-dumping investigation process used by Brazil on the imports of certain flat-rolled products of cold-rolled stainless steel, which, in our view, fails to comply with Articles 6.8 and paragraphs 3, 5 and 7 of Annex II of the WTO Anti-Dumping Agreement (ADA).
- The Brazil government published the final determination of this investigation on 4 October, 2013 and proceeded to impose antidumping duty for five years.

My government's opinion on this case was sent to Brazil's Department of Commercial Defence (DECOM) and Council of Ministers of the Chamber of Foreign Trade (CAMEX) in September 2013, calling for the problem to be rectified by adopting the cost, sales and financial data submitted by the two companies involved, instead of using the groundless and erroneous data unreasonably proposed by the petitioners. We also raised our concerns at the previous WTO CADP meeting on 23 October last year, 2013.

- To our deep regret, however, no effective, positive response has yet been forthcoming from Brazil. Brazil's decision in this case is having a major long-term negative impact on those individual companies of ours that are directly involved, as well as the steel industry as a whole, and preventing businesses from conducting international trade in the Brazil market, and beyond, in a fair manner.

With that having been said, Mr. Chairman/Madam Chair, my delegation would like to raise our grave concerns once more, and urge Brazil to take prompt and effective action to address the problem, to bring its practices in line with WTO rules and to ensure that conditions of fair and open trade prevail for the products in question.

- **The detailed facts are as follows:**

At the start, DECOM's verification report accepted the domestic cost data that had been submitted by the two steel companies before the deadline. However, in the Essential Facts Disclosure in the Technical Notes, DECOM rejected all the cost and domestic sales data submitted by both companies.

In the case of the first company, DECOM rejected all the submitted costs and domestic sales data for the company's 430 series because it did not submit cost code 430B (which is also categorized under the 430 series, but accounted for

only a minor proportion of the company's domestic sales and export sales to Brazil).

As for the second company, DECOM rejected all the costs and domestic sales data for its products because it could not account for a fluctuation in the price of its 304 grade products during the month of July 2011 (even though the company had, following the publication of the verification report, submitted an explanation for the fluctuation: the main variable, by far, being normal production factors). DECOM then adopted the unsubstantiated profit rates directly proposed by the petitioners, resulting in a totally unreal increase in the normal values of the Taiwanese producers' products concerned. This, we submit, is in violation of Articles 6.8 and paragraphs 3 and 5 of Annex II of the WTO ADA.

● **To summarise:**

The unsubstantiated "normal value" proposed by the petitioners ignores all published financial data on our major producers. These are publicly listed companies, therefore their financial statements are also in the public domain and easily available, but neither the petitioners nor DECOM attempted to obtain or consult them. Thus DECOM failed to fulfil its obligation to check its information, and instead opted to use the profit rates provided directly by the petitioners to calculate normal values. This led to an unreal

and unsubstantiated increase in our producers' normal values, and is in violation of paragraph 7 of Annex II of the ADA.

- In conclusion, we urge DECOM to make the necessary adjustments and amend its practices as soon as possible, in order to comply with the relevant rules of the Anti-Dumping Agreement. We shall be closely monitoring Brazil's responses and actions in this respect, and we reserve our rights under the relevant WTO agreements.

Thank you, Mr. Chairman/Madam Chair, for giving me the floor.

1	2	3	4	5	6	7	8	9	10	11
South Africa (Cont'd)	Polypropylene resin (*) NCM 3902.10.20, 3902.30.00 ID 1303756	19/03/2013 D: 04/2011-03/2012 I: 04/2007-03/2012						38,406,88t (04/2011-03/2012)	14.7% of total imports	
	Radial tyres to be used on buses or lorries (*) NCM 4011.20.90 ID1305756	10/06/2013 D: 04/2011-03/2012 I: 04/2007-03/2012						3,973t (04/2011-03/2012)	4.2% of total imports	
Sweden	Wire of steel coated with zinc NCM 7217.20.10, 7217.20.90 ID 1312764	14/10/2013 D: 01-12/2012 I: 01/2008-12/2012						4,146t (01/2012-12/2012)	95.7% of total imports	
Chinese Taipei	Seamed tubes of austenitic stainless steel of circular section, with an outside diameter of 6 mm (1/4 inch) or more but less than 2032 mm (80 inches), with a thickness of 0.40 mm or more and less than or equal to 12.70 mm (*) NCM 7306.40.00, 7306.90.20 ID 1201161	07/03/2012 D: 01/2011-12/2011 I: 01/2007-12/2011		29/07/2013 Definitive anti-dumping duty (US\$359.66/t - US\$911.71/t) to seamed tubes of austenitic stainless steel of circular section, with an outside diameter of 6mm or more but less than 2032 mm, with a thickness of 0.40 mm or more and less than or equal to 12.70 mm, from Chinese Taipei. All Others US\$911.71/t			20/02/2013 6 months extension of the investigation	7,068.5t (01-12/2010)	68.9% of total imports	HMP
Chinese Taipei	Cold-rolled stainless steel sheet, grades 304, 304L and 430 (*) NCM 7219.32.00, 7219.33.00, 7219.34.00, 7219.35.00, 7220.20.90. ID 1202161	13/04/2012 D: 01/2011-12/2011 I: 01/2007-12/2011		04/10/2013 Definitive anti-dumping duty (US\$616.67/t - US\$705.61/t) to cold-rolled stainless steel sheet, grades 304, 304L and 430, from Chinese Taipei. All others US\$705.61/t			14/03/2013 6 months extension of the investigation	20,266.3t (10/2010-09/2011)	37.5% of total imports	HMP
	Non-oriented silicon steel (*) NCM 7225.19.00, 7226.19.00 ID 1203161	19/04/2012 D: 01/2011-12/2011 I: 01/2007-12/2011		17/07/2013 Definitive anti-dumping duty (US\$ 198.34/t) to non-oriented silicon steel from Chinese Taipei. All others US\$567.16/t			06/02/2013 6 months extension of the investigation	19,386.6t (10/2010-09/2011)	33.5% of total imports	HMP

1	2	3	4	5	6	7	8	9	10	11
	Motorcycle rubber tyres NCM 4011.40.00 ID 1207161	25/06/2012 D: 04/2011-03/2012 I: 04/2007-03/2012				19/12/2013 Negative final determination of dumping	03/06/2013 6 months extension of the investigation	285.6t (07/2010-06/2011)	4.0% of total imports	HMP
	Nylon yarns (*) NCM 5402.31.11, 5402.31.19, 5402.45.20 ID 1209161	09/07/2012 D: 04/2011-03/2012 I: 04/2007-03/2012	16/09/2013 Preliminary determination (US\$220.70/t - US\$286.26/t)	27/12/2013 Definitive anti-dumping duty (US\$282.97/t - US\$445.45/t) to nylon yarns from Chinese Taipei. All others US\$1,629.18/t			Investigation 10/06/2013 6 months extension of the investigation	7,986.8t (07/2010-06/2011)	26.3% of total imports	
	Tyres, of a kind used on motor cars (*) NCM 4011.10.00 ID 1210161	20/07/2012 D: 04/2011-03/2012 I: 04/2007-03/2012				31/12/2013 Request from petitioner	20/06/2013 6 months extension of the investigation	2,923.2t (07/2010-06/2011)	4.1% of total imports	
Chinese Taipei (Cont'd)	Liquid epoxy resin (*) NCM 3907.30.11, 3907.30.19, 3907.30.21, 3907.30.22 ID 1301161	03/01/2013 D: 04/2011-03/2012 I: 04/2007-03/2012					Investigation	3,367t (04/2011-03/2012)	12% of total imports	
	Radial tyres to be used on buses or lorries (*) NCM 4011.20.90 ID1305161	10/06/2013 D: 04/2011-03/2012 I: 04/2007-03/2012						7,102t (04/2011-03/2012)	7.5% of total imports	
	Biaxially oriented polypropylene (BOPP), without graphics(*) NCM 3920.20.19 ID 1317161	16/12/2013 D: 07/2012-06/2013 I: 07/2008-06/2013						1,442.8t (07/2012-06/2013)	3.9% of total imports	
	Motorcycle rubber tyres NCM 4011.40.00 ID 1207776	25/06/2012 D: 04/2011-03/2012 I: 04/2007-03/2012		19/12/2013 Definitive anti-dumping duty (US\$5.72/kg) to motorcycle rubber tyres from Thailand. All others US\$6.18/kg			03/06/2013 6 months extension of the investigation	1,517.0t (07/2010-06/2011)	21.3% of total imports	Motorcycle rubber tyres exported from THA to USA
Thailand	Nylon yarns (*) NCM 5402.31.11, 5402.31.19, 5402.45.20 ID 1209776	09/07/2012 D: 04/2011-03/2012 I: 04/2007-03/2012	16/09/2013 Preliminary determination (US\$911.64/t)	27/12/2013 Definitive anti-dumping duty (US\$1,146.73/t) to nylon yarns from Thailand. All others US\$1,146.73/t			10/06/2013 6 months extension of the investigation	2,103.6t (07/2010-06/2011)	6.9% of total imports	CV