

EASY CARE

Dr. Asser Salama

Mr. Ibrahim Al-Seginy
Under Secretary
Head of The Anti-dumping, Subsidy and Safeguard Department

Dear Sir,

I am honored to attach the Anti-Dumping complaint regarding the wet wipes product imports originating in or exported from Turkey.

I endorse that the enclosed data is accurate and complete according to the available data and documents that is attached. And the Company delegated me to present this complaint.

Easy Care Company for Cosmetics.
Easy Care Chairman
Asser Mohamed Hasan Salama

Date: 12/12/2014

Easy Care Company for Cosmetics (S.A.E)
Tax ID#:5-001102-252-00000
Sales Tax Registration#: 381-955-168
Registration#: 1634

Anti-Dumping Request Regarding Wet Wipes Imports Originating in or Exported from Turkey
(Non-Confidential Copy)

1- GENERAL INFORMATION

1.1- Complaint Presenter

1.1.1- Complaint Presenter

Company Name: Easy Care Company for Cosmetics

Address: #D EL-Thughr Buildings, 3rd Floor, Agriculture Rd., Next to Talaat Mostafa Hospital, Moharram Bey, Alexandria.

Tel#: 002033832113-002033832114-002033832115

Fax#: 002033832116

Email: info@easy-hbc.com

Website: www.easy-hbc.com

Contact Officer Details \ Pursuance Responsible

Name: Nabila Abdel Rahman Barakat

Title: Financial Analyst

Tel#: 00201223090007

Email: nabila.barakat@easy-hbc.com

- There is no Lawyer- attachment# (1).
- The Other Companies' details that is related to Easy Care Company for Cosmetics and type of relation are attached- attachment# (2)

1.1.2- The Fiscal Year of the Company (1/1 to 31/12)

The financial Tables that had been reviewed are attached to this document, and the revisers opinion for the last 3 years- attachment# (3).

As well as separate tables for the like product only- attachment# (4)

1.1.3- Industry Presentation

Easy Care Company for Cosmetics presents major proportion of the industry in Egypt, presenting (64%) of the total Egypt Production from the (Wet Wipes).

An Accredited List from the Federation of Egyptian Industries is attached to this document that shows the production quantity for all local producers to the under investigation product and their percentages of Total Local Production for this product- attachment# (5).

1.1.4- Complaint Supporting Companies

Complaint Supporting Companies and their supporting letters – attachment# (6) – nonexistent.

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1.1.5- Other Local Producers

A list of the Known Other Local Producers is attached to this document – attachment# (7).

1.2- The Intended Product / The Like Product

1.2.1- The Intended Product (Imported Product)

- Product name: Wet Wipes.
- English name: Wet Wipes.
- Brief description for the Intended product (a wet wipes that used for wetting and cleaning).
- The Intended product unit (wipe)

1.2.2- The detailed description for the Intended product (Imported):

1- Physical Specifications:

Wet wipes made from padding, felting and nonwovens that is painted or covered with essence or softening materials.

2- Production Process Brief in the exporting companies:

Not more than:

- Folding the wipes and put it in shape.
- Wetting the wipes.
- Cutting the wet wipes.
- Packing
- Packaging

3- Main Raw Materials and/or Contents

- Wipes.
- Packing: Polyethylene, Polyester.
- Perfumed Liquids.

4- End Usage

Wetting, cleaning and make-up removal.

5- Distribution Channels

Wholesale/retail traders, pharmacies and markets.

6- Product Seasons

Throughout the year.

7- HS Code: 3307

8- Divisions\Main types of the imported Intended product: None. And the difference is in packing and the number if wipes per pack.

- Photos are attached to this document – attachment# (8).

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9- The Intended product is subjected to the fees and the other trade measures imposed by Egypt according to table (1.2).

Table (1-2). The Custom Fees and Trade Measures

Product	Country	Custom Fees
Wet Wipes	Turkey	13.50%

1.2.3- The Like Product (Local Product)

- Product name: Wet Wipes.
- English name: Wet Wipes.
- Brief description for the Intended product (a wet wipes that used for wetting and cleaning).
- The Intended product unit (wipe)

1.2.4- The detailed description for the like local product:

1- Physical Specifications:

Wet wipes made from padding, felting and nonwovens that is painted or covered with essence or softening materials.

2- Production Process Brief:

- Folding the wipes and put it in shape.
- Wetting the wipes.
- Cutting the wet wipes.
- Packing
- Packaging

3- Main Raw Materials and/or Contents

- Wipes.
- Packing: Polyethylene, Polyester.
- Liquid: Monopropylene glycol, Cocamido, Cetrimide, Polysorbate 20, Essences.

4- End Usage

Wetting, cleaning and make-up removal.

5- Distribution Channels

Wholesale/retail traders, pharmacies and markets.

6- Product Seasons

Throughout the year.

7- HS Code: 3307

8- Categories\Main types of the imported Intended product: None. And the difference is in packing and the number if wipes per pack.

- Like product photos are attached to this document – attachment# (9).

Head quarter: 12 El Mouhasba St.,from Mohamed Faried St., Bolekly,Alexandria Egypt.

Factory: Borg El Arab city 2nd Industrial /Borg El Arab city 3rd Industrial zone Entrance (3)D, Egypt.

Tel: (+203) 55440308 – 5437189 Fax: (+203) 5440309 Customer Service: 19340 www.easy-hbc.com

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1.2.5- Compare between the Intended product and the like product

The Intended product is identical to the like product.

1.3- The Intended Country

(Turkey)

- A list of all known exporters is attached to this document- attachment# (10).

1.4- Importers in Egypt

- A list of all known Importers in Egypt is attached to this document- attachment# (11).

2- DUMPING

2.1- Ordinary Value

1st Methodic for Ordinary value

Local sales prices of the imported product in its origin/exporting Country

Sales value in the Turkish domestic market has been calculated according to retail price we got and supported by documents in attachment# (12) as follows:

Table (2-1-1) Ordinary Value (Local Sales Methodic)

Unit: pack

Currency: USD

Index	Model 1
retail price	0.676
Value-Added Tax VAT (18%)	0.103
Retail Trader Margin (32%)	0.139
Wholesale Price	0.434
Wholesale Trader Margin (5%)	0.021
Ordinary Value (wholesale Trader warehouse delivery level)	0.413

And the following settlements had been done to calculate the ordinary value (attachment# (13) :

- We considered the retail margin (32%) and wholesale margin (5%) as per the attached documents and it is the industry known/common percentage.
- The value-added tax settlement has been done with (18%).

2.2- Export Price

1st Methodic:

Export price for the intended product has been calculated as per the prices obtained and supported by documents as shown in table (2-2):

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Table (2-2) Importers Bill Methodic

Unit: pack

Currency: USD

	Model 1
C&F Price	0.31
Sea Freight	0.011
FOB Price	0.299

- Exchange rate as per attachment# (14)
- The documents related to the used settlements used to determine export price are attached to this document- attachment# (17)

2.3- Pricing Comparison

The product used to determine the Ordinary Value is identical, so we did not make any differences settlement.

2.4- Dumping Margin

The dumping margin has been calculated as the difference between the Ordinary Value and the export price on the same trade level after arranging all the necessary settlement as per the following table (2-4):

Table (2-4) The Dumping Margin

Unit: pack

Currency: USD

	Country (Turkey)
Currency	(U.S Dollar)
Ordinary Value	0.413
Export Price	0.299
Dumping Measure	0.114
Dumping Margin	38%

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3- INJURY

The following statistics are related to the injurious effects due to the dumped imports of the intended product and affects of those imports on the like product.

3.1- Total Apparent Market

Table (3-1) Total Apparent Market

Unit: 1000 wipes

Index	2012	2013	2014
Easy Care Sales Volume	\	\	\
Indicator	-	-8%	-10%
Other Local Producers Sales Volume	\	\	\
Indicator	-	-12%	12%
Imports Volume (from Turkey)	860,173	1,157,933	1,428,608
Other Imports Volume	1,378,165	984,578	733,464
Egyptian Apparent Market	\	\	\

*The numbers for 2014 are estimated.

The previous table shows a decline in the Easy Care company actual sales during 2013 by (8%) and continued to decrease in 2014 by 10%, Also the table shows an increase to the Turkish imports in 2013 by 35% and 23% in 2014. Also the imports from all other countries faced a decline during 2013 by 28%, and continued to decrease in 2014 by 26%.

*a wet wipes import statement (quantity/Value) from all countries around the world by the Central Agency for Public Mobilization and Statistics is attached to this document- attachment# (21).

3.2- The Market Share of the Apparent Market

Based on the data provided in table (3-1) above, the following table points at the market share/shares as a percentage of the total apparent market in Egypt:

Table (3-2) Market Share

Index	2012	2013	2014
Easy Care Sales %	\	\	\
Local Sales Indicator	-	0%	-14%
Other Local Producers Sales %	\	\	\
Local Producers Sales Indicator	-	0%	17%
Imports from Turkey %	\	\	\
The Dumped Imports Indicator (from Turkey)	-	41%	24%
The Other Imports %	\	\	\
The Other Non-Dumped Imports Indicator	-	-25%	-25%
Egyptian Apparent Market %	\	\	\
Egyptian Apparent Market Indicator	-	-5%	0%

The previous table shows a decline in Easy Care market share during 2014 by 14%. And an increase in the Turkish imports shares in 2013 by 41%, and continued to increase in 2014 by 24%. Also the imports share from all other countries faced a decline during 2013 by 25%, and continued to decrease in 2014 by 25%.

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3.3- Production, Production Capacity and Utilized Production Capacity for Easy Care Company:

The following table summarizes the data related to production average, production capacity and the utilized production capacity for our company.

Table (3-3) Production, Production Capacity and Utilized Production Capacity

Unit: 1000 Wipes

Amount: 1000 EGP

Index	2012	2013	2014
Total Production Volume	\	\	\
Production Volume Indicator	-	-6%	-7%
Total Production Value	\	\	\
Production Capacity	\	\	\
Utilized Production Capacity (Total Production/Production Capacity)	\	\	\
Utilized Production Capacity Indicator	-	-7%	-8%

The previous table shows a decline in the production volume and the utilized production capacity in 2013 by 6%, 7% and the decrease continued in the production volume by 7% and the utilized production capacity by 8% during 2014.

3.4- Sales Price in Egypt

The following table shows the sales price average for Easy Care in Egypt with models, categories and the closest commodity groups.

Table (3-4) Sales Price Average for Easy Care

Unit: Wipe

Amount: EGP

Index	2012	2013	2014
Sales Price Average	\	\	\
Indicator	-	8%	1%

The previous table clarifies an increase for the wet wipes sales price by 8% during 2013, and continued to increase but with 1% during 2014.

3.5- Price Difference

The following table shows the price difference margin between the local produced and the imported product on the same trade level, the margin has been calculated as a ratio of Easy Care sales price average in the Egyptian market.

Table (3-5) Price Difference

Unit: Wipe

Amount: EGP

Index	Domestic Sales Price	The Turkish Imported Product Price	Difference Amount	Price Difference Percentage
Sales Price Average in the Domestic Market	\	\	\	29%

The previous table clarifies the price difference percentage between the domestic sales price and the Turkish product price that is imported to the domestic market, which reached 29%.

*Attachment# (20) the calculations and documents for the price difference between the local and the imported product.

3.6- Preventing the Price Increase and Production Cost

The following information clarifies the sales price average and production cost average with models, categories and the closest commodity groups.

Table (3-6) Preventing the Price Increase

Unit: Wipe

Amount: EGP

Index	2012	2013	2014
Sales Cost Average	\	\	\
Sales Cost Indicator	-	22%	9%
Sales Price Average	\	\	\
Sales Price Indicator	-	8%	1%
The Cost as a Percentage of Sales Price	\	\	\
The Cost as a Percentage of Sales Price Indicator	-	13%	7%

The previous table shows a slight increase in the wet wipes sales price average during 2014, as well as a sales cost increase with 9% and the cost as a percentage of sales price that reached *** in the same period and that illustrates preventing the natural increase of the domestic industry price that should have happen, but it did not happened because of the existence of the dumped imports and the industry disability to cover the production cost increase.

3.7- Profitability

The like product profit average per unit.

Table (3-7) Profitability

Unit: Wipe

Amount: EGP

Index	2012	2013	2014
Unit Profit	\	\	\
Indicator	-	-43%	-54%

The previous table shows a decline in the unit profit in 2013 by 43% and continued to decrease in 2014 by 54%.

3.8- Labor, Wages and Productivity

The following table shows the labor, wages and productivity progress for the like product:

Table (3-8) Labor, Wages and Productivity

Unit: Wipe

Amount: EGP

Index	2012	2013	2014
Number of Workers	\	\	\
Number of Workers Indicator	-	-5%	-5%
Wages (EGP)	\	\	\
Wages Indicator	-	-19%	-1%
Productivity / Worker (Wipe)	\	\	\
Productivity / Worker Indicator	-	-1%	-2%

The previous table shows a decline in the worker productivity and the number of workers and subsequently the wages in 2013 and continued to decrease in 2014 and the worker productivity reduced by 2% during the same period.

3.9- The Investment, the Return on Investment and the Ability to Increase the Capital

The following table shows the total company's investment and the return on investment for the like product.

Table (3-9) The Investment, the Return on Investment

Amount: EGP

Index	2012	2013	2014
The Investment	\	\	\
Investment Indicator	-	32%	-7%
The Return on Investment	\	\	\
The Return on Investment Indicator	-	-55%	-59%

The previous table shows a decline in the return on investment rate by 59% in 2014 because of the decrease in earning and the increase in cost percentage compared to the sales prices. And subsequently profit decrease as a result of the competition with the dumped imports increase, which led to decline on the return on investment rate.

3.10- Ability for Growth

Under the competition with the imports (exported from turkey) with such dumped prices, There is no chance to grow with that decline in sales and investment.

3.11- Easy Care Cash Flow

Information about Cash Flow Progress

Table (3-10) The Cash Flow

Amount: EGP

Index	2012	2013	2014
Cash Flow	\	\	\
Indicator	-	245%	-120%

The previous table clarifies cash flow increase in 2013 due to the financing affected by the investors to increase the capital. And decreased again during year 2014 when the capital increased.

3.12- The Inventory**Table (3-11) The Inventory**

Unit: Wipe

Index	2012	2013	2014
Inventory (Quantity)	\	\	\
Indicator	-	44%	118%

The previous table clarifies the increase in inventory amount during 2013 by 44%. Because of the decline in sales amount after the dumping caused by Turkish imports, there was a big increase to the inventory during 2014 by 118%.

3.13- The Effective Factors to the Domestic Prices

There are no other factors affecting the prices except the wet wipes imports that exported from Turkey.

3.14- Dumping Margin Volume

The dumping margin volume is huge, which caused the company injury.

3.15- Injury Summary Injury indicators summary

In view of the available data, it is clear that there is an increase in the dumped imports, prices lowering and price difference between the intended product and the like product that led to:

- Disability to cover the production cost.
- Decline in production.
- Decline in the sales volume.
- Decline in market share of the domestic industry.
- Increase in Inventory.
- Decline in the average profitability of the unit.
- Decline in the ability to grow.
- Decline in productivity.
- Decline in the return on investment rate.

4- THE OTHER KNOWN REASONS FOR THE INJURY**4.1- Quantities and Prices of the Imports from Other Countries****Table (4-1) Other Imports**

Unit: 1000 Wipes

Amount: EGP

Index	2012	2013	2014
Quantity Imported from UAE	143,138	231,596	117,758
Import Prices Average (From UAE)	0.033	0.043	0.029
Quantity Imported from Saudi Arabia	15,313	55,307	18,732
Import Prices Average (From Saudi Arabia)	0.127	0.054	0.01
Total Other Imports	1,378,165	984,577	733,464
Value Average for Other Imports	0.02	0.01	0.02

*The numbers for 2014 are estimated.

It is clear from the previous table there is a decline in the imports volume from UAE, Saudi Arabia and the rest of countries around the world during 2014, that means the other imports are not the reason for the injury.

4.2- Demand Shrinkage

There is no demand shrinkage.

4.3- Restricted Business Practices

There are no restricted business practices.

4.4- Technological Developments

There are no differences in the wet wipes production technology.

4.5- Export Performance Progress**Table (4-2) The Exports**

Unit: Wipe

Amount: EGP

Index	2012	2013	2014
Exports (Quantity)	\	\	\
Exports Volume Indicator	-	-1%	-71%
Exports (Value)	\	\	\

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It is clear from the previous table there is a slight decline in the exports volume during 2013 and continued to decrease in 2014 by 71%. Noting that exports represent no more than 7% of the company production and subsequently ineffective.

4.6- The Competition

There is no effect of the competition between Ease Care and the Local Companies.

4.7- Other Factors

There are no other factors affecting Easy Care Company's situation.

5- THE CAUSAL RELATIONSHIP

5.1- The previous evidences clarifies that Easy Care Company for Cosmetics is suffering from this injury that has no reasons except the mentioned dumped imports. And the effect of those dumped imports s considered as a direct reason for the material injury that Easy Care Company for Cosmetics suffers from. Therefore, we reached the existence of a direct causal relationship between the mentioned dumped imports from Turkey and the material injury that domestic industry suffered from during the injury analysis period.

5.2- According to the previously mentioned, we find an increase in the dumped imports volume of the intended product from 860,173 (thousand wipes) in 2012 to 1,428,608 (thousand wipe) in 2014. As well as an increase in the dumped imports market share by 75% from 2012 to 2014.

5.3- Also we find the existence of a price difference between the dumped imports and the domestic industry price average with 29% to the imports from Turkey which consequently led to capacity lowering while recovering the cost.

5.4- This increase affected the dumped imports volume and the dumping margin volume in the domestic industry indicators during the injury analysis period, also been clarified from (decline in production, decline in utilized capacity indicator, decline in market share of the domestic industry, increase in inventory, decline in the net profit, decline in the number of workers, decline in the workers' wages, decline in worker's productivity, decline in the return on investment rate and decline in the ability to grow).

The Result

5.5- The injury that falls on the domestic industry (represented by Easy Care Company for Cosmetics) is because of the dumped imports and there are no other reasons for this injury.