

## **BRAZIL INITIATES SUNSET REVIEW ON IMPORTS OF SPEAKERS FROM CHINA**

On November 29, 2018, Brazil’s Secretariat of Foreign Trade (“SECEX”) of the Ministry of Industry, Foreign Trade and Services (“MDIC”) published Notice of Initiation No. 59, initiating the sunset review of the duties applied on imports of speakers originating in China. The product is commonly classified under items 8518.21.00, 8518.22.00 and 8518.29.90 of the Mercosur Common Nomenclature – NCM (HS based). The petitioners are Ask do Brasil Ltda., Harman do Brasil Indústria Eletrônica e Participações Ltda. and Thomas K.L. Indústria de Alto-Falantes Ltda.

The product under investigation was defined as speakers, excluded the ones used on phones, video and photo cameras, speakers assembled in boxes, when the box have other functions that characterizes it as a sound device, speakers used on security equipment (rules EVAC BS 5839-8, IEC 60849 or NFPA), speakers to IT devices (computers, all-in-one devices, desktops, notebooks, netbooks, tablets, GPS devices, etc), buzzers assembled on vehicles panels and other speakers to be assembled to audio/video devices, since the device is not used on vehicles, tractors or other ground vehicles, exported from China to Brazil.

For purposes of initiating the investigation, the Brazilian authority has calculated the following dumping margin, using China’s data to construct the normal value:

<b>Country</b>	<b>Normal value (US\$/ton)</b>	<b>Absolute Dumping Margin (US\$/ton)</b>	<b>Relative Dumping Margin (%)</b>
China	49,871.97	42,038.46	536.65%

Imports of speakers during the period of investigation were as follows:

<b>Period</b>	<b>China</b>		<b>Total</b>	
	<b>US\$ FOB</b>	<b>Net weight (kg)</b>	<b>US\$ FOB</b>	<b>Net weight (kg)</b>
Abr.2013 - Mar. 2014	97,377,815	9,842,032	1,620,583,745	21,076,007
Abr.2014 - Mar. 2015	98,479,817	10,920,716	168,261,731	4,777,465
Abr.2015 - Mar. 2016	72,614,154	7,529,193	112,162,162	9,229,154
Abr.2016 - Mar. 2017	61,571,989	5,574,575	83,138,962	2,217,143
Abr.2017 - Mar. 2018	97,437,386	8,870,023	117,486,206	10,621,033

Exporters and importers participating in the investigation can demonstrate that the product is not dumped to Brazil, avoiding the imposition of antidumping duties. Alternatively, if the authority understands that exports were dumped, exporting



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companies participating in the investigation may request individual dumping margins, which results in lower duties on their exports.

Producers/exporters will receive questionnaires indicating the information necessary to the investigation, and shall have a 30-day deadline for response, counting from the date of notification. Interested parties may participate in the investigation through legal representatives duly registered before the Department of Trade Remedies. Other parties who consider themselves as interested in the proceeding shall file a request for participation within a 20-day deadline counting from the beginning of the investigation. Notice of initiation No. 59 can be accessed at the following [link \(in Portuguese\)](#).