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*(Acts whose publication is not obligatory)*

# COMMISSION

## COMMISSION DECISION

**of 23 March 1984**

**accepting an undertaking offered in connection with an anti-dumping proceeding concerning imports of certain iron or steel angles, shapes and sections originating in Romania, and terminating that proceeding**

(84/182/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,

### A. Procedure

(1) In October 1982 the Commission received a complaint lodged by the 'Comité d'étude européen du profilage à froid' on behalf of its German, Dutch and Belgian member companies who produce certain iron or steel angles, shapes and sections and whose collective output constitutes a major proportion of Community production of the product in question. The complaint contained evidence of dumping and of material injury resulting therefrom, which were considered sufficient to justify the initiation of 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 certain iron or steel angles, shapes and sections falling within Common Customs Tariff subheading ex 73.11 A III and corresponding to NIMEXE code 73.11-31, originating in Romania, and commenced an investigation.

(2) The Commission officially so advised the exporter and the importer known to be concerned and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing.

The majority of the Community producers, the exporter and the importer made their views known in writing. The exporter and the importer requested and have been granted hearings. The exporter requested an opportunity to meet the complainants for the purpose of presenting their opposing views; the complainants stated, however, that at this stage of the proceeding the situation was so evident that such a meeting was not warranted. No submissions were made by or on behalf of Community purchasers or processors of the product in question.

[1] OJ No L 339, 31. 12. 1979, p. 1.
[2] OJ No L 178, 22. 6. 1982, p. 9.
[3] OJ No C 109, 23. 4. 1983, p. 2.

(3) 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:*

— *in Germany*

— Techno Arbed GmbH (Völklingen-Fenne),

— Klöckner-Werke Mannstaedt AG (Troisdorf),

— Wuppermann Kaltprofil GmbH (Leverkusen);

— *in the Netherlands*

Thomas Regout NV (Maastricht);

— *in Belgium*

Les Laminoirs de Longtain (Bois d'Haine);

*EEC importer:*

F. Kirchfeld GmbH & Co. (Düsseldorf);

*Austrian major producer:*

Voest-Alpine (Linz).

The Commission requested and received detailed written submissions from complainant Community producers, exporters and importers.

The investigation of dumping covered the period from 1 January to 31 December 1982.

## B. Normal value

(4) In order to establish whether the imports from Romania were dumped, the Commission had to take account of the fact that this country does not have a market economy, and therefore had to base its determination on the normal value in a market-economy country. In this connection, the complainants had suggested the Austrian market. The exporter objected to this suggestion, claiming that prices in Austria were state-controlled and that the size of the remaining production of the product in question in Austria was not representative for a comparison. The exporter therefore proposed that either Spain or Yugoslavia should be used as the analogue country.

In order to evaluate whether normal value could also be determined in an appropriate manner on the basis of market and production conditions in Spain or Yugoslavia, the Commission sought to obtain the relevant information and permission to carry out the necessary verifications on the spot, but those concerned in Spain and Yugoslavia were not responsive to the request.

The Commission is satisfied that in Austria, as in the exporting country, there are similar production processes, that there is production on a substantial scale of the products sold on this domestic market and that price controls in Austria ensure that price levels are in a reasonable proportion to production costs.

The Commission therefore determined normal value on the basis of domestic prices because the sales of the Austrian producer were on a substantial scale and were made in the normal course of trade. Due allowance was made for differences affecting price comparability by deduction from the Austrian ex-works prices of the maximum discounts granted on sales of the largest quantities and costs of freight.

## C. Export price

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

## D. Comparison

(6) In comparing normal value with export prices the Commission took account, where appropriate, of conditions and terms of sale.

All comparisons were made at ex-works level.

## E. Margins

(7) The above preliminary examination of the facts shows the existence of dumping in respect of Metalimportexport, Bucharest, Romania, the margin of dumping being equal to the amount by which the normal value as established exceeds the price for export to the Community. This margin exceeds 60 %.

## F. Injury

(8) With regard to the injury caused by the dumped imports, the evidence available to the Commission shows that imports into the Community from Romania of cold formed sections increased from 17 392 tonnes in 1979 to 25 594 tonnes in 1982. The great majority of these imports went to the Federal Republic of Germany, where their volume and market share rose from 17 084 tonnes and 17,6 % in 1979 to 25 594 tonnes and 31,6 % in 1982.

The weighted average resale prices of these imports undercut the prices of the Community producers during the investigation period by approximately 30 %, and the resale prices of these imports were lower than those required to cover the costs of Community producers and provide a reasonable profit.

(9) As a result of the dumped imports it has become impossible for the Community industry to maintain profitable production of the products in question. This has led to a reduction in, or even cessation of, production, under-utilization of capacity, a large decrease in the volume of sales of the products concerned, a significant fall in the size of their market share and a drop in employment.

(10) The Commission has considered whether injury has been caused by other factors such as reduction of demand and imports from sources other than the country concerned. In this context it was found that while consumption within the Community declined substantially between 1980 and 1982, the volume of imports from other sources into the Community declined even faster during the same period.

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 effects of the dumped imports of cold formed sections originating in Romania taken in isolation have to be considered as constituting material injury to the Community industry concerned.

## G. **Community Interest**

(11) In these circumstances and in order to prevent further injury being caused during the proceeding, the Commission has come to the conclusion that it is in the Community's interests that action be taken.

The exporter concerned, having been informed of the Commission's findings, offered an undertaking concerning their exports of certain iron or steel angles, shapes and sections to the Community.

The effect of the said undertaking will be to increase the Romanian export price to the level necessary to eliminate the injury caused. This increase in no case exceeds the dumping margins found in the investigation.

In these circumstances, the undertaking offered is considered acceptable and the proceeding may therefore be terminated without imposition of an anti-dumping duty.

No objection to this course was raised in the Advisory Committee.

HAS DECIDED AS FOLLOWS:

*Article 1*

The undertaking offered by Metalimportexport, Bucharest, Romania in the context of the anti-dumping proceeding concerning imports of certain angles, shapes and sections of iron or steel, not further worked than cold-formed or cold-finished from coils for re-rolling, universal plates, hoop, strip, sheets or plates, originating in Romania, is hereby accepted.

*Article 2*

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

Done at Brussels, 23 March 1984.

*For the Commission*

Étienne DAVIGNON

*Vice-President*