COMMISSION DECISION

of 28 September 1983

terminating the anti-dumping proceeding concerning imports of xanthan gum originating in the United States of America

(83/493/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), as amended by Regulation (EEC) No 1580/82 (2), and in particular Article 9 thereof,

After consultations within the Advisory Committee as provided for by that Regulation,

Whereas :

A. Procedure

(1) In July 1982 the Commission received a complaint lodged by the European Council of Chemical Manufacturers' Federations (CEFIC) on behalf of the sole Community producer of xanthan gum (Rhône-Poulenc SA).

The complaint contained evidence of dumping and of material injury resulting therefrom, which was considered sufficient to justify initiating a proceeding. The Commission accordingly announced, by a notice published in the *Official Journal of the European Communities* (3), the initiation of an anti-dumping proceeding concerning imports into the Community of xanthan gum falling within subheading ex 39.06 B of the Common Customs Tariff corresponding to NIMEXE code ex 39.06-90, originating in the United States of America and commenced an investigation.

(2) The Commission officially so advised the exporter and importers known to be concerned and the representatives of the exporting country and the complainant and gave the parties directly concerned the opportunity to known their views in writing and to request a hearing. All the parties concerned were heard and made their views known in writing.

(3) For the purposes of arriving at a preliminary finding as to whether dumping and injury had occurred, the Commission requested and received all the information it considered necessary.

(4) Having regard to the injury finding set out below, it was not considered necessary to calculate dumping margins or to verify the information supplied by the exporter with regard to his sales in the United States of America.

(5) In order to verify the injury information received, the Commission carried out checks at the premises of the following companies :

— Community producer :

  Rhône-Poulenc SA, France ;

— Importers :

— Alginate Industries Ltd, UK,
— Kelco/AIL International Ltd, UK,
— Baltimore Aircoil-Chemviron SA, Belgium.

B. Injury

(6) With regard to injury to the Community industry from imports from the United States of America, the confidential information available to the Commission indicates that these imports and their market share have increased substantially in the period 1980 to 1982.

(7) With regard to prices of the imported product on the Community market which were alleged by the complainant to cause price depression, and as such, to be the main source of the injury suffered, the investigation has shown that the prices of the US product when sold in the Community have been consistently above those charged by the complainant for similar quantities and grades.

(8) With regard to the impact of these imports on the Community industry, the evidence available to the Commission shows that :

— the increase in the imports in question coincided with a sharp increase in Community consumption because of the more widespread use of xanthan gum for industrial uses in the food industry,

(1) OJ No L 339, 31. 12. 1979, p. 1.
(2) OJ No L 178, 22. 6. 1982, p. 9.
(3) OJ No C 253, 28. 9. 1982, p. 2.

— the complainant firm was unable to take advantage of this increase in consumption because it was producing at full capacity and a decline in its market share was thus inevitable,

— despite the decline in the complainant's market shares, its production and sales have increased steadily and it sells all of the product which it can produce,

— the low level of the complainant's prices are due to factors other than imports from the United States of America in particular because of the complainant's inability to supply customers on demand due to its limited capacity,

— in addition, xanthan gum was first commercialized by the US exporter thereby giving the firm appreciable advantages in the development of the product resulting in its being able to offer the customer a broader range of products, some of which may have been more suited to customer requirements.

(9) In the light of the above facts, the Commission has concluded that no material injury has been caused to the Community industry from the imports in question.

(10) In these circumstances, protective measures are considered to be unnecessary and the proceeding should therefore be terminated.

(11) No objection to this course of action was raised in the Advisory Committee,

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of xanthan gum originating in the United States of America is hereby terminated.

Done at Brussels, 28 September 1983.

For the Commission

Étienne DAVIGNON

Vice-President