

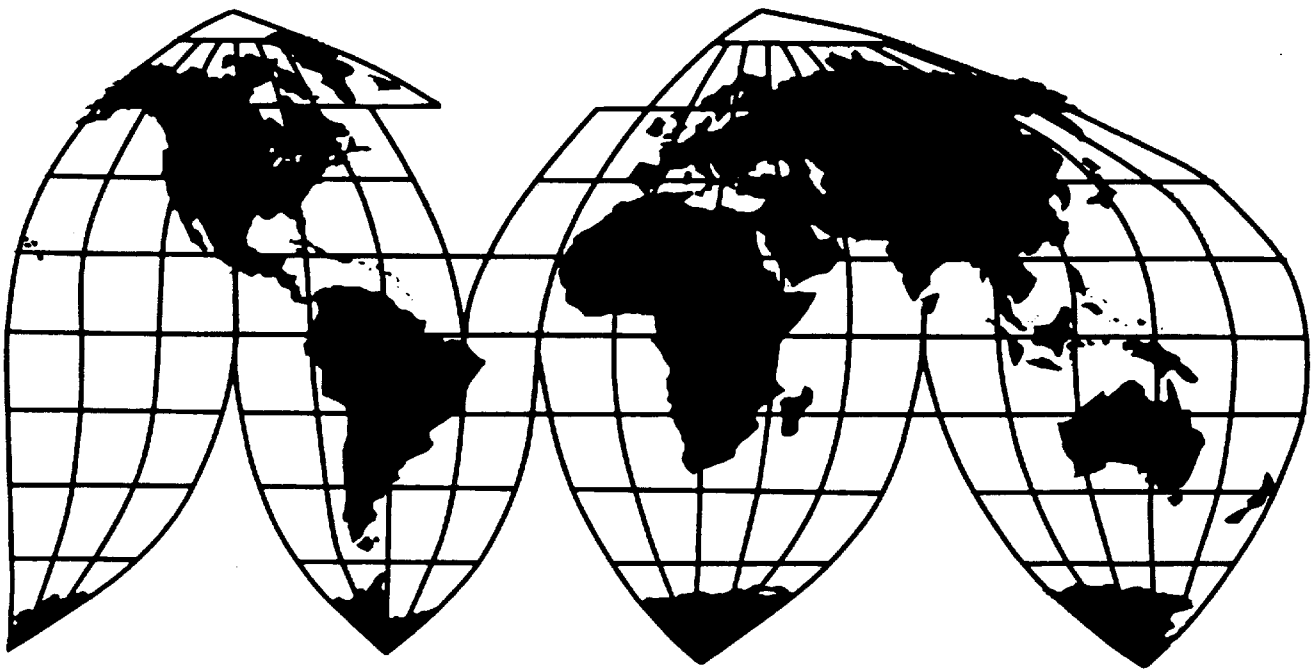
# **Silicon Metal From Brazil and China**

Investigation Nos. 731-TA-471 and 472 (Second Review)

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antidumping duty order;<sup>85</sup> and shipments from other nonsubject producers in Australia, Canada, France, Norway, South Africa, Spain, the Philippines, and Ukraine.<sup>86</sup>

The domestic industry's market share decreased over the period of review.<sup>87</sup> At the same time, the market share of the nonsubject imports increased,<sup>88</sup> including nonsubject imports from Brazil. The market share of nonsubject imports from China decreased over the period of review.<sup>89</sup>

### 3. Substitutability

As during the original investigations and first reviews, the record indicates there is moderate substitutability among subject imports and the domestic product.<sup>90</sup>

Price is an important factor affecting the degree of substitution.<sup>91</sup> Of the 15 responding purchasers, seven usually purchased the lowest-priced material and seven sometimes purchased the lowest-priced material, while one reported always buying the lowest-priced silicon metal.<sup>92</sup> Other factors listed among the top three factors in purchasing decisions include quality, availability, meeting specifications, reliability of delivery and supply, service, extension of credit, and delivery in small quantities.<sup>93</sup>

The parties have argued extensively as to whether silicon metal is or is not a commodity product.<sup>94</sup> For the purposes of our determinations in these reviews, we find that we need not determine whether to apply this label to silicon metal. As we have stated, the product is generally substitutable, as

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<sup>85</sup> Silicon Metal from Russia, Inv. No. 731-TA-991 (Final), USITC Pub. 3584 (Mar. 2003).

<sup>86</sup> CR at II-27 - II-28, PR at II-17.

<sup>87</sup> As measured by quantity, domestic producers' share of apparent consumption decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. As measured by value, domestic producers' share of apparent consumption decreased from \*\*\* percent in 2000 to \*\*\* percent in 2005. CR/PR at Table I-6.

<sup>88</sup> As measured by quantity, nonsubject import market share increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. As measured by value, nonsubject import market share increased from \*\*\* percent in 2000 to \*\*\* percent in 2005. CR/PR at Table I-6.

<sup>89</sup> Nonsubject import market share for Brazil, measured by quantity, was 0.0 percent in 2000 and increased to \*\*\* percent in 2005. For China, nonsubject import market share as measured by quantity was \*\*\* percent in 2000 and decreased to \*\*\* percent in 2005. As measured by value, Brazil's nonsubject import market share was 0.0 percent in 2000 and increased to \*\*\* percent in 2005. For China, nonsubject import market share as measured by value was \*\*\* percent in 2000 and decreased to \*\*\* percent in 2005. CR/PR at Table I-6.

<sup>90</sup> CR at II-18, PR at II-10; see CR at II-30, PR at II-19, CR/PR at Table II-3. Moderate substitutability among subject imports and the domestic product exists assuming certification/qualification standards are met. Ten of 14 responding purchasers require that all the product they purchase be certified or prequalified. CR at II-19, PR at II-11. We note that none of the subject Brazilian producers was reported to be currently certified or qualified to supply U.S. purchasers, although nonsubject Brazilian producers RIMA and CBCC have been qualified by at least \*\*\* and \*\*\* purchasers, respectively. CR at II-20 & n.43, PR at II-11 & n.43.

<sup>91</sup> CR at II-18, PR at II-10.

<sup>92</sup> CR at II-18, PR at II-10.

<sup>93</sup> CR at II-18, PR at II-10.

<sup>94</sup> See, e.g., Globe's Prehearing Brief at 7; Brazilian Respondents' Prehearing Brief at 40-43; Brazilian Respondents' Posthearing Brief at 14; Brazilian Respondents' Response to Commission Staff's Questions on Whether Silicon Metal Is or Is Not a Commodity; Globe's Final Comments at 1-3; Brazilian Respondents' Final Comments at 3-4; Tr. at 6 (Mr. Kramer), 21 (Mr. Sims), 27 (Mr. Perkins), 29 (Mr. Perkins), 95 (Mr. Button), 165-66 (Mr. Vander Schaaf), 180-81 (Mr. Vander Schaaf).