MEXICO - ANTI-DUMPING PROCEEDINGS ON IMPORTS OF REGENERATED CELLULOSE CASING FROM SPAIN

Mexico's Replies to the EC

The following communication, dated 23 April 1993, has been received from the Permanent Mission of Mexico.

SUBJECT: Note on the methodology used for the calculation of the final margin of dumping for regenerated cellulose casing from Spain.

1. The only Spanish exporter recognized during the investigation was Industrias Navarra de Envolturas Celulósicas, also known by its trade mark as Viscofan.

2. Viscofan submitted an incomplete reply to the investigation form issued by SECOFI, providing only general, aggregate information.

3. The first measure was taken at the stage of review of the provisional finding. For this purpose, SECOFI used the data transmitted by Viscofan.

4. In this calculation, SECOFI used data for the calibre 23 x 84, which is representative of the calibres exported to Mexico.

5. The weighted average price of Viscofan's exports to one of its main clients in Uruguay was used as the normal value. Viscofan argued that the volumes of sales to this enterprise are similar to those invoiced to its clients in Mexico.

6. The weighted average price of Viscofan sales to Mexico was used as the export price.

7. The calculated margin of dumping does not include adjustments to the gross prices because no information was submitted on this subject.

8. Viscofan refused to submit to verification, and therefore SECOFI could not be sure that its information was reliable.

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9. Article 6.8 of the GATT Anti-Dumping Code provides that "in cases in which any interested party refuses access to ... necessary information ... or significantly impedes the investigation, preliminary and final findings, affirmative or negative, may be made on the basis of the facts available".

10. Accordingly, SECOFI discarded all the information submitted by Viscofan in the course of the investigation. This decision is in keeping with international practice.

11. For the final resolution, SECOFI used the information on Viscofan submitted by the complaining firm and not by the exporter itself.

12. The data for the calculation of the margin of dumping refer to the calibre 23 x 84. SECOFI used the Viscofan list prices as the normal value. This gives a normal value of US$14.39 per kilo.

13. As regards the export price, the adjusted selling price of Viscofan's exclusive distributor in Mexico (Laboratorios Griffith) to the first unrelated client was considered. Specifically, the export price was reconstructed by deducting from the selling price the import costs (duty, VAT and customs clearance tax) as well as the distributor's commission. Article 2.5 of the Anti-Dumping Code allows the export price to be estimated by this method. The resulting value was $8.63 per kilo.

14. The resulting margin of dumping was $5.76 per kilo or 67 per cent.

15. Lastly, the final countervailing duty was set under the "lesser duty rule", at US$2.41 per kilo or 28 per cent.