COMMISSION DECISION

of 7 October 1998

terminating the anti-dumping proceeding concerning imports of synthetic fibre ropes originating in the Republic of Korea

(notified under document number C(1998) 2975)

(98/563/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community [1], as last amended by Regulation (EC) No 905/98 [2], and in particular Article 9 thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE

(1) In July 1997, the Commission 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 synthetic fibre ropes originating in the Republic of Korea and commenced an investigation.

(2) This was the result of a complaint lodged in June 1997 by the Liaison Committee of European Twine, Cordage and Netting Industries (Eurocord) on behalf of the Community industry. The complaint contained sufficient *prima facie* evidence of dumping and of material injury resulting therefrom to justify the opening of a proceeding.

(3) The Commission officially advised the exporting producers and importers known to be concerned as well as their associations, the representatives of the exporting country concerned, the complainant Community producers and known Community users about the initiation of the proceeding. Interested parties were given the opportunity to make their views known in writing and to request a hearing.

(4) The Commission sent questionnaires to the five alleged Korean exporting producers mentioned in the complaint and received replies from the two listed below. In addition, the Commission sent questionnaires to all importers known to be concerned. One importer responded that it was not concerned by the proceeding. No other importers cooperated in the proceeding. A number of exporting producers in the country concerned, as well as complainant Community producers, Community users and importers made their views known in writing. All parties who so requested within the given time limit and indicated that there were particular reasons why they should be heard were granted a hearing.

(5) In view of the large number of Community producers supporting the complaint and the time limits established in Article 6(9) of Regulation (EC) No 384/96 (hereinafter referred to as the 'basic Regulation'), the Commission investigated injury on the basis of a selection of such producers in accordance with Article 17 of the basic Regulation. Only the cooperating Community producers included in the selection are mentioned below.

(6) The Commission then sought and verified all information deemed necessary for the assessment of the facts and carried out investigation visits at the premises of the following companies:

(a) *Community producers (selection):*

— Randers (Randers, Denmark),
— Oliveira (Porto, Portugal),
— Verto Portugal (Porto, Portugal),
— Birh Frères (Urimenil, France),
— Quintas & Quintas (Porto, Portugal),
— Cotesi (Porto, Portugal),
— Sicor (Porto, Portugal),
— Geo Gleistein & Sohn (Bremen, Germany);

(b) *Exporting producers in the country concerned:*

— Dae Sung Rope Mfg Co. Ltd (Pusan, Republic of Korea),
— Manho Rope & Wire Ltd (Pusan, Republic of Korea).

(7) The investigation of dumping covered the period from 1 July 1996 to 31 May 1997 (hereinafter referred to as 'the investigation period').

[1] OJ L 56, 6. 3. 1996, p. 1.
[2] OJ L 128, 30. 4. 1998, p. 18.
[3] OJ C 232, 31. 7. 1997, p. 6.

B. PRODUCT CONCERNED AND LIKE PRODUCT

(8) The product under consideration is twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics of polyethylene or polypropylene, other than binder and baler twine, measuring more than 50 000 decitex (5 g/m), plaited and other, as well as other synthetic fibres of nylon or other polyamides or of polyesters measuring more than 50 000 decitex (5 g/m), plaited and other (hereinafter 'synthetic fibre ropes'). The product as described above falls within CN codes 5607 49 11, 5607 49 19, 5607 50 11 and 5607 50 19.

Synthetic fibre ropes are used for a wide variety of naval and industrial applications, in particular for shipping (especially for mooring purposes), and the fishing industry.

(9) The investigation showed that the different types of synthetic fibre ropes manufactured and sold in the Republic of Korea had the same basic physical characteristics, applications and uses as those exported from the Republic of Korea to the Community. The same is true with regard to the ropes manufactured and sold in the Community and those exported from the Republic of Korea to the Community. It is therefore concluded that they must be considered like products within the meaning of Article 1(4) of the basic Regulation.

C. DUMPING

(10) For the purposes of the dumping calculations, the product concerned was divided into 'types' on the basis of which data were collected. This classification into types depended, *inter alia,* on the raw material composition, the number of strands making up the ropes and the type of yarn used.

1. Normal value

(11) In order to establish normal value, it was first examined whether the total domestic sales of the cooperating exporting producers were representative in accordance with Article 2(2) of the basic Regulation, i.e. whether the total volume of such sales constituted 5 % or more of the total volume of export sales to the Community. This assessment revealed that each of the two cooperating exporting producers in the Republic of Korea had representative domestic sales of synthetic fibre ropes.

(12) The Commission then examined whether total domestic sales of each type were representative, i.e. whether the volume of such sales constituted 5 % or more of the sales volume of the corresponding type exported to the Community.

(13) For those types meeting this test, the Commission subsequently examined whether the domestic sales of each type could be considered as being made in the ordinary course of trade, by determining the proportion of profitable sales of the type in question.

In cases where the volume of sales below unit cost represented less than 20 % of the total sales volume, the normal value for the type concerned was established on the basis of the weighted average price of all domestic sales.

In cases where the volume of sales below unit cost represented 20 % or more but less than 90 % of the total sales volume, the normal value for the type concerned was established on the basis of the weighted average price of profitable domestic sales only.

For one type, one of the cooperating exporting producers had made insufficient domestic sales. Consequently, normal value was based on the weighted average of the ex-works price charged by the other cooperating exporting producer for representative domestic sales of the corresponding type made in the ordinary course of trade.

2. Export price

(14) As the two cooperating exporting producers made export sales to the Community directly to independent importers, export prices were, in accordance with Article 2(8) of the basic Regulation, established on the basis of the prices actually paid or payable by these independent customers.

3. Comparison

(15) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences which were claimed and demonstrated to affect price comparability in accordance with Article 2(10) of the basic Regulation. These adjustments were made in respect of transport, insurance, handling and ancillary costs, import charges, credit costs and rebates.

(16) The two cooperating exporting producers claimed that an allowance should be granted for the import

charges borne by the raw material imported. This adjustment was granted where the duties shown to be paid on raw materials imported and physically incorporated in the product sold domestically were shown to be refunded when exporting the products.

(17) The two cooperating companies claimed an allowance for the credit cost of sales on the domestic market. The allowance claimed was made on the basis of a so-called 'open account', i.e. a revolving payment system, without any evidence of an agreement on payment terms between the seller and the buyer at the date of the sale. This claim was rejected on the grounds that, in accordance with Article 2(10)(g) of the basic Regulation, an adjustment can only be given for the number of days shown to be agreed at the date of the sale, as only the expenses relating to that number of days can be considered to have influenced the price. Such an agreement does not exist where payments were made on an open account basis and the claim consequently could not be accepted.

4. **Dumping margins**

(18) In accordance with Article 2(11) of the basic Regulation, the dumping margins were established on the basis of a comparison between the weighted average normal value by type and the weighted average export price of the corresponding type at an ex-factory level.

(19) This comparison showed weighted average dumping margins of 1,4 and 0,5 % for Dae Sung Rope Mfg Co. Ltd and for Manho Rope & Wire Ltd respectively, i.e. *de minimis* margins.

(20) A comparison of Eurostat data with the volume of exports to the Community reported by the co-operating exporting producers showed that these producers accounted for a significant share of all exports from the Republic of Korea to the Community. The investigation also showed that the remaining exports were made by exporting producers which did not cooperate in the investigation although they were known to be concerned and advised by the Commission of the initiation of the proceeding. The dumping margin for these exporters was determined on the basis of the facts available, in accordance with Article 18 of the basic Regulation. In order to avoid encouraging non-cooperation of exporting producers and circumvention of anti-dumping measures, it was found that the dumping margin for these exports should be determined on the basis of the highest dumping margin of a representative type exported by one of the co-operating exporting producers. On this basis, the residual dumping margin is 5,4 %.

D. **CONCLUSION AND TERMINATION OF THE PROCEEDING**

(21) In view of the low level of imports made at dumped prices (see the preceding recital) it was examined whether or not the imports of the product concerned both originating from co-operating and non-cooperating producers, taken together on a weighted average basis, were made at dumped prices. It was found that overall dumping only occurred at a *de minimis* level. Thus, as any negative situation of the Community industry could not be attributed to dumping by imports of the product in question from the Republic of Korea, it was concluded that any further examination of injury or Community interest was not necessary.

(22) The interested parties were informed of the Commission's intention to terminate the proceeding and were given the opportunity to comment. The comments have been taken into account and the findings altered where appropriate.

(23) Given the above, it was concluded that the proceeding concerning imports of synthetic fibre ropes originating in the Republic of Korea should be terminated without the imposition of measures,

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of synthetic fibre ropes falling within CN codes 5607 49 11, 5607 49 19, 5607 50 11 and 5607 50 19 originating in the Republic of Korea is hereby terminated.

Done at Brussels, 7 October 1998.

For the Commission

Leon BRITTAN

Vice-President