

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 16 August 1984

accepting an undertaking given in connection with the anti-dumping review proceeding concerning imports of copper sulphate originating in Czechoslovakia and terminating that proceeding

(84/408/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2176/84 of 23 July 1984 on protection against dumped or subsidized imports from countries not members of the European Economic Community⁽¹⁾, and in particular Articles 10 and 14 thereof,

After consultation within the Advisory Committee as provided for under the above Regulation,

Whereas :

A. Procedure

- (1) In October 1983 the Commission accepted the offer of a price undertaking from a Czechoslovakian exporter of copper sulphate, Chemapol⁽²⁾. In February 1984 the Commission received a request from the authorities of a Member State, the United Kingdom, that the proceeding be reopened, alleging that significant changed circumstances relating to the production costs of copper sulphate had made the Czech undertaking out of date, with the effect that imports of copper sulphate from Czechoslovakia were again being

dumped and thereby causing injury to the Community industry. The Commission accordingly announced, by a notice published in the *Official Journal of the European Communities*⁽¹⁾, the reopening of the anti-dumping proceeding concerning imports into the Community of copper sulphate originating in Czechoslovakia and falling within subheading ex 28.38 A II of the Common Customs Tariff, corresponding to NIMEXE code 28.38-27, and commenced a review investigation.

- (2) The Commission officially so advised the exporters and importers known to be concerned and the Community producers and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing.

The exporter concerned, some importers and all known Community producers made their views known in writing and the exporter concerned requested and has been granted a hearing.

No submissions were made by or on behalf of Community purchasers or processors of the product.

The Commission requested and received detailed written submissions from Community producers, the exporter concerned and some importers and verified the information therein to the extent considered necessary.

⁽¹⁾ OJ No L 201, 30. 7. 1984, p. 1.

⁽²⁾ OJ No L 281, 13. 10. 1983, p. 22.

⁽¹⁾ OJ No C 55, 28. 2. 1984, p. 2.

The investigation of dumping covered the period from the acceptance of the undertaking under review, i.e. October 1983 to March 1984.

B. Normal value

- (3) In order to establish whether there was renewed dumping of imports of copper sulphate from Czechoslovakia the Commission had to take account of the fact that that country does not have a market economy and the Commission therefore had to base its determinations on the normal value in a market-economy country. In this connection, the Community industry had suggested the Spanish market for the proceeding relating to imports of the product concerned from Bulgaria, Hungary, Poland and Spain the opening of which was notified in the *Official Journal of the European Communities*⁽¹⁾ subsequently to the initiation of the present review procedure. No objection was made to this suggestion by any interested party.
- (4) The Commission, on the basis of the available information, is satisfied that there are no extraordinary differences in Spanish production processes or scale of production from those of the exporting country concerned. Following investigations at the premises of the Spanish producer, Industrias Químicas del Vallés, Barcelona, the Commission is also satisfied that price levels are in a reasonable proportion to production costs.

The Commission therefore concluded that it would be appropriate and not unreasonable to determine normal value on the basis of domestic prices in Spain.

The normal value thus established showed a considerable increase from that established during the previous investigation, the most significant factor having been the effect on prices of the increase by approximately 20 % of the cost of copper, which comprises some 70 % of the production costs of copper sulphate.

C. Export price

- (5) Export prices were determined on the basis of the prices actually paid or payable for the products sold for export to the Community.

D. Comparison

- (6) In comparing normal value with export prices the Commission took account, where appropriate, of

differences affecting price comparability. The information available on Czech prices relates to a cif Community frontier level, and accordingly an element for transport and related costs was added to the ex-works Spanish domestic price in order that an appropriate comparison could be made.

E. Margins

- (7) The above examination of the facts shows that the Czech export prices, while respecting the terms of the price undertaking, were inferior to the normal value as established for the period under consideration. The margin of dumping, i.e. the difference between export prices and the normal value was, on a weighted average basis, 37 %.

F. Injury

- (8) With regard to the injury caused by the dumped imports the evidence available to the Commission shows that imports into the Community from Czechoslovakia of copper sulphate increased from 1 077 tonnes in 1981 to 3 014 tonnes in 1983 with a consequent increase in market share held by the exporting country from approximately 3 to 10,5 % in the same period. During the six months following the acceptance of the undertaking under review, i.e. October 1983 to March 1984, the tonnage of Czech product imported into the EEC, which had relatively stable consumption during this period, was 2 100 tonnes, which is an increase on an annual basis of almost 40 % over the 1983 figure.
- (9) The resale prices of these imports undercut the prices of the Community producers during the investigation period by up to 22 % and were lower than those required to cover the costs of Community producers and provide a reasonable profit. In some instances these resale prices would not even have been sufficient to cover the cost of the Community producers' raw materials.

Although these resale prices have shown an increase from the time of the previous investigation, the undercutting continued to be substantial because the Community producers had found it necessary to raise their prices because of the increased cost of copper, their most important raw material.

- (10) The Commission has no reason to believe that the impact on the Community industry of this increased volume of dumped imports was less significant than at the time of the imposition of the anti-dumping measures immediately prior to the present reference period. Accordingly the substantial increase in dumped imports and the

⁽¹⁾ OJ No C 90, 31. 3. 1984, p. 2.

prices at which they were offered for sale in the Community led the Commission to determine that the effects of the dumped imports of copper sulphate originating in Czechoslovakia have to be considered as constituting material injury to the Community industry concerned.

G. Community interest

- (11) In view of the particularly serious difficulties facing the Community industry, the Commission has come to the conclusion that it is in the Community's interests that action be taken.

H. Undertakings

- (12) The exporter concerned was informed of the main findings of the investigation and commented on them. An amended undertaking was subsequently offered by Chemapol concerning their exports of copper sulphate to the Community.

The effect of the said undertaking will be to increase export prices to the Community to the level which the Commission, having taken into account, on the one hand, the selling price necessary to provide an adequate return to Community producers and, on the other hand, the purchase price of the Community importers and their costs and profit margin, considered necessary to eliminate injury. This increase does not exceed the dumping margin found in the investigation.

In these circumstances, the amended undertaking offered is considered acceptable and the proceed-

ing may, therefore, be terminated without imposition of anti-dumping duties.

No objection to this course was raised in the Advisory Committee,

HAS DECIDED AS FOLLOWS:

Article 1

The undertaking given by Chemapol, Prague, in connection with the anti-dumping proceeding concerning imports of copper sulphate originating in Czechoslovakia and falling within subheading ex 28.38 A II of the Common Customs Tariff, corresponding to NIMEXE code 28.38-27, is hereby accepted.

Article 2

The anti-dumping review proceeding referred to in Article 1 is hereby terminated.

Done at Brussels, 16 August 1984.

For the Commission

Étienne DAVIGNON

Vice-President
