II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 23 February 1984

terminating the anti-dumping proceeding concerning imports of non-alloyed unwrought aluminium originating in Norway, Surinam, the Soviet Union and Yugoslavia

(84/103/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 consultation within the Advisory Committee as provided for under the above Regulation,

Whereas :

A. Procedure

1. In January 1983 the Commission received a complaint lodged by the Committee of the Non-ferrous Metal Industries on behalf of producers whose collective output accounts for the great majority of Community production of non-alloyed unwrought aluminium. This complaint alleged dumping on imports into the Community of non-alloyed unwrought aluminium originating in Egypt, the Soviet Union and Yugoslavia. In July 1983, an additional complaint was lodged on behalf of the same producers with regard to alleged dumping of the same product originating in Norway and Surinam.

   Both complaints contained evidence of dumping and of material injury resulting therefrom, which was considered sufficient to justify the opening and extension of a proceeding.

   The Commission accordingly announced, by notices published in the *Official Journal of the European Communities,* the initiation of an anti-dumping proceeding concerning imports into the Community of non-alloyed unwrought aluminium falling within subheading ex 76.01 A of the Common Customs Tariff, corresponding to NIMEXE code 76.01-11, originating in Egypt, the Soviet Union and Yugoslavia (3) and its extension to include imports of this product originating in Norway and Surinam (4), and commenced an investigation.

2. The Commission officially so advised the exporters and importers known to be concerned and the representatives of the exporting countries and the complainant and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing.

3. All the known Community producers, the majority of the exporters and some of the importers made their views known in writing. The majority of the exporters and all of the producers have requested and have been granted hearings.

(1) OJ No L 339, 31. 12. 1979, p. 1.
(2) OJ No L 178, 22. 6. 1982, p. 9.
(3) OJ No C 31, 5. 2. 1983, p. 4.
(4) OJ No C 206, 2. 8. 1983, p. 2.

4. Following investigation by the Commission in Egypt, the proceeding as concerns Egypt was terminated by Commission Decision 83/305/EEC (1) on 16 June 1983.

5. The exporters of the Soviet Union and Surinam requested and were granted the opportunity to meet the other parties for the purpose of presenting their opposing views.

6. No submissions were made by Community purchasers and processors of the product.

7. The Commission sought and verified all information it deemed to be necessary for the purposes of a preliminary determination and carried out investigations at the premises of the following:

EEC producers:

— Alluminio Italia, I-Rome,

— Aluminium Pechiney, F-Paris,

— Alusuisse Deutschland, D-Konstanz,

— The British Aluminium Company, UK-London,

— Estel Aluminium BV, NL-Vaassen,

— Vereinigte Aluminium-Werke AG, D-Bonn.

Exporters:

Norway

— Årdal og Sunndal Verk A/S,

— Sør Norge Aluminium A/S,

— Mosal Aluminium Elkem A/S & Co.

EEC importers:

— Amalgamated Metal Co., Ltd, UK-London,

— Raznoimport, UK-London.

8. The Commission requested and received detailed written submissions from all complainant Community producers, the majority of the exporters and several importers, and verified the information therein to the extent considered necessary.

The investigation of dumping covered the period from January to December 1982.

B. Normal value

9. Norway

In seeking to determine the normal value for Årdal og Sunndal Verk A/S and Mosal Aluminium Elkem A/S & Co. the Commission had to take account of the fact that sales of the like product on the domestic market did not permit a proper comparison because of the small quantities involved. The Commission determined therefore that the normal value for these companies should be established on the basis of the constructed value.

The preliminary investigation to determine the existence of dumping with respect to Sør Norge Aluminium A/S has shown that the prices of non-alloyed, unwrought aluminium marketed by this exporter had during the investigation period and in respect of the total quantities been on average lower than all costs both fixed and variable ordinarily incurred in its production; the normal value was therefore also determined on the basis of the constructed value.

The constructed value was computed by taking for each company its total cost of materials and manufacture, including overheads, and adding a profit margin of 5 %. The companies concerned contested the addition of a profit margin but the Commission considered such an addition to be reasonable in the light of the company's performance during a representative profitable period.

It was also argued that a tax on the use of electricity should not be incorporated in the constructed value. However, the Commission is of the opinion that there is ample justification for including this item since it represents a cost actually incurred.

10. Surinam

In seeking to determine the normal value for the Suriname Aluminium Company ('Suralco') the Commission had to take account of the fact that there were no sales of the like product on the domestic market. The Commission determined therefore that the normal value for this company should be established on the basis of the constructed value.

The constructed value was computed by taking the company's total cost of materials and manufacture, including overheads, and adding a profit margin of 5 %, which was considered to be reasonable in the light of the company's performance during a representative profitable period.

11. Soviet Union

In order to establish whether the imports from the Soviet Union were dumped, the Commission had to take account of the fact that the country does not have a market economy, and the Commission therefore had to base its determination on the normal value in a market-economy country; for this purpose, the average normal value established following verification for the three Norwegian producers was chosen.

(1) OJ No L 161, 21. 6. 1983, p. 13.

The exporter objected to this choice, arguing that aluminium was an internationally traded commodity the price of which was determined in an international terminal market (the London Metal Exchange) which should, therefore, be used for determining the normal value. The Commission was unable to follow this suggestion as it was not in accordance with the criteria laid down in Regulation (EEC) No 3017/79 for determining normal value. No proposal was made as to another analogue country or as to an alternative method of calculating normal value which would be in accordance with Regulation (EEC) No 3017/79.

The Commission is satisfied that in Norway there are no major differences in production processes and scale of production in comparison with the Soviet Union. Furthermore, the use of the average constructed value for Norway is not disadvantageous to the Soviet exporter, since the Norwegian producers are regarded as being amongst the most efficient in the world. The Commission therefore concluded that it would be appropriate and not unreasonable to determine normal value on the basis of constructed value in Norway.

12. Yugoslavia

The Yugoslav exporters, Energoinvest-'Aluminij' and Kombinat Aluminijuma, did not provide sufficient information concerning normal value. The normal value was therefore based on the best information available to the Commission. In this respect, the average normal value established for the three Norwegian producers, following verification, is considered to be an appropriate and not unreasonable analogue normal value.

C. Export price

13. Export prices were determined on the basis of the prices actually paid or payable for the products sold for export to the Community.

However, in respect of those imports from Yugoslavia where information was incomplete, the Commission used official Community statistics relating to quantities and value of imports as the best information available.

As concerns those imports from the Soviet Union via traders where information was incomplete, the Commission used the average price given by the importer for all sales to traders in Rotterdam during the period.

D. Comparison

14. No allowances were claimed for differences affecting price comparability. All comparisons were made at ex-works level.

E. Margins

15. The above preliminary examination of the facts shows the existence of dumping in respect of imports from all the exporters investigated, the margin of dumping being equal to the amount by which the normal value as established exceeds the price for export to the Community.

16. These margins vary according to the exporter and the importing Member State concerned, the weighted average margin for each of the exporters investigated, expressed as a percentage of cif Community border export price, being as follows :

— Mosal Aluminium Elkem A/S & Co., Norway : 8,6 %

— Sør Norge Aluminium A/S, Norway : 6,5 %

— Årdal og Sunndal Verk A/S, Norway : 9,9 %

— Suriname Aluminium Co., Surinam : 25,8 %

— Raznoimport, Moscow, Soviet Union : 19,1 %

— Energoinvest, Mostar, Yugoslavia : 21 %

— Kombinat Aluminijuma, Titograd, Yugoslavia : 21 %

F. Injury

17. With regard to the injury caused by the dumped imports, the evidence available to the Commission shows that imports into the Community from Norway, Surinam, the Soviet Union and Yugoslavia increased from 326 140 tonnes in 1981 to 458 121 tonnes in 1982, i.e. by more than 40 % with a consequent increase in market share held by the exporting countries from 12,2 to 16,5 % in the same period.

18. The resale prices of these imports were 10 to 18 % lower than those required to cover the costs of Community producers and provide a reasonable profit.

19. The consequence for the Community industry from 1981 to 1982 was a reduction of 10 % in production and a commensurate decrease in capacity utilization. Sales in the Community decreased by 4 % and market share fell from 80 to 74 %.

20. The Community producers, as a result of the low-priced imports, have been forced to sell at prices below cost, and consequently incurred very severe losses.

21. The Commission has considered whether injury has been caused by other factors such as the volume and prices of undumped imports and change in market conditions. The consumption in the Community went up in 1982 by approximately 4 %, whilst production decreased by 10 % and imports from other non-member countries remained stable. The substantial increase in dumped imports and the prices at which they are offered for sale in the Community have therefore led the Commission to determine that the effects of the dumped imports of non-alloyed, unwrought aluminium originating in Norway, Surinam, the Soviet Union and Yugoslavia taken in isolation have to be considered as constituting material injury to the Community industry concerned.

G. Community interest

22. The determination of dumping and consequential injury referred to above have caused the Commission to consider whether action is required in order to protect Community producers. In this respect, account has been taken of the fact that, since the opening of the investigation in February 1983, prices both worldwide and on the Community market have increased considerably. Enquiries made into the likely price trend for the future indicate that no significant reduction in market prices is foreseen for 1984.

The Commission has therefore concluded that it is not in the Community's interest to take protective action at present in respect of imports of non-alloyed, unwrought aluminium originating in Norway, Surinam, the Soviet Union and Yugoslavia. However, future developments will be closely followed so that, should the Community industry deem it necessary to request a reopening of the proceeding in the light of changed circumstances, a decision can be taken rapidly.

No objection to this course was raised in the advisory committee,

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of non-alloyed unwrought aluminium originating in Norway, Surinam, the Soviet Union and Yugoslavia is hereby terminated.

Done at Brussels, 23 February 1984.

For the Commission

Wilhelm HAFERKAMP

Vice-President