COMMISSION DECISION

of 4 June 1981

accepting undertakings in connection with the anti-dumping proceeding concerning imports of ball and tapered roller bearings, originating in Japan, Poland, Romania and the Soviet Union and terminating that proceeding

(81/406/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 consultations within the Advisory Committee set up under Regulation (EEC) No 3017/79,

Whereas the Commission received a complaint lodged by the Federation of European Bearing Manufacturers' Associations representing almost all the Community's production of ball and tapered roller bearings; whereas the complaint contained evidence of the existence of dumping in respect of like products originating in Japan, 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 such products originating in Japan, 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 and the representatives of Japan;

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 each side might state its case;

Whereas the majority of the parties concerned have taken this opportunity;

Whereas in order to arrive at an assessment of the dumping margin and injury, the Commission sought and verified all information it deemed to be necessary and carried out inspections at the premises of the four major Japanese producers, Koyo Seiko Co. Ltd, Nachi-Fujikoshi Corp., Nippon Seiko K.K. and NTN Toyo Bearing Co. Ltd, which together account for the vast majority of Japanese exports of ball and tapered roller bearings to the Community and at the premises of importers accounting for almost all imports of the product concerned, including, in France, Import Standard Office, Koyo France, NSK France SA, NTN France SA and Metalexfrance SA, in Germany, NMB GmbH, Deutsche Koyo Walzlager Verkaufs-GmbH, NSK Kugellager GmbH, NTN Walzlager (Europa) GmbH, Nachi (Deutschland) GmbH, FLT-Metall GmbH and Stiegelmeier GmbH, in the United Kingdom, NTN Bearings-GKN Ltd, NSK Bearings Europe Ltd, Nachi (UK) Ltd, Koyo (UK) Ltd, NMB (UK) Ltd, FLT and Metals Ltd and Patrice Sales (UK) Ltd; whereas the Commission also carried out inspections at the premises of the following Community manufacturers concerned, FAG Kugelfischer, SKF Kugellagefabriken, SNR Roulements, SKF (UK) Ltd, Ransome Hoffman, Pollard Ltd and British Timken;

Whereas, for a determination of dumping the Commission selected as the investigation period that of 1 July 1978 to 30 June 1979 and, in view of the fact that many thousands of different types of bearings are sold in the Community, it considered that the 100 types which were, by value, the most important sold by each of the exporters in France, Germany and the United Kingdom would provide a representative sample; whereas the exporters and importers were requested to provide their data on the basis of that investigation period and those types;

Whereas, in order to establish whether the abovementioned imports were dumped, the Commission had to take into account the fact that Poland, Romania and the Soviet Union 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 cited the Austrian and Japanese domestic markets;

Whereas, however, the Commission decided that the Japanese export prices to the Community would constitute a more appropriate basis for comparison

[1] OJ No L 339, 31. 12. 1979, p. 1.
[2] OJ No C 235, 18. 9. 1979, p. 2.

since the East European exports were competing with Japanese exports in the Community; whereas the complainants were informed of this fact and did not object; whereas the representatives of the East European exporters were likewise informed and did not suggest any alternative normal value which would be compatible with Regulation (EEC) No 3017/79;

Whereas the preliminary determination of dumping was accordingly made by comparing the weighted average Japanese export prices over the period July 1978 to June 1979 with weighted average export prices from Poland, Romania and the Soviet Union into the Community over the same period at ex-works level;

Whereas, in the case of imports into Germany and the United Kingdom from Poland, the export prices were constructed on the basis of the weighted average prices at which the imported products were first resold to an independent buyer, since both the importers had associations with the exporter; whereas, for the purposes of this construction, allowance was made for all costs incurred between importation and resale, including duties and taxes, and for a reasonable profit margin of 6 % which was the arithmetic average of the percentage profit margins of importers of bearings which had supplied information to the Commission;

Whereas the above preliminary examination of the facts shows the existence of dumping in respect of imports from Poland, Romania and the Soviet Union in the investigation period, the dumping margin being equal to the amount by which the normal value as established above exceeds the export price to the Community; whereas the said margins varied according to type, exporting country and importing Member State from 0 to 59 % for Poland, from 0 to 99 % for Romania and from 0 to 122 % for the Soviet Union; whereas the weighted average of these margins was, for Poland, 16 % in France and the United Kingdom and 31 % in Germany, for Romania, 37 % in France, 22 % in Germany and 32 % in the United Kingdom, and for the Soviet Union, 63 % in France, the only Member State for which sufficient evidence was available on which to base calculations;

Whereas, for the purpose of assessing dumping on imports from Japan the Commission based its determination of normal value on the weighted average prices charged by each of the four major Japanese producers on the domestic market during the investigation period;

Whereas for all the export sales considered, except for exports by Nachi-Fujikoshi Corp. to France, the export prices were constructed on the basis of the weighted average prices at which the imported products were first resold to an independent buyer during the investigation period since the exporters and the importers were associated; whereas, for the purpose of this construction, allowance was made for all costs incurred between importation and resale, including duties and taxes, and for a reasonable profit margin of 6 %, the average profit margin realized by importers of bearings in the Community from whom information was received;

Whereas for exports by Nachi-Fujikoshi Corp. to France the export prices were determined on the basis of the weighted average prices actually paid or payable for the products sold by Nachi for export during the investigation period;

Whereas the comparisons were made on a weighted average basis at the ex-factory level;

Whereas all the producers claimed that, for the purpose of a fair comparison, account should be taken of differences in distribution and selling costs on domestic and export markets and differences in payment terms;

Whereas the Commission took account of the differences affecting price comparability with respect to variable distribution and selling costs, salesmen's salaries and payment conditions where claims in these areas could be satisfactorily demonstrated;

Whereas, moreover, one of the producers claimed that for certain types its sale on the Japanese domestic market were so negligible as not to permit a proper comparison; whereas the Commission established normal value for these types on the basis of the weighted average prices of similar types, adjusted to take account of the difference in the market value of the products;

Whereas the comparisons showed dumping on the part of each of the four major Japanese producers in the investigation period; whereas these margins varied according to type, producer and importing Member State; whereas the range of margins was a follows: Koyo Seiko 0 % to 40 %, Nachi-Fujikoshi 0 % to 81 %, Nippon Seiko 0 % to 84 %, NTN Toyo 0 % to 26 %;

Whereas the weighted average of these margins was, for Koyo Seiko, 2 % in France, 2 % in Germany and 19 % in the United Kingdom, for Nachi-Fujikoshi, 12 % in France, 19 % in Germany and 11 % in the United Kingdom, for Nippon Seiko, 20 % in France, 11 % in Germany and 19 % in the United Kingdom, for NTN Toyo, 1 % in France, 2 % in Germany and 4 % in the United Kingdom;

Whereas, with regard to the injury caused to the Community industry, the evidence available to the Commission shows that imports into France, Germany and the United Kingdom, the three Member States most concerned, from Japan, Poland, Romania and the Soviet Union of ball and tapered roller bearings increased from 13 210 tonnes in 1978 to 8 178 tonnes in the first half of 1980;

Whereas the market share of the four exporting countries concerned has thus increased from 10·6 % in

1978 to 13 % in the first half of 1980 in France, Germany and the United Kingdom ;

Whereas the weighted average resale prices of these imports of certain representative types undercut the prices of the Community producers during the investigation period by 12 % in Germany, 35 % in France and 20 % in the United Kingdom for Japanese products, by 36 % in Germany, 32 % in France and 46 % in the United Kingdom for Polish products, by 38 % in Germany, 39 % in France and 37 % in the United Kingdom for Romanian products and by 44 % in France, the only market for which relevant information was provided, for Soviet products ;

Whereas the consequent impact on the Community industry has led to most of the bearing producers in the Community making losses or showing steadily decreasing profits ;

Whereas the Commission has considered whether injury has been caused by other factors such as the volume and prices of undumped imports or the stagnation of demand ; whereas, however, the substantial increase in dumped imports and the prices at which they are offered for sale in the Community led the Commission to determine that the dumped imports of ball and tapered roller bearings originating in Japan, Poland, Romania and the Soviet Union, taken in isolation, have caused material injury to the Community industry concerned ;

Whereas after being informed of the main findings of the investigation, the following exporters, Koyo Seiko Co. Ltd, Nachi-Fujikoshi Corp., Nippon Seiko K.K. and NTN Toyo Bearing Co. Ltd (Japan), CIE Impexmetal (Poland), Tecno Import-Export (Romania) and Stanko Import (Soviet Union), have offered undertakings ; whereas these undertakings eliminate the dumping margins found in certain cases and in the other cases eliminate the injurious effects of the dumping ;

Whereas the Commission considers these undertakings to be acceptable ; whereas, however, it will closely monitor compliance with these undertakings in particular by carrying out any necessary checks and inspections ; whereas, moreover, should the increased prices in the undertakings not be passed on to the Community market or should the undertakings be circumvented in any way or whould the existing exports simply be replaced by other dumping exports, the Commission will take appropriate action,

HAS DECIDED AS FOLLOWS :

Article 1

The Commission hereby accepts the undertakings offered by Koyo Seiko Co. Ltd, Nachi-Fujikoshi Corp., Nippon Seiko K.K. and NTN Toyo Bearing Co. Ltd, (Japan), CIE Impexmetal (Poland), Tecno Import Export (Romania) and Stanko Import (Soviet Union), in connection with the anti-dumping proceeding concerning imports of ball and tapered roller bearings (NIMEXE codes 84.62-11, 17 ; Common Customs Tariff subheading ex 84.62 A), originating in Japan, Poland, Romania and the Soviet Union.

Article 2

The anti-dumping proceeding is hereby terminated in respect of imports of the products referred to in Article 1.

Done at Brussels, 4 June 1981.

For the Commission

Wilhelm HAFERKAMP

Vice-President