COMMISSION DECISION

of 4 June 1980

accepting undertakings in connection with the anti-dumping proceedings concerning imports of fibre building board originating in Czechoslovakia, Finland, Norway, Poland, Romania, Spain, the Soviet Union and Sweden and determining those proceedings

(80/564/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3017/79 of 20 December 1979 on protection against dumped or subsidized imports from countries not members of the European Economic Community (1), and in particular Article 10 thereof,

After consulting the Advisory Committee set up under that Regulation,

Whereas in November 1978 the Commission received a complaint lodged by the European Confederation of Wood-Working Industry on behalf of the great majority of Community manufacturers of fibre building board; whereas the complaint contained evidence of the existence of dumping in respect of like products originating in Czechoslovakia, Poland, Romania and the Soviet Union, and of material injury resulting therefrom;

Whereas the said evidence was sufficient to justify initiating an investigation,

Whereas the Commission accordingly announced, by a notice published in the *Official Journal of the European Communities* (2), the initiation of a proceeding concerning imports of fibre building board originating in Czechoslovakia, Poland, Romania and the Soviet Union, and commenced an investigation of the matter at Community level;

Whereas the Commission officially so advised the exporters and importers known to be concerned;

Whereas the Commission gave the parties directly concerned the opportunity to make known their views in writing and to be heard orally, and to meet so that opposing views might be presented and rebuttal arguments put forward;

Whereas the majority of the parties concerned took this opportunity;

Whereas in the course of these meetings the representatives of the East European exporters claimed that they were being discriminated against since the complaints did not cover dumped imports from certain market-economy countries;

Whereas the complainants subsequently lodged a complaint containing evidence of dumping of the like products originating in Finland, Norway, Spain and Sweden and of material injury resulting therefrom;

Whereas, since this additional complaint contained sufficient evidence to justify extending the proceeding, the Commission published in the *Official Journal of the European Communities* (3), a notice of the initiation of an anti-dumping procedure concerning imports of fibre building board originating in Finland, Norway, Spain and Sweden, so advised the exporters and importers known by the Commission to be concerned, as well as representatives of the exporting country, and commenced the investigation at Community level;

Whereas the Commission gave the parties directly concerned the opportunity to make known their views in writing and to be heard orally and to meet so that opposing views might be presented and rebuttal arguments put forward;

Whereas the majority of the parties concerned took this opportunity;

Whereas, for the purposes of a preliminary determination of the dumping margin and of injury, the Commission sought and verified all information it deemed to be necessary and made on the spot investigations of two Swedish producers, Aktiebolaget Statens Skogsindustrier and Karlholms Aktiebolag, one Norwegian producer, Norsk Wallboard AS, and the sole Spanish producer, Tableros de Fibras S.A. and the most important agents for the East European exporters, Pharaoh's Plywood Co. Ltd, Price Morgan Ltd, and Polish Timber Products Ltd, importers in Germany F. K. Müller GmbH & Co. KG and Steinbrügge & Berninghausen GmbH & Co. KG, and Community producers in France, Isorel SA and in Germany Hermann D. Krages KG, H. Henselmann GmbH & Co. KG and H. P. W. Herzberger Plattenwerke GmbH & Co. KG;

(1) OJ No L 339, 31. 12. 1979, p. 1.
(2) OJ No C 286, 30. 11. 1978, p. 11.
(3) OJ No C 116, 9. 5. 1979, p. 2.

Whereas account was also taken of evidence submitted by other exporters and importers ;

Whereas, for the preliminary examination of dumping by Finnish, Norwegian Spanish and Swedish producers, the Commission compared their export prices to the Community with the domestic prices on those markets ;

Whereas for these comparisons, representative or weighted average ex-factory prices were used for sales in 1979, account being taken, in so far as this was requested, of differences in quantities and in the terms and conditions of sale bearing a direct relationship to the sales under consideration, that is to say those relating to transport and packing costs, and payment terms ;

Whereas, however, account had to be taken of the fact that on the Swedish market sales of substantial quantities of fibre building board were made at a loss over several years ; whereas, therefore, the Commission adjusted the sub-production cost prices by the weighted average losses and took account of a reasonable profit of 5 % ;

Whereas, in order to establish whether imports from Czechoslovakia, Poland, Romania and the Soviet Union were dumped, the Commission had to take into account the fact that they are not market economy countries ;

Whereas, for that reason, the Commission had to base its calculations on the normal value in a market economy country ; whereas, in that connection, the complaint had suggested Austria, Finland, Norway, Spain, Sweden and Switzerland ;

Whereas for the computation of normal value for hardboard the prices on the Spanish market were used since among the market economy countries subject to the investigation Spain was the most efficient producer ; whereas for insulating board, sales on the Norwegian market were used since it was the only market economy country subject to the investigation on which high volume sales of a similar product to that exported were made ; whereas no alternative comparison was suggested by the exporters ;

Whereas the preliminary assessment of dumping was accordingly effected by comparing the Spanish and Norwegian ex-works prices for sales in 1979 with prices for imports into the Community from the countries in question over the same period ;

Whereas, to take due account of the differences affecting price comparability, discounts for quantities and cash payments, end of year bonuses, transport and packing costs were deducted from Norwegian and Spanish list prices ; whereas only fob or cif export prices were available, but no adjustment was effected to take account of the transport costs included in those prices ; whereas all the above factors had the effect of reducing the difference between Norwegian and Spanish ex-works prices and export prices from the East European countries ;

Whereas the above preliminary examination of the facts shows the existence of dumping in respect of imports from all the countries concerned, the dumping margin being equal to the amount by which the normal value as established above exceeds the price at which the goods are exported to the Community ; whereas the margin varies depending on the type of board, the exporting country, and the importing Member State and the date of the transaction ; whereas for the most important type of board i.e. 3·2 mm standard hardboard the margins found in the second half of 1979 were at least 15 % in the East European countries and varied between 3 and 19 % for the market economy countries ;

Whereas, with regard to the injury caused to the Community industry, the evidence available to the Commission shows that imports into the Community of hardboard originating in the countries covered by the investigation rose from approximately 252 000 tonnes in 1975 to 185 000 tonnes in the first six months of 1979, whilst imports of insulating board rose from approximately 52 000 tonnes in 1975 to 33 000 tonnes in the first six months of 1979, thus taking a market share of over 25 % in the Community for hardboard and approximately 40 % for insulating board ;

Whereas the prices at which those imports were sold were relatively low, thus forcing the Community producers to align their prices downwards ;

Whereas the consequent impact on the Community industry consisted mainly in a depression of Community prices, or prevention of price increases which otherwise would have occurred making it impossible in most instances to cover production costs ;

Whereas three Community producers have, consequently, had to close completely, seven others have ceased production of hardboard and/or insulating board, with a consequent adverse effect on employment, and most of the others make considerable losses on standard hardboard and standard insulating board, especially in the markets where competition from dumped imports is strongest ;

Whereas injuries caused by other factors which could adversely affect the Community industry, such as the volume and prices of other imports, or stagnation of demand, have been examined and have not been attributed to the imports under consideration ;

Whereas the preliminary examination of the facts shows the existence of dumping, and there is sufficient evidence of consequent injury ;

Whereas the Commission, after having examined the Community producers' and importers' prices, costs, profitability and marketing conditions, has determined the import prices necessary to eliminate the injury caused, taking into account differences in quality and finish of the imported boards ;

Whereas, in the course of the proceeding, the following exporters: A. Ahlström Osakeyhtiö, Enso-Gutzeit Osakeyhtiö, Oy Hackman AB, Oy Wilh. Schauman AB (Finland); Berger Langmoen AS, Norsk Wallboard AS, Treschow-Fritzøe (Norway); Tableros de Fibras SA (Spain); AB Statens Skogsindustrier, Edsbyn-Johannedal AB, Holmens Bruk AB, Karlholms Aktiebolag, Masonite AB, Aktiebolaget Scharins Söner, Swanboard AB (Sweden); Ligna Foreign Trade Corporation (Czechoslovakia); Paged Foreign Trade Enterprise (Poland); and Exportlemn State Enterprise for Foreign Trade (Romania); and the following agents for the Soviet exporters: Agence Konow & Smith SA, Agence française Berner & Nielsen SA, Churchill and Sim (Plywood and Boards) Ltd, Price Morgan (Plywood and Boards) Ltd, Pharaoh's Plywood Company Ltd, Gratenau and Hesselbacher, Importles, Rufin Pierard Forest Products Agencies SPRL and ETT Agenzia Legnami SpA have offered undertakings;

Whereas the effect of the said undertaking will be to increase import prices into the Community up to the level necessary to eliminate injury; whereas, therefore, these increases are in many cases less than the dumping margins provisionally determined;

Whereas, in those circumstances, it is not now necessary to take protective action in respect of these imports;

Whereas the Commission will ensure that the undertakings are strictly complied with, in particular by carrying out periodically the necessary checks and inspections;

Whereas the decision to accept these undertakings may be reconsidered should the Commission discover that they are failing to eliminate the injury;

Whereas in these circumstances, the undertakings offered are acceptable and the proceedings may therefore be terminated without imposition of anti-dumping duties,

HAS DECIDED AS FOLLOWS:

Article 1

The Commission hereby accepts the undertakings given by the following exporters: A. Ahlström Osakeyhtiö, Enso-Gutzeit Osakeyhtiö, Oy Hackman AB, Oy Wilh. Schauman AB (Finland); Berger Langmoen AS, Norsk Wallboard AS, Treschow-Fritzøe (Norway); Tableros de Fibras SA (Spain); AB Statens Skogsindustrier, Edsbyn-Johannedal AB, Holmens Bruk AB, Karlholms Aktiebolag, Masonite AB, Aktiebolaget Scharins Söner, Swanboard AB (Sweden); Ligna Foreign Trade Corporation (Czechoslovakia), Paged Foreign Trade Enterprise (Poland); and Exportlemn State Enterprise for Foreign Trade (Romania); and the following agents for the Soviet exporters: Agence Konow & Smith SA, Agence française Berner & Nielsen SA, Churchill and Sim (Plywood and Boards) Ltd, Price Morgan (Plywood and Boards) Ltd, Pharaoh's Plywood Company Ltd, Gratenau and Hesselbacher, Importles, Rufin Pierard Forest Products Agencies SPRL and ETT Agenzia Legnami SpA in connection with the anti-dumping proceeding concerning imports of fibre building board [1], originating in those countries;

Article 2

The anti-dumping procedure is hereby terminated in respect of imports of fibre building board originating in Czechoslovakia, Finland, Norway, Poland, Romania, Spain, the Soviet Union and Sweden.

Done at Brussels, 4 June 1980.

For the Commission

Wilhelm HAFERKAMP

Vice-President

[1] NIMEXE codes 44.11-10, 20, 30, 90; CCT heading No 44.11.