COMMISSION DECISION

of 12 October 1992

accepting undertakings offered in connection with the review of anti-dumping measures applicable to certain imports of monosodium glutamate originating in Indonesia and terminating the investigation

(92/493/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 10 thereof,

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

Whereas :

I. PREVIOUS PROCEDURE

(1) By Regulation (EEC) No 1798/90 [2], the Council imposed a definitive anti-dumping duty of ECU 0,510 per kilogram on imports of monosodium glutamate originating, *inter alia,* in Indonesia, with the exception of imports from one Indonesian company from which a price undertaking was accepted by the Commission.

II. REVIEW

(2) In April and July 1991 the Commission received letters from PT Indomiwon Citra Inti and PT Cheil Samsung Astra, two unrelated Indonesian manufacturers of monosodium glutamate, stating their intention to export the product concerned to the Community in the near future, that these exports would be subject to the abovementioned duty and that neither of these companies had produced or exported during the original period of investigation.

(3) Furthermore, from the information received, it appeared that PT Indomiwon Citra Inti was indirectly related to another Indonesian manufacturer of monosodium glutamate, PT Miwon Indonesia. This latter company cooperated with the Commission during the previous proceeding but did not export the product concerned to the Community during the original period of investigation. Given this indirect relationship, it was decided that the review for PT Indomiwon Citra Inti should also cover PT Miwon Indonesia, which agreed to cooperate.

(4) By a notice published on 5 November 1991 [3] the Commission, after consultation within the Advisory Committee and in accordance with Article 14 of Regulation (EEC) No 2423/88, initiated a review of Regulation (EEC) No 1798/90 as it concerned the three Indonesian companies mentioned in recitals 2 and 3 above.

(5) Accordingly, the Commission reopened the investigation and questionnaires were sent to the three manufacturers concerned, the replies being verified at their premises in Indonesia.

(6) The investigation period for the review was 1 January to 30 September 1991.

III. RESULTS OF THE INVESTIGATION

1. Newcomers

(7) The investigation showed that PT Cheil Samsung Astra and PT Indomiwon Citra Inti were established and started operations well after the end of the previous investigation period and did not export the product concerned to the Community during that period. In addition, it was found that these two companies had no link of any sort with the Indonesian exporters involved in the previous investigation for which dumping was found. Furthermore, it was also found that PT Cheil Samsung Astra is already exporting monosodium glutamate to the Community and PT Indomiwon Citra Inti has the firm intention to do so as demonstrated by a distribution agreement signed with an importer in the Community. As to PT Miwon Indonesia, it was found that this company had never exported the product concerned to the Community nor could show any firm intention to do so in the near future. In these circumstances,

[1] OJ No L 209, 2. 8. 1988, p. 1.
[2] OJ No L 167, 30. 6. 1990, p. 1.
[3] OJ No C 287, 5. 11. 1991, p. 5.

only PT Cheil Samsung Astra and PT Indomiwon Citra Inti can be recognized as newcomers for which a review of the measures in force is warranted.

2. Product under investigation, like product

(8) The product under investigation is the same as that in the proceeding which led to Regulation (EEC) No 1798/90, i.e. monosodium glutamate produced in the form of crystals of various sizes, falling within CN code ex 2922 42 00.

3. Normal value

(9) Since most sales of the like product by PT Indomiwon Citra Inti and PT Cheil Samsung Astra on their domestic market were made at a loss during the investigation period, normal value was constructed. As trade in the Community market for monosodium glutamate is mainly in large packing sizes (15 kg and over), the Commission established the constructed normal value on this basis.

(10) In constructing normal value, the Commission based manufacturing costs on the companies' own costs and added a reasonable amount for selling, general and administrative expenses and profit.

The amount for selling, general and administrative expenses and profit was calculated by reference to the expenses incurred and profit realised by PT Miwon Indonesia on profitable domestic sales of the like product. The latter company was the only manufacturer known to have profitable sales in the Indonesian market in quantities which could be considered representative.

4. Export price

(11) Since, during the investigation period, only one of the companies concerned exported monosodium glutamate to the Community and these exports were only made in small quantities, no reliable export price could be established on the basis of these exports, for the product under consideration.

5. Injury

(12) Since this review was limited to changed circumstances concerning certain Indonesian producers, the injury findings established in Regulation (EEC) No 1798/90 are considered still valid.

6. Measures

(13) It is clear that if the export prices of the monosodium glutamate sold for export to the Community by the two companies concerned at least equal their normal value for the like product, no dumping would exist.

(14) However, the normal values as established for the two companies concerned and adjusted to take account of costs incurred in conveying the goods to the Community frontier, were found to exceed the injury threshold established in the previous investigation. It is therefore considered that the measures to be imposed in respect of the imports to the Community of monosodium glutamate produced by PT Indomiwon Citra Inti and PT Cheil Samsung Astra should be limited to ensuring that the product concerned is not sold at a price less than the injury threshold.

(15) Accordingly, it was considered appropriate that PT Indomiwon Citra Inti and PT Cheil Samsung Astra be subject to an individual variable anti-dumping duty equal to the difference between the price required to remove the injury established in the original investigation and their export prices, cif Community frontier, duty unpaid.

(16) As to the situation of PT Miwon Indonesia, since this company, as mentioned in recital 7 above, has neither exported to the Community during the investigation period nor shown any intention to do so in the future, it should continue to be subject to the duty presently in force.

IV. UNDERTAKINGS

(17) Following the disclosure of the above findings to the companies concerned, undertakings were offered by PT Indomiwon Citra Inti and PT Cheil Samsung Astra in respect of their exports to the Community. By these undertakings, a minimum price is set at the level of the injury threshold which will prevent any injurious effect of dumping being caused to the Community industry concerned. As the Commission considers that it is administratively feasible to monitor the undertakings efficiently, it has concluded that they should be accepted.

Moreover, in case of violation of these price undertakings, the Commission can impose provisional duties immediately and the Council can subsequently impose definitive duties based on the facts established in the present investigation.

(18) No objection was raised within the Advisory Committee to the acceptance of the undertakings.

(19) The Community industry concerned was informed of the main facts and considerations on the basis of which the Commission intended to accept the undertakings and did not object to them.

(20) The Council has accordingly decided by Regulation (EEC) No 2966/92 [1], to exclude imports of the product concerned from PT Indomiwon Citra Inti and PT Cheil Samsung Astra from the applicability of the anti-dumping duty imposed on imports of the product concerned originating in Indonesia,

HAS DECIDED AS FOLLOWS:

Article 1

The price undertakings offered by PT Indomiwon Citra Inti and PT Cheil Samsung Astra in connection with the anti-dumping proceeding concerning imports of monosodium glutamate falling within CN code ex 2922 42 00 (Taric code 2922 42 00*10) originating , *inter alia,* in Indonesia are hereby accepted.

Article 2

The review investigation in connection with the anti-dumping proceeding referred to in Article 1 is hereby terminated.

Done at Brussels, 12 October 1992.

For the Commission

Ray MAC SHARRY

Member of the Commission

[1] See page 1 of this Official Journal.