

South Africa probing cement dumping from Pakistan

Pakistan's exports of cement to South Africa may face serious problems as the International Trade Administration Commission of South Africa has accepted an application in which it is alleged that Portland cement imported from Pakistan is being dumped on the South African Customs Union (SACU) market.

The application was lodged by Afrisam (South Africa) (Proprietary), Lafarge Industries South Africa (Proprietary) Limited, NPC Cimpor (RF) (Proprietary) Limited and PPC Limited (the applicant) pleaded that Portland Cement, classifiable under tariff subheading 2523.29 arriving from Pakistan, was causing material injury to the SACU industry concerned.

The applicant submitted sufficient evidence and established a prima facie to enable the Commission to arrive at a reasonable conclusion that an investigation should be initiated on the basis of dumping, material injury and/or threat of material injury and casualty.

The period of investigation for purposes of determining the dumping in the country of origin will be from Jan 1, 2013 to Dec 31, 2013 while the period for determining material injury and/or threat of material injury will be from Jan 1, 2010 to Dec 31, 2013.

The allegation is based on a comparison between the normal value in Pakistan and the export price from Pakistan.

The domestic selling price for Pakistan was determined based on a report by Genesis Analytics, titled "Pakistan cement price data for January 2013 to December 2013".

The export price for Pakistan was determined based on the official South African Revenue Service (SARS) import statistics. The dumping margin for Pakistan was determined to be 48 per cent.

On this basis, the Commission found that there was a prima facie proof of dumping, a threat of material injury and causal link.

Cement industry sources said that South Africa is the biggest market in terms of sea route where some 1.5 to 1.6 million tonnes of cement from Pakistan is exported, fetching around \$125 million per annum. Some nine to 10 leading cement manufacturers were exporting cement to South Africa.

The application was brought on "Portland Cement" whether in "bulk" or "bagged cement", and although the applicant provided injury information for the subject product, being "Portland Cement," it requested the commission to focus the analysis of injury on "bagged cement" due to the following reasons: Portland cement originating from Pakistan is imported in bag form only. There are no bulk cement imports from Pakistan.

This is because, it would be prohibitively expensive to import the product in any form other than in bagged form.

The bagged cement market comprises the major portion of the combined bag and bulk cement market (comprising the SACU industry).

Bulk cement is used in large construction projects and sold to concrete product manufacturers, ready mix producers and blenders while bagged cement is mainly used in small construction projects. Bagged customers are mainly retailers which sell to customers for small projects.

It is, therefore, in the bagged cement market where Pakistani imports compete with the domestic industry and where the domestic industry is suffering material injury as clearly demonstrated in the injury information furnished.

Source: Asia News Network