COMMISSION DECISION

of 4 March 1988

terminating the anti-dumping proceeding concerning imports of kraftliner paper and board originating in Brazil and the Republic of South Africa

(88/125/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2176/84 of 23 July 1984 on protection against dumped or subsidized imports from countries not members of the European Economic Community [1], and in particular Article 9 thereof,

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

Whereas:

A. PROCEDURE

(1) On 17 March 1987, the European Association of Makers of Corrugated Case Papers, representing almost all Community production of the product in question, lodged a complaint with the Commission requesting the initiation of an anti-dumping proceeding concerning imports of kraftliner paper and board originating in Brazil and the Republic of South Africa.

(2) The complaint contained evidence of dumping and of injury caused thereby which was considered sufficient to justify the initiation of the abovementioned proceeding.

The Commission accordingly announced, by notice published in the *Official Journal of the European Communities* [2] the initiation of an anti-dumping proceeding concerning imports into the Community of kraftliner paper and board corresponding to the combined nomenclature code 4804 11 11, 15 and 19 originating in Brazil and the Republic of South Africa.

(3) The Commission officially advised the producers/exporters and importers known to be concerned and the complainant and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing.

(4) The International Committee of Paper and Board Converters in the Common Market (CITPA), which represents the Community corrugated board industry, i. e. most of the importers of kraftliner, made submissions.

(5) The Commission sought and verified all information it deemed to be necessary for the purposes of establishing the facts and carried out inspections at the premises of the following:

Producers/exporters:

— Industrias Klabin Papel e Celulose, SA, São Paulo

— Manville Produtos Florestais Ltda, lages/Sc

— Sappi Limited, Johannesburg

Community producers:

— La Cellulose du Pin, Bordeaux

— Portucel, Lisbon

— INPACSA, Barcelona

(6) The investigation of dumping covered the period from 1 January 1986 to 30 April 1987.

B. DUMPING

(a) *Export price*

(7) As a general rule, export prices were determined on the basis of the prices actually paid for the products sold for export to the Community.

(b) *Normal value*

(8) For each of the producers/exporters concerned the normal value was established on the basis of the weighted average of comparable domestic seiling prices actually paid or payable to these producers/exporters in the ordinary course of trade for like products intended for domestic consumption.

(c) *Comparison*

(9) In comparing normal value with export prices, the Commission took account, where appropriate, of differences affecting price comparability, such as the differences in the physical characteristics of the product, commissions, credit terms, transport and insurance, handling, packing and related costs and salesmen's salaries. Due allowance for such differences was made where claims in these areas could be satisfactorily substantiated.

(10) All comparisons were made at the same level of trade.

[1] OJ No L 201, 30. 7. 1984, p. 1.
[2] OJ No C 113, 28. 4. 1987, p. 2.

(d) *Dumping margin*

(11) A comparison between the normal value and the export prices showed that certain of the exports in question were dumped during the period of investigation. The weighted average dumping margins varied between 2 % and 12 % for the companies concerned. However, the Commission's investigation showed considerable dumping only at the beginning of the investigation period when it varied between 16 % and 40 %, then export prices were increased and from June 1986 to April 1987 no dumping was found.

C. INJURY

(12) In accordance with Article 4 of Regulation (EEC) No 2176/84, only the Community industry producing the like product, i. e. kraftliner, has been taken into account in determing injury.

(13) The Commission examined the volume of dumped imports, the evolution of these imports and their consequent impact on the Community industry. This examination showed that the imports from Brazil and the Republic of South Africa had increased from 77 800 tonnes in 1983, corresponding to a market share of 3,6 % in the Community of 12 Member States, to 185 100 tonnes in 1986, corresponding to a market share of 8,5 %.

However, the production of kraftliner for domestic consumption in the Community of 12 Member States had increased from 535 634 tonnes in 1983, corresponding to a market share of 22,5 %, to 559 435 tonnes in 1986, corresponding to a market share of 23,1 %.

The production capacity of the Community producers with one exception also had increased significantly in the financial year 1986 in comparison to 1985.

Capacity utilization of the Community producers had increased in the abovementioned period by up to 10 percentage points.

The average sales prices in the Community had been increased between 1985 and 1986 up to 22,6 % and the numbers employed by the Community producers had remained relatively stable since 1984, the small reduction being associated with increased productivity at the companies' concerned.

The result of the examination is therefore that although there are some indications of injury, particularly when comparative increases in volume and market share are examined, on balance the Community industry as a whole cannot be said to have suffered injury of a material nature.

(14) According to the evolution of the export prices of the exporters the Commission also determined that there was no particular threat of injury likely to develop into material injury.

D. TERMINATION OF THE ANTI-DUMPING PROCEEDING

(15) In these circumstances, therefore, the anti-dumping proceeding should be terminated without the imposition of protective measures.

(16) No objections to this course were raised in the Advisory Committee.

(17) The complainant was informed of the essential facts and considerations on the basis of which the Commission intended to terminate the proceeding and did not comment.

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of kraftliner paper and board corresponding to combined nomenclature code 4804 11 11, 15 and 19, originating in Brazil and the Republic of South Africa, is hereby terminated.

Done at Brussels, 4 March 1988.

For the Commission

Willy DE CLERCQ

Member of the Commission