

respondent's U.S. affiliate, inventory carrying costs in transit, and a figure for CEP profit. *See* Petition at 50 through 55, and Exhibit B-14. Where possible, these expenses were based upon petitioner's actual experience; where petitioner lacked such data, petitioner made reasonable estimates as described above. Petitioner based CEP profit upon the experience of Dai Nippon Printing, a Japanese TTR producer.

With respect to selling expenses incurred in Japan, petitioner indicates there is no basis to believe that such expenses would differ for thermal transfer ribbon destined for the United States versus merchandise sold in the home market. Therefore, petitioner claims it is reasonable to consider such expenses to be equal for sales to the United States and in the home market. We have accepted this methodology for purposes of this initiation.

#### **Normal Value**

In calculating NV, the petitioner relied upon data provided by foreign market researchers on home market prices of wax and wax resin TTR products. *See* Petition at Exhibit B-10. This sales information is contemporaneous with the pricing information used as the basis for CEP and represents products which are either identical or similar to those sold in the United States. No other adjustments were made to NV, because additional information on home market adjustments was not reasonably available to petitioner.

The estimated dumping margin for subject merchandise from Japan, based on comparisons of CEP and NV, range between 65.9 and 147.3 percent.

#### **South Korea**

##### **Constructed Export Price**

To calculate CEP petitioner obtained pricing information relating to sales of certain wax products sold to unaffiliated parties in the United States, and comparable to the product sold in the home market. Petitioner made certain adjustments to these selling prices for specific expenses that would be incurred by foreign producers of the subject merchandise for sales made in the United States. Because petitioner was unable to obtain actual data for selling expenses incurred by respondents in the United States, petitioner obtained price quotes as a basis for its estimation of certain expenses, and, where appropriate, also based its estimates for such expenses on actual figures incurred in the course of its own selling activities. Petitioner indicates this approach is a reasonable

and appropriate way to calculate CEP because the selling process for thermal transfer ribbon is uniform within the United States, and the selling activities performed by respondents' U.S. affiliates for their U.S. customers are largely the same as those performed by petitioner for its customers in the United States. *See* Petition at 49. Where known differences between petitioner's and respondents' operations exist, petitioner adjusted selling expenses accordingly to account for such differences.

Petitioner adjusted the U.S. prices for ocean freight, marine insurance, U.S. duties, packaging expenses, indirect selling expenses incurred by the respondents' U.S. affiliates, inventory carrying costs in transit, and a figure for CEP profit. Where possible, these expenses were based upon petitioner's actual experience; where petitioner lacked such data, petitioner made reasonable estimates as described above. CEP profit for the respondent was based upon the experience of Dai Nippon Printing, a Japanese TTR producer. Petitioner explained this was a reasonable surrogate figure because no sector-specific profit data are available for the South Korean TTR industry. With respect to selling expenses incurred in South Korea, petitioner indicates there is no basis to believe that such expenses would differ for thermal transfer ribbon destined for the United States versus merchandise sold in the home market. Therefore, petitioner claims it is reasonable to consider such expenses to be equal for sales to the United States and in the home market. We have accepted this methodology for purposes of this initiation.

#### **Normal Value**

With respect to NV, the petitioner relied upon foreign market research to obtain information relating to home market prices for a grade of TTR that is almost identical to the grade for which petitioners obtained U.S. pricing data. Petitioners made no deductions from the home market selling price because estimates of home market expenses were not reasonably available to petitioner. *See* Petition at 50. Thus, petitioners made no deductions for expenses incurred in Korea in its calculations of either net U.S. price or net home market price.

The estimated dumping margin for subject merchandise from South Korea, based on comparisons of CEP and NV, range between 56.6 and 59.9 percent.

#### **Fair Value Comparisons**

Based on the data provided by petitioner, there is reason to believe

imports of TTR from France, Japan and South Korea are being, or are likely to be, sold at less than fair value.

#### **Allegations and Evidence of Material Injury and Causation**

With respect to France, Japan and South Korea, petitioner alleges the U.S. industry producing the domestic like product is being materially injured, or threatened with material injury, by reason of the individual and cumulated imports of the subject merchandise sold at less than NV.

Petitioner contends the industry's injured condition is evident in examining net operating income, profit, net sales volumes, production employment, as well as inventory levels, and reduced capacity utilization. *See* Petition at 84 *et seq.* Petitioner asserts its share of the market has declined from 2000 to 2002. Finally, petitioner notes one TTR manufacturer went out of business altogether in 2001, while another closed one of its coating facilities. For a full discussion of the allegations and evidence of material injury, *see* the Initiation Checklist at Appendix II.

#### **Initiation of Antidumping Investigations**

Based on our examination of the Petition covering TTR, we find it meets the requirements of section 732 of the Tariff Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of TTR from France, Japan and South Korea are being, or are likely to be, sold in the United States at less than fair value. Unless this deadline is extended pursuant to section 733(b)(1)(A) of the Tariff Act, we will make our preliminary determinations no later than 140 days after the date of this initiation.

#### **Distribution of Copies of the Petition**

In accordance with section 732(b)(3)(A) of the Tariff Act, a copy of the public version of the Petition has been provided to representatives of the governments of France, Japan and South Korea. We will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided in section 19 CFR 351.203(c)(2).

#### **Commission Notification**

The International Trade Commission will preliminarily determine no later than July 14, 2003, whether there is reasonable indication that imports of TTR from France, Japan and South Korea are causing, or threatening, material injury to a U.S. industry. A