# COMMISSION

## COMMISSION DECISION

**of 5 March 1984**

**accepting an undertaking in connection with the anti-dumping proceeding concerning imports of certain synthetic fibre hand-knitting yarn originating in Turkey and terminating that proceeding**

(84/131/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 10 thereof,

After consultations within the Advisory Committee as provided for under the above Regulation,

Whereas :

### A. Procedure

(1) In November 1982 the Commission received a complaint lodged by the Committee of the Wool Textile Industry in the EEC (Interlaine) on behalf of 84 EEC producers representing almost the entire Community industry. The complaint contained evidence of dumping and resultant material injury, which was considered sufficient to justify the initiation of a proceeding. The Commission therefore announced, in a notice published in the *Official Journal of the European Communities* (3), the initiation of an anti-dumping proceeding concerning imports of certain synthetic fibre hand-knitting yarn falling within subheadings 56.05 ex A and 56.06 ex A of the Common Customs Tariff, corresponding to NIMEXE codes ex 56.05-21, 23, 25, 28, 32, 34 and 36 and ex 56.06-11 and 15, originating in Turkey, and commenced an investigation.

(2) The Commission officially so notified the exporters and importers known to be concerned, the representatives of the exporting country and the complainants, and gave the parties directly involved the opportunity of presenting their views in writing and of requesting a hearing.

(3) The producers also lodged the complaint, the known exporters and some importers presented their views in writing. In particular, one of the exporters and the major importers, represented by their association, requested and obtained a hearing.

(4) One of the exporters asked for a meeting with the other directly affected parties in order to present counter-arguments. The Commission was prepared to create the opportunity for such a meeting. However, the exporter concerned, in the end, declined to make use of this opportunity under the conditions set by the other party.

(5) The Commission has collected all the information it considered necessary for the purposes of arriving at a preliminary finding, checked this information, and pursued enquiries on the spot with the following firms :

*EEC producers :*

— Filature de l'Espierres SA, Belgium,
— Kammgarnspinnerei Wilhelmshaven AG, Federal Republic of Germany,
— Schoeller Eitorf AG, Federal Republic of Germany,
— Ets. Caullier & Delaoutre, France,
— Ets. Carlos Lecoutre & Fils, France,
— Hayfield Textiles Ltd, United Kingdom,
— Sirdar Ltd, United Kingdom,
— NV Koninklijke D. S. van Schuppens en Zn, Netherlands,
— Leidsche Wolspinnerij NV, Netherlands.

(1) OJ No L 339, 31. 12. 1979, p. 1.
(2) OJ No L 178, 22. 6. 1982, p. 9.
(3) OJ No C 102, 15. 4. 1983, p. 2.

*Exporters and producers in third countries:*

— AK-PA Tekstil Ihracat Pazarlama AS, as exporting company for:
  — AK-SU Iplik Dokuma ve Boya Apre Fabrikalari TAS,
  — AK-AL Tekstil Sanayii AS,
  — Emböy-Yüntaş Birleşik Kamgarn ve Straygarn Iplik Imalciligi AS,
— OMPA Tekstil Pazarlama ve Ihracat AS, as exporting company for: ORMO Yün Iplik Sanayii ve Ticaret AS, all of Istanbul, Turkey.

*Importers or agents in the EEC:*

— Rump & Sohn GmbH & Co., Federal Republic of Germany,
— W. Harbeck, Federal Republic of Germany,
— J. Newton Burton Ltd, United Kingdom.

(6) The Commission asked for and received detailed written information from complainant producers in the Community, the known exporters and some importers, and checked this information to the extent considered necessary.

The dumping investigation covered the period January to December 1982.

## B. Normal value

*Sales in normal trading on the domestic market*

(7) Normal value was provisionally established on the basis of the weighted average of the domestic prices charged by producers exporting to the Community.

## C. Export price

(8) Export prices were, with one exception, determined on the basis of the prices actually paid or payable for goods sold for export to the Community.

(9) One exporter invoiced his deliveries to the Community via an intermediate firm in a third country. The export prices stated on that firm's invoices could not be regarded as those obtained in normal trading. The Commission therefore, in calculating the export prices for that exporter, took as a basis the prices at which the imported produce was resold for the first time to an independent buyer in the Community. These prices were then adjusted to take account of all costs arising between importation and resale.

## D. Comparison

(10) In comparing the normal value with the export prices, the Commission took appropriate account of the differences influencing the comparability of the prices, in so far as these could be adequately substantiated. Those differences concerned in particular the exemption from entry duties and domestic turnover tax on the raw materials used for manufacturing the exported hand-knitting yarns, and certain cost savings in producing large batches for export.

In addition, adjustments were also proposed for differences in yarn count, terms of payment, and provision for doubtful debts. However, the evidence submitted was not sufficient to prove unequivocally the actual influence of these differences on prices in direct connection with the sales in question and the Commission therefore made no adjustments for these factors. All comparisons were made at the ex-works stage.

## E. Dumping margins

(11) The above preliminary investigation into the matter showed that AK-PA Tekstil Ihracat Pazarlama AS, as exporter for:

— AK-SU Iplik Dokuma ve Boya Apre Fabrikalari TAS,
— AK-AL Tekstil Sanayii AS,
— Emböy-Yüntaş Birleşik Kamgarn ve Straygarn Iplik Imalciligi AS,

all of Istanbul, Turkey, was dumping the goods concerned, and that the dumping margin corresponded to the amount by which the price on exportation to the Community was below the established normal value. For the exporters in question, there was a weighted average dumping margin of 17,8 % for the products referred to.

In the case of Hasköy Yün Iplik Fabrikasi AS, Istanbul, Turkey, a weighted average dumping margin of 0,9 % was recorded, while for the other exporters concerned, namely:

— OMPA Tekstil Pazarlama ve Ihracat AS, as exporter for: ORMO Yün Iplik Sanayii ve Ticaret AS

and

— EDPA Tekstil Pazarlama Ticaret ve Sanayii AS, as exporter for: Sağmal Iplik ve Documa Sanayii,

all of Istanbul, Turkey, there was no dumping.

## F. Injury

(12) With regard to the injury caused by the imports in question, the evidence available to the Commission shows that imports from Turkey to the Community of the products referred to rose rapidly from 334 000 kilograms in 1980 and 201 000 kilograms in 1981 to 1 184 000 kilograms in 1982, and that their market share in the Federal Republic of Germany, the market most affected, rose over the same period from 0,3 to 6,1 %. This was aggravated by the fact that the market for synthetic hand-knitting yarns in the Community comprises a broad range of branded and unbranded yarns of widely varying prices, and that the penetration of Turkish yarns was almost exclusively in the particularly price-sensitive sector of unbranded standard yarns. In this market sector, the Turkish share of the German market in 1982 was estimated to have increased from almost zero to more than 20 %, and this is attributable entirely to the dumped imports from AK-PA Tekstil Ihracat Pazarlama AS, which were concentrated in this market — also an important sales area for other Community producers.

(13) Measured against the cheap unbranded yarns, the resale prices of the Turkish imports in the period under review were up to 15 % below the prices of Community producers, and were below the price level that would have been necessary for the Community producers to cover their costs and make a reasonable profit.

(14) The impact on the affected branch of the Community industry, particularly on those firms producing a large share of unbranded standard goods, was reflected above all in declining production and sales, loss of market share and a clear drop in prices, combined with considerable shrinking of net profits or increasing losses.

(15) The Commission went into the question of whether injury had been caused by other factors such as, for example, quantities and prices of non-dumped imports or changes in demand. It was found that imports from all countries from 1980 to 1982 fluctuated between 2 344 000 and 2 644 000 kilograms, and that their share of the market during this period increased only slightly, from 6,2 to 6,8 %, while the average value of imports from most other supplier countries with significant quantities was markedly higher than that of Turkish imports. Consumption of synthetic hand-knitting yarns in the Community from 1981 to 1982 dropped by 2,6 %, while in this period when there was a massive increase in Turkish imports, production declined by 8,1 %.

(16) All these factors, in particular the abrupt rise in imports and the price-undercutting which is felt particularly acutely at a time when this branch of Community industry has to contend with considerable difficulties, led the Commission to the conclusion that dumped imports of certain synthetic fibre hand-knitting yarn originating in Turkey could in themselves be regarded as having the effect of causing material injury to this branch of Community industry.

## G. Community interests

(17) Large importers and resellers in the Community have argued that the introduction of protective measures would not be in the Community interest, since this would excessively restrict competition on the market for hand-knitting yarns. The Commission has become convinced that, particularly in the sector of unbranded standard yarns, there is keen competition between Community producers, and that the dumped imports have further depressed the already low level of prices in this sector.

The Commission is therefore of the opinion that fair conditions of competition for Community producers will be restored only after a corresponding price increase for the dumped Turkish imports, and that it is therefore in the Community interest to take defensive measures against exports to the Community of synthetic fibre hand-knitting yarn from AK-PA Tekstil Ihracat Pazarlama AS of Istanbul, Turkey. Since the dumping margin established for Haskoy Yün Iplik Fabrikasi AS is negligible and the quantities exported to the Community are of hardly any significance, and in the case of exports from OMPA Tekstil Pazarlama ve Ihracat AS and EDPA Tekstil Pazarlama Ticaret ve Sanayii AS, all of Istanbul, Turkey, there was no dumping, intervention is not necessary and the proceeding against these exporters can therefore be terminated without counter-measures.

## H. Undertakings

(18) The exporters concerned were informed of the main results of the preliminary investigation into the matter and expressed their opinions thereon. In due course an undertaking was offered by the Turkish exporter concerned in relation to exports to the Community of certain synthetic fibre hand-knitting yarn.

(19) This undertaking will have the effect of raising prices for exports to the Community to a level necessary to eliminate the injury. None of these price increases exceeds the dumping margin established in the investigation.

(20) The undertaking offered is therefore regarded as acceptable, and the proceeding may be terminated without anti-dumping duties being levied.

(21) No objection was raised in the Advisory Committee,

HAS DECIDED AS FOLLOWS:

*Article 1*

The Commission hereby accepts the undertaking offered by AK-PA Tekstil Ihracat Pazarlama AS as exporter for AK-SU Iplik ve Dokuma ve Boya Apre Fabrikalari TAS, AK-AL Tekstil Sanayii AS and Emböy-Yüntaş Birleşik Kamgarn we Straygarn Iplik Imalciligi AS, all of Istanbul, Turkey, in connection with the anti-dumping proceeding concerning imports of certain synthetic fibre hand-knitting yarn falling within subheadings 56.05 ex A and 56.06 ex A of the Common Customs Tariff, corresponding to NIMEXE codes ex 56.05-21, 23, 25, 28, 32, 34 and 36 and ex 56.06-11 and 15, originating in Turkey.

*Article 2*

The anti-dumping proceeding concerning imports of certain synthetic fibre hand-knitting yarn originating in Turkey is hereby terminated.

Done at Brussels, 5 March 1984.

*For the Commission*

Étienne DAVIGNON

*Vice-President*