COMMISSION DECISION

of 17 October 1989

terminating the anti-dumping proceeding concerning imports of polyester film originating in the Republic of Korea

(89/560/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 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) In September 1987 the Commission received a complaint lodged by the European Plastic Films, Membrane and Covering Manufacturers Association (AEC) on behalf of producers representing the total Community production of polyester film against imports of polyester film originating in the Republic of Korea (hereafter called 'Korea'). The complaint contained evidence of dumping and of material injury resulting therefrom, which was considered sufficient to justify the initiation of a proceeding. The Commission accordingly announced, by a notice published in the *Official Journal of the European Community* (2), the initiation of an anti-dumping proceeding concerning imports into the Community of polyester film, falling within CN codes 3919 10 31, 3919 90 31, 3920 61 00, 3920 62 00, 3920 63 00, 3920 69 00, 3921 19 90, 3921 90 19 and commenced an investigation.

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

(3) The Commission, for the purpose of obtaining all the information it deemed to be necessary, sent questionnaires to the four companies on whose behalf the complaint was made, in order to allow each company to demonstrate the injury caused to it by imports of polyester film from Korea. The Commission carried out a detailed analysis of those four companies who returned completed questionnaires and whose combined production represented the complete Community production.

(4) All the producers/exporters and some importers known to be concerned made known their views in writing. All of the producers/exporters requested and were granted hearings ; the complainant also requested and was granted a hearing.

(5) The Commission verified the information received to the extent it deemed necessary for the purposes of a preliminary determination and carried out investigations at the premises of the following companies :

(a) *Community producers :*

- — Du Pont de Nemours, Luxembourg,
- — Hoechst AG, Wiesbaden, Germany,
- — ICI, Welwyn Garden City, Hertfordshire, United Kingdom,
- — Rhône-Poulenc, Lyon, France ;

(b) *Korean producers/exporters :*

- — Kolon Industries Inc., Seoul,
- — SKC Ltd, Seoul.

(6) The investigation of dumping covered the year 1987 ; the trends in the relevant economic factors to determine whether the Community industry is suffering material injury were examined for the years 1984 to 1987.

B. Injury

(7) With regard to the injury allegedly being caused by the allegedly dumped imports, the evidence available to the Commission shows that imports of all types of polyester film to the Community from Korea increased from 582 tonnes in 1984 to 890 tonnes in 1985, to 2 207 tonnes in 1986 and to 2 949 tonnes in 1987. This development in imports represents an increase in market share for the Korean producers/exporters from 0,6 % in 1984, to 0,9 % in 1985, to 2,0 % in 1986, to 2,4 % in 1987. During the same period the market share of the Community industry decreased from 73,4 % in 1984 to 68,1 % in 1987 while its average return on sales before taxes oscillated from 16,2 % in 1984 to 7,4 % in 1985, to 9,9 % in 1986 and to 10,6 % in

(1) OJ No L 209, 2. 8. 1988, p. 1.
(2) OJ No C 7, 12. 1. 1988, p. 9.

1987. In the thin film sector (12 to 36 micron thickness) the imports from Korea represented in 1985 3,0 %, in 1986 6,6 % and in 1987 8,2 % of the respective sales of the Community industry in the Community.

(8) The Community industry turnover increased from ECU 340 900 000 in 1984 to ECU 360 900 000 in 1985, to ECU 375 800 000 in 1986 and to ECU 384 700 000 in 1987. In the thin film sector where most of the Korean imports took place, the Community industry realized an increase in turnover from ECU 61 300 000 in 1985, to ECU 70 800 000 in 1986 and ECU 72 400 000 in 1987. In this sector, the Community industry achieved in 1987 a weighted average return on sales of 4,9 % while that of all polyester films was 10,6 %.

(9) As far as capacity, production and employment of the Community industry are concerned, they all increased during the period 1984 to 1987, as did the exports of the Community producers of polyester film to Korea. The prices for all types of polyester film, but above all for those in the thin film sector, decreased during 1984 to 1987. The average price undercutting for all 12-micron film of the Korean exporters ranged between 12,3 % and 24,8 %.

(10) Taking into account the relevant economic factors as referred above, the Commission come to the conclusion that during the investigation period the imports from Korea have not caused injury to the complainant companies as far as the production of all types of polyester film is concerned and no material injury in the thin film sector. Indeed, the small loss of market share for all types of polyester film cannot totally be imputed to the Korean exporters. The unsatisfactory results in the film sector were not of such a gravity as to harm substantially the complainant producers.

C. Dumping

(11) In view of the above findings with respect to injury the Commission considered it unnecessary — notwithstanding the indications of the existence of dumping practices in 1987 — to further investigate the question of dumping with regard to the imports concerned.

D. Withdrawal of the complaint and termination of the proceedings

(12) After having been informed by the Commission of the above findings, the complainant decided to withdraw the complaint because of changes in the market conditions between the period under investigation — the year 1987 — and 1989.

(13) In these circumstances, protective measures are unnecessary and the proceeding should be terminated as the continuation of the proceedings would not be in the interest of the Community,

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of polyester film originating in the Republic of Korea is hereby terminated.

Done at Brussels, 17 October 1989.

For the Commission

Frans ANDRIESSEN

Vice-President