II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 20 January 1989

terminating the anti-dumping proceeding concerning imports of certain seamless tubes of iron or non-alloy steel originating in Austria

(89/56/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2423/88 of 11 July 1988 on protection against dumped or subsidized imports from countries not members of the European Economic Community [1], and in particular Article 9 thereof,

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

Whereas :

A. Procedure

(1) In July 1987 the Commission received a complaint lodged by the Liaison Committee of the European Community Steel Tube Industry on behalf of manufacturers representing the majority of the Community production of the products in question.

(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 certain seamless tubes of iron or non-alloy steel falling within CN codes 7304 39 10, 7304 39 51, 7304 39 59, 7304 39 91 and 7304 31 99.

(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 Austrian producer/exporter made its views known in writing and requested a hearing which was granted.

(5) No submissions were made on behalf of Community buyers of the product in question.

(6) 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 :

(a) *EEC producers :*

— Mannesmannröhren-Werke AG, Düsseldorf, Germany,

— Société Vallourec, Paris, France,

— British Steel Corporation, Wolverhampton, United Kingdom ;

(b) *Non-EEC producer/exporter :*

— Voest-Alpine Stahlrohr Kindberg GmbH, Kindberg, Austria ;

(c) *EEC importer (related) :*

— Voest-Alpine GmbH, Munich, Germany.

(7) The investigation of dumping and price undercutting covered the period from 1 January to 31 December 1987.

[1] OJ No L 209, 2. 8. 1988, p. 1.
[2] OJ No C 24, 29. 1. 1988, p. 3.

B. Dumping

(a) *Normal value*

(8) Sales of the like product on the Austrian market by Voest-Alpine had been at a loss throughout the investigation period and did not permit recovery of all costs reasonably allocated. The Commission therefore decided in accordance with Article 2B (4) of Council Regulation (EEC) No 2423/88 to adjust the sub-production-cost prices in order to eliminate the loss and provide for a reasonable profit. On this basis normal values have been established for the most representative categories and dimensions of commercial seamless tubes sold on the Austrian market and exported to the Community.

(b) *Export prices*

(9) Exports to Germany were made through Voest-Alpine, GmbH, Munich, a 100 % subsidiary of Voest-Alpine AG, Linz, acting as sole importer for Germany. The Commission therefore reconstructed the export price for the German market on the basis of the resale prices of Voest-Alpine, GmbH to independent buyers in Germany allowing for all costs incurred between importation and resale including a reasonable amount for overheads and profit.

All other export prices to the Community were determined on the basis of the price actually paid or payable for the products sold for export to the Community.

(c) *Comparison*

(10) In comparing normal value with export prices, the Commission took account, where appropriate, of differences affecting price comparability, such as discounts and quantity rebates, commissions, credit terms, transport and insurance, handling, packing and related costs. Due allowance for such differences was made where claims in these areas could be satisfactorily substantiated.

(11) All comparisons were made at an ex works level.

(d) *Dumping margins*

(12) The examination of the facts showed the existence of dumping, the margins of dumping being equal to the amount by which the normal values as established exceeded the price for export to the Community.

(13) These margins vary according to the type and dimension of the products concerned and the Member State to which the product was exported, the weighted average being 11,2 %.

C. Material injury

(14) With regard to injury caused by the dumped imports the Commission had to consider that only plain commercial seamless tubes excluding higher quality types and precision tubes were subject to the proceeding and to evaluate the impact of the imports from Austria on this market segment and the related production in the Community. For this purpose the Commission excluded from the investigation those export sales to the Community for which the Austrian producer/exporter could show that they had been accompanied by special works certificates guaranteeing particular chemical and mechanical properties of these products which is normally not the case in trade with standard seamless tubes of commercial quality. On this basis the investigation revealed that imports into the Community of the products concerned originating in Austria only started in 1986 with 86 tonnes and increased to 5 960 tonnes in 1987. Their share of the Community market of commercial seamless tubes increased from practically zero in 1986 to slightly less than 1 % in 1987. The impact of these imports concentrated mainly in Germany, where their share increased from 0,5 % in 1986 to 1,9 % in 1987, in France and in Italy where their part starting from zero in 1986 reached 1,7 % and 0,4 % respectively.

(15) The evidence also available to the Commission indicated that the Austrian producer/exporter being a newcomer to the Community market had based its resale prices in the Community on the list prices of Community producers, granting, however, rebates in excess of those generally available for the Community product. On this basis the Commission found that the effective resale prices of the Austrian product undercut those of Community producers during the investigation period between 4 and 11 %, according to the type and dimension of the product and the Member State involved.

(16) In assessing the impact the exports in question had on the production in the Community the Commission considered in particular the evolution of demand and the volume of imports from other sources.

It was established according to the evidence made available to the Commission that consumption of commercial seamless tubes in the Community had

fallen continuously from 720 000 tonnes in 1985 to 684 000 tonnes in 1986 and 612 000 tonnes in 1987, a decline of 108 000 tonnes in the two-year period representing a contraction of the Community market of 15 %.

Despite the depressed market situation in the Community imports from other third countries increased form 80 200 tonnes in 1986 to 91 800 tonnes during the investigation period, extending their market share from 11,7 to 15,0 %.

(17) The continuing decline of demand and increased imports from third countries led to heavy cuts of production and increasing excess capacity in the Community. Production was run down from 1 178 000 tonnes in 1985 to 1 097 000 tonnes in 1986 and reached only 927 000 tonnes in 1987. Over the whole period the loss of output amounted to 251 000 tonnes, a decrease of 21,3 %. The heavy downturn of the markets led to several plant closures in Germany, France and the United Kingdom combined with substantial shedding of capacities and loss of employment.

(18) Following the rapid decline in demand, prices of commercial seamless tubes have fallen considerably since 1985. None of the Community producers investigated was able to cover full costs and all of them suffered severe financial losses.

(19) The Commission considered all these factors. However, in the light of the relatively small quantities of dumped imports from Austria, representing a market share in the Community of less than 1 %, compared to the overriding impact of the other factors, in particular the heavy decline in demand, the Commission came to the conclusion that the injurious effects of the imports under consideration taken in isolation cannot be qualified as constituting material injury.

D. Threat of injury

(20) The Commission has also considered whether it would be likely, if no anti-dumping measures were applied, that the dumped imports would increase further to an extent that material injury would be caused to the Community industry. In this connection it was established that the plant of the sole Austrian producer is laid out for the production of seamless oil-field tubing not subject to the proceeding and which is mainly exported to non-EEC countries. The production of commercial seamless tubes is only taken up occasionally with a limited capacity attributed depending on the order volume for oil-field tubes. In view of the total disposable capacities and the positive outlook for oil-field tube exports by the Austrian producer to non-EEC countries which are likely to absorb the full production capacity, the Commission concludes that there is no particular threat of injury likely to develop into material injury.

E. Termination of the anti-dumping proceeding

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

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

(23) The complainant was informed of the essential facts and considerations on the basis of which the Commission intended to terminate the proceeding,

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of certain seamless tubes of iron or non-alloy steel corresponding to CN codes 7304 39 10, 7304 39 51, 7304 39 59, 7304 39 91 and 7304 31 99 originating in Austria is hereby terminated.

Done at Brussels, 20 January 1989.

For the Commission

Frans ANDRIESSEN

Vice-President