

**The Arab Republic of Egypt  
Ministry of Trade and Industry  
Trade Agreements Sector  
International Trade Policies Department  
(Anti-Dumping, Subsidy and Safeguard Department)**

**Notice No. (2) of 2009**

**Concerning the Initiation of an Anti-Dumping Investigation on Imports  
of Electric Motors  
Originating in or Exported from the People's Republic of China**

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Pursuant to the provisions of Law No. 161 of 1998 concerning the Protection of the National Economy from the Injurious Effects of Unfair Practices in International Trade and its Executive Regulation issued by virtue of the Ministerial Decree No. 549 of 1998, as amended by Ministerial Decree No. 569 of 2008 (hereinafter referred to as the 'Regulation'),

The International Trade Policies Department (the Anti-Dumping, Subsidy and Safeguard Department), hereinafter referred to as the 'Investigating Authority' received an application from the domestic industry alleging that imports of Multi-Phase and Alternative Current (AC) Electric Motors of an output from 22 Kilo Watt(30 HP) To 74 kilo Watt (100 HP) originating in or exported from the People's Republic of China (hereinafter referred to as 'China'), are dumped and causing material injury to the domestic industry.

**1. Procedures**

On 27/4/2009, the Investigating Authority received a properly documented application lodged by Mohamed Ahmed Dawood Company for Investment alleging that significant quantities of imports of Alternative Current (AC) Electric Motors of an output from 22 Kilo Watt(30 HP) To 74 kilo Watt (100 HP) originating in or exported from China are imported at dumped prices and are causing material injury to the domestic industry.

The Investigating Authority examined the accuracy and adequacy of the application. On 2/7/2009, the Investigating Authority submitted a report to the Advisory Committee. The Advisory Committee, in turn, submitted its recommendation to the Minister of Trade and Industry concerning the initiation of the investigation and the publication of a notice of initiation in the *Official Egyptian Gazette*.

On 9/7/2009, the Embassy of China in Cairo was notified that the Investigating Authority received a written application from the domestic industry represented by Mohamed Ahmed Dawood Company for Investment.

Based on the Advisory committee's recommendation, the Minister of Trade and Industry approved the recommendations of the Advisory Committee in accordance with Article 10 of the Executive Regulation to initiate the investigation and publish the notice of initiation in the *Official Egyptian Gazette*.

**2. Domestic Industry**

The applicant producing the like product is Mohamed Ahmed Dawood Company for Investment which represents the domestic industry pursuant to Article 14 of the Executive Regulation.

**3. Product Concerned**

The product concerned is Multi-Phase and Alternative Current (AC) Electric Motors of an output from 22 Kilo Watt(30 HP) To 74 kilo Watt (100 HP) originating in or exported from China.

The product concerned is classified under H.S tariff heading item:

Form item 85 01 52 20

**4. Allegation of Dumping**

The applicant based its allegation of the existence of dumping on a comparison between the average export prices of the product concerned imported from China into Egypt and the average domestic selling prices of the product concerned in the Chinese market at the same trade level. The result of this comparison was the existence of a dumping margin exceeding 2 percent, and thus above the *de minimis* threshold.

**5. Allegation of Injury**

The applicant alleged that there was a significant increase in the volume of dumped imports of the product concerned from China and that the volume of these imports exceeded 3 percent of the total imports from all countries of the product under investigation into Egypt. The applicant further claimed that the increase in the volume of the allegedly dumped imports of the product concerned affected the domestic selling prices and caused material injury to the industry. This material injury is represented in the following:

1. Increase in the production cost compared to domestic selling price.
2. Price undercutting between the price of the Chinese and the domestic product in the domestic market.
3. Decline in production volume.
4. Decline in the ability of domestic industry to utilize capacity available.
5. Decline in domestic sales.
6. Decline in the market share of domestic sales.
7. Increase in inventory volume.

8. Decline in profits.
9. Decline in the employment productivity.
10. Decline in the rate of return on investment.
11. Inability to grow.
12. Decline in ability to raise capital

## **6. Investigation Period**

- The dumping investigation period is from 1/7/2008 to 30/6/2009.
- The injury investigation period covers the financial years from 2005 /2006 to 2008/2009.

## **7. Questionnaires and Collection of Information**

In order to obtain necessary information, the Investigating Authority will send questionnaires to the known and unknown foreign producers and exporters of the product concerned through the Embassy of China in Cairo.

Other unknown producers and exporters of the product concerned shall make themselves known to the Investigating Authority and request to be sent a questionnaire copy within 15 days from the date of publication of this notice in the *Official Egyptian Gazette* in order to submit their respective responses within the time limits specified in this notice.

Questionnaires will also be sent to the known domestic producers and importers of the product concerned. Other importers of the product concerned unknown to the Investigating Authority shall make themselves known to the Investigating Authority within 15 days from the date of publication of this notice in the *Official Egyptian Gazette* in order to receive a copy of the questionnaires and to submit their responses within the time limits specified.

Responses to questionnaires should be sent to the Investigating Authority within 37 days from the date of their receipt.

## **8. Sampling Techniques**

Pursuant to Article 24 of the Regulation, the Investigating Authority may decide to resort to sampling where the number of parties concerned or the number of the products concerned are so significant as to make a determination impracticable.

### **a) Sampling for Foreign Producers/Exporters**

To enable the Investigating Authority to determine whether it is necessary to resort to sampling, all foreign producers/exporters of the product concerned, or legal representatives acting on their behalf, are requested to contact the Investigating Authority and to provide the following information concerning their company(s) within 15 days from the date of publication of this notice in the *Official Egyptian Gazette* :

- Names, addresses, e-mail addresses, telephones and fax numbers and contact person;
- Volume and value of sales of the product concerned exported to Egypt during the period from 1 July 2008 to 30 June 2009;
- Volume and value of sales of the product concerned that the company sold in the domestic market of China during the period from 1 July 2008 to 30 June 2009.
- Activities of the company with regard to the production and sale of the product concerned;
- Names and the activities of all related companies involved in the production and/or selling (export and/or domestic) of the product concerned;
- Any other relevant information that would assist the Investigating Authority in the selection of the sample.

By submitting all the above mentioned information, the foreign producer/exporter concerned thereby agrees to its inclusion in the sample, which implies replying to the questionnaire and accepting an on-the-spot verification visit if requested. If the foreign producer/exporter concerned is unwilling to be included in the sample, it will be deemed to be non-cooperating with the Investigating Authority.

For the purpose of collecting information deemed to be necessary for the selection of the sample of foreign producers/exporters, the Investigating Authority may also contact any known associations of foreign producers/exporters in China.

#### **b) Sampling Technique for Importers**

To enable the Investigating Authority to determine whether it is necessary to resort to sampling, all importers, or legal representatives acting on their behalf, are requested to contact the Investigating Authority and to provide the following information concerning their company(s) within 15 days from the date of publication of this notice in the *Official Gazette*.

- Names, addresses, e-mail addresses, telephones and fax, and/or telex numbers and contact person;
- Total volume and value of the company's sales of the product concerned in the Egyptian domestic market from 1 July 2008 to 30 June 2009.
- Total number of employees during the period from 1 July 2008 to 30 June 2009;
- Activities of the company with regard to the product concerned;

- Volume and value of the company's imports in LE of the product concerned into Egypt and of the company's resold product in the Egyptian market during the period from 1 July 2008 to 30 June 2009
- Names and precise activities of all related companies involved in the production and/or selling of the product concerned;
- Any other relevant information that would assist the Investigating Authority in the selection of the sample.

By submitting all the above mentioned information, the importer concerned thereby agrees to its inclusion in the sample, which implies replying to the questionnaire and accepting an on-the-spot verification visit if requested. If the importer concerned is unwilling to be included in the sample, it will be deemed to be non-cooperating with the Investigating Authority.

For the purpose of collecting the information deemed to be necessary for the selection of the sample of importers, the Investigating Authority may also contact any known associations of importers.

### **c) Final Selection of Samples**

All interested parties wishing to submit any relevant information regarding the selection of the samples shall do so within the specified time limits.

The Investigating Authority intends to make the final selection of the samples after having consulted the parties concerned that have expressed their willingness to be included in the sample.

Companies included in the samples shall reply to the questionnaire within the specified time limits and shall cooperate with the Investigating Authority.

If there is insufficient cooperation, the Investigating Authority may base its findings on the best information available.

## **9. Hearing Sessions**

Pursuant to Article 25 of the Regulation, hearing sessions may be held at the premises of the Investigating Authority for all interested parties and concerned parties, in order to allow them to present their views and arguments, provided that they submit a written request to the Investigating Authority that includes the specific reasons as to why they should be heard. The parties concerned and other interested parties must express their wish to hold a hearing session within 21 days from the date of publication of this notice in the *Official Gazette*.

## **10. On-the-Spot Verification Visits**

Pursuant to Article 26 of the Regulation, the Investigating Authority may conduct verification visits at the premises of interested parties to verify the accuracy of information submitted and to collect any additional information or data required for the investigation.

**11. Time limits**

For any information about the specified time limits concerning the submission of information to the Investigating Authority, sampling, or hearing sessions, please refer to items 7, 8, and 9 respectively of this notice.

**12. Non-Cooperation**

In cases where any interested party refuses access to or otherwise does not provide necessary information within the specified time limits, impedes the course of the investigation, or provides information that is inaccurate or found to be misleading, provisional or final findings will be based on the best information available pursuant to Articles 27 and Article 35 of the Regulation.

**13. Public File**

The Investigating Authority, in the course of the investigation, makes available all relevant non-confidential information submitted by the parties concerned through its public file. This information is available for all interested parties at the premises of the Investigating Authority in Cairo until the final determination is made.

**14. Provisional Measures**

The Investigating Authority may resort to the imposition of provisional measures in accordance with Article 44 of the Regulation.

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