II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 23 June 1980

accepting undertakings given in connection with the anti-dumping proceedings concerning mounted piezo-electric quartz crystal units, originating in Japan, South Korea and the United States of America, and terminating the proceedings

(80/603/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 Community (1), and in particular Article 10 thereof,

After consulting the Advisory Committee set up under that Regulation,

Whereas in July 1979 the Commission received a complaint lodged by the EEC Quartz Crystals Producers Association on behalf of the EEC manufacturers representing almost all the Community production of mass-produced mounted piezo-electric quartz crystal units with a frequency exceeding 2 MHz; whereas the complaint contained evidence of the existence of dumping in respect of like products originating in Japan, South Korea and the United States of America 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 proceedings concerning imports of mass-produced mounted piezo-electric quartz crystal units with a frequency exceeding 2 MHz originating in Japan, South Korea and the United States of America, 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 has given 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 have taken this opportunity;

Whereas, in order to arrive at a preliminary determination of the dumping margin and injury, the Commission verified all information it deemed to be necessary and carried out investigations at the premises of the principal producers and exporters, including in Japan, Tokyo Communication Equipment Co. Ltd (Tokyo) and Nihon Dempa Kogyo Co. (Tokyo); in South Korea, Ilshin Tongyangcom Ltd (Seoul), Kony Precision Co. Ltd (Incheon) and Korea Keum Seok Co. Ltd (Seoul); in the USA, the Electro Dynamics Corporation (Shawnee Mission) and Coyson Crystals Inc. (Cape Canaveral); whereas the Commission also investigated the most important exporters' agents and importers, i.e., Grenz & Co. KG (Munich, Germany) and OEM-Elektronik GmbH (Echterdingen,

(1) OJ No L 339, 31. 12. 1979, p. 1.
(2) OJ No C 216, 29. 8. 1979, p. 3.

Germany); whereas certain exports from the countries concerned were effected via Switzerland; whereas the Commission, therefore, carried out investigations of the Swiss firms concerned, viz. Frischer Electronics SA (Neuchâtel) and W. Moor AG (Zurich); whereas the Commission contacted a number of other agents and importers; whereas the Commission also carried out investigations at the premises of the main complainant Community producers, viz. in Belgium, GTE Sylvania NV (Tienen) and Electro Dynamique Belge SA (Brussels and Libramont); in the Federal Republic of Germany, Standard Electric Lorenz AG (Berlin);

Whereas to make an examination of the existence of dumping by Japanese, Korean and American producers the Commission compared their export prices to the Community with the weighted average prices ruling on their domestic markets; whereas these comparisons were made at the ex-factory level for sales during the period 1 January 1979 to 31 January 1980; whereas for Ilshin Tongyangcom Ltd (Seoul) there were no sales of the like product in the ordinary course of trade on their domestic market and the normal value was, therefore, based on the constructed value, i.e., the costs in the ordinary course of trade of materials, manufacture and overheads in South Korea plus a margin of 5·7 % for profit, which was considered to be reasonable;

Whereas to ensure that export prices and normal value were on a comparable basis, allowances were made, where appropriate, for differences in quantities and in the conditions and terms of sale, i.e., for maximum discounts for bulk orders, for import duties paid on raw materials, for sales and service costs borne by the producers concerned and for cash payment;

Whereas it emerged from this examination that in no case were Japanese and American export prices to the Community lower than the corresponding prices on their respective domestic markets and that the export prices exceeded the normal value by 1·1 to 8·9 %;

Whereas consequently no dumping existed in the case of exports from Japan and the USA of the product in question to the Community;

Whereas in these circumstances it is appropriate to terminate the proceedings concerning imports of mounted piezo-electric quartz crystal units originating in Japan and the United States of America;

Whereas, however, the examination of the facts shows the existence of dumping in respect of the imports from South Korea, 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 from 0·0012 to 0·0336 EUA per piece depending on the type of quartz crystal unit, the exporting country and the importing Member State;

Whereas, with regard to the injury caused to the Community industry, the evidence available to the Commission shows that imports into the Community of the quartz crystal units in question originating in South Korea rose from approximately 307 000 units in 1977 to 916 000 units in 1979; whereas there was also evidence that those imports would further increase to 2 000 000 units in 1980;

Whereas, in the absence of separate production and import figures relating to the quartz crystal units concerned alone, it is difficult to gauge exactly the size of the Community market for such units; whereas, nevertheless, the best information available suggests that the total Community market increased by 23 % from 1978 to 1979; whereas the market share held by imports of quartz crystal units originating in South Korea was in 1977 1·18 % in the Community and 1·4 % in the Federal Republic of Germany and in 1979 rose to 2·47 % in the Community and to 3·6 % in the Federal Republic of Germany;

Whereas the resale prices in the Community of quartz crystal units originating in South Korea undercut those of like units produced by Community manufacturers by up to 47 %;

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

Whereas most of the Community firms are consequently making considerable losses or considerably reduced profits on the quartz crystal units covered by the procedure and the profitability of the quartz crystals industry as a whole is, therefore, at risk; whereas the best information available suggests that there has been a fall in the numbers employed directly in the manufacture of quartz crystal units from approximately 390 in 1978 to approximately 360 in 1979; whereas furthermore one of the Community producers is threatened with complete closure;

Whereas injuries caused by other factors which could adversely affect the Community industry, such as the volume of American and Japanese exports and their prices which in most cases were higher than those from Korea, have been examined and any adverse effects caused by these factors have not been attributed to the imports under consideration;

Whereas, in view of the foregoing, the preliminary examination of the facts shows that dumping of quartz crystal units from South Korea exists, and that there is sufficient evidence of consequent material injury or at least a threat thereof in view of the intended expansion of exports to 2 000 000 units in 1980;

Whereas the Commission, after having established the normal value for the quartz crystal units exported by the South Korean producers, has determined the import prices necessary to eliminate dumping;

Whereas the exporters concerned were informed of the main findings of the preliminary investigation and commented on them; whereas undertakings were consequently offered concerning imports from South Korea by Korea Keum Seok Co. Ltd (Seoul); Kony Precision Co. Ltd (Incheon) and Ilshin Tongyangcom Ltd (Seoul);

Whereas the effect of the said undertakings will be to increase import prices into the Community to a level necessary to eliminate dumping; whereas these increases in no case exceed the dumping margin;

Whereas the Commission has, therefore, determined that it is not now necessary to take protective action in respect of imports from the companies having entered into such undertakings;

Whereas in these circumstances, the undertakings offered are considered acceptable and the proceeding concerning South Korea may, therefore, be terminated without imposition of anti-dumping duties,

HAS DECIDED AS FOLLOWS:

Article 1

The Commission hereby accepts the undertakings given in connection with the anti-dumping proceedings concerning mounted piezo-electric quartz crystal units [1] originating in South Korea.

Article 2

The anti-dumping proceedings concerning imports of mounted piezo-electric quartz crystal units, originating in Japan, South Korea and the United States of America are hereby terminated.

Done at Brussels, 23 June 1980.

For the Commission

Wilhelm HAFERKAMP

Vice-President

[1] NIMEXE code ex 85.21-45, Common Customs Tariff subheading ex 85.21 C.