# COMMISSION REGULATION (EEC) No 744/84

## of 19 March 1984

## imposing a provisional anti-dumping duty on imports of certain ball bearings originating in Japan and Singapore

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3017/79 of 20 December 1979 on protection against dumped or subsidized imports from countries not members of the European Economic Community (1), as amended by Regulation (EEC) No 1580/82 (2), and in particular Article 11 thereof,

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

Whereas :

### A. Procedure

(1) In March 1983, the Commission received a complaint lodged by the Federation of European Bearing Manufacturers' Associations (Febma) on behalf of British, French, German and Italian producers of single-row deep-groove radial ball bearings with greatest external diameter of not more than 30 mm whose collective output constitutes the majority of Community production of the product in question. The complaint contained evidence of dumping and of material injury resulting therefrom.

(2) For those ball bearings falling within the scope of this complaint which were subject to undertakings accepted in the framework of a previous anti-dumping proceeding by Commission Decision 81/406/EEC (3), the Commission decided, on the basis of this complaint and information gathered during the monitoring of these undertakings, in addition to observations of market developments, that a review was warranted.

(3) All these elements taken together were considered sufficient by the Commission to justify the initiation of a proceeding. The Commission accordingly announced, by a notice published in the *Official Journal of the European Communities* (4), the initiation of an anti-dumping proceeding concerning imports into the Community of single-row deep-groove radial ball bearings with an outside diameter of up to 30 mm falling within heading No ex 84.62 of the Common Customs Tariff, corresponding to NIMEXE code ex 84.62-11 at the time of publication and to NIMEXE code ex 84.62-01 as from 1 January 1984, originating in Japan and Singapore and commenced an investigation.

(4) Subsequent to the initiation two more Community producers, non-Febma members, supported the complaint. As a result the proceeding now covers practically all Community production with the exception of the production in the Community of subsidiaries of two Japanese exporters.

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

(6) All known producers, exporters and importers made their views known in writing. One party concerned requested and was granted a hearing.

(7) No submissions were made by Community purchasers of the ball bearings concerned.

(8) The Commission sought and verified all information it deemed to be necessary for the purposes of a preliminary determination and carried out investigations at the premises of the following :

*EEC producers*

— Georg Müller Nürnberg GmbH (GMN), Nürnberg, Germany,

— FAG Kugelfischer Georg Schäfer, Schweinfurt, Germany,

— Gebr. Reinfurt-Würzburg (GRW), Würzburg, Germany,

— SKF Kugellagerfabriken GmbH, Schweinfurt, Germany,

— Miniaturkugellager GmbH (MKL), Leutkirch, Germany,

— ADR-Groupe SKF, Thomery, France,

— Société Nouvelle de Roulements (SNR), Annecy, France,

(1) OJ No L 339, 31. 12. 1979, p. 1.
(2) OJ No L 178, 22. 6. 1982, p. 9.
(3) OJ No L 152, 11. 6. 1981, p. 44.
(4) OJ No C 188, 14. 7. 1983, p. 8.

— SKF Compagnie d'Applications Mécaniques, Clamart, France,
— RIV-SKF SpA, Torino, Italy,
— RHP Bearings Limited, Newark, United Kingdom,
— The Barden Corporation (UK) Ltd, Bracknell, United Kingdom ;

*Non-EEC producers/exporters*

— Koyo Seiko Co. Ltd, Osaka, Japan,
— Koyo Singapore Bearing (PTE) Ltd, Singapore,
— Minebea Group comprising :
  — Minebea Co., Ltd, Tokyo, Japan,
  — NMB (Japan) Corporation, Tokyo, Japan,
  — NMB Singapore Ltd, Singapore,
  — Pelmec Industries (Pte) Limited, Singapore,
— Nachi-Fujikoshi Corp., Tokyo, Japan,
— Nippon Seiko KK (NSK), Tokyo, Japan,
— NTN Toyo Bearing Co. Ltd, Osaka, Japan ;

*EEC importers*

— Deutsche Koyo Wälzlager Verkaufsgesellschaft mbH, Hamburg, Germany,
— Koyo (UK) Ltd, Leeds, United Kingdom,
— Koyo France, Argenteuil, France,
— Europa-Koyo BV, Nieuwpoort, The Netherlands,
— Nippon Miniature Bearing GmbH, Neu-Isenburg, Germany,
— NMB (UK) Limited, Bracknell, United Kingdom,
— Nachi Germany GmbH, Neuss, Germany,
— Nachi Fujikoshi (Europe) GmbH, Neuss, Germany,
— Nachi (UK) Limited, Birmingham, United Kingdom,
— NSK Kugellager GmbH, Ratingen, Germany,
— NSK Bearings Europe Ltd, Edgware, United Kingdom,
— NSK France SA, Clichy, France,
— NSK Nederland BV, Amstelveen, The Netherlands,
— NTN Wälzlager (Europa) GmbH, Erkrath, Germany,
— NTN Bearings — GKN Limited, Walsall, United Kingdom,
— NTN France SA Schweighouse-sur-Moder, France,
— ISO Import Standard Office, Paris, France.

(9) The Commission requested and received detailed written submissions from the complainant Community producers, exporters and importers and verified the information therein to the extent considered necessary.

(10) The investigation of dumping covered the period 1 July 1982 to 30 June 1983.

## B. Normal value

### JAPAN

(11) Normal value was provisionally determined on the basis of the domestic prices of those producers exporting to the EEC who provided sufficient evidence and whose prices were considered to be representative of the domestic market concerned.

### SINGAPORE

(12) In the case of exports by the Minebea group the Commission, in seeking to determine the normal value, had to take account of the fact that there are virtually no sales of the like product on the domestic market.

(13) The Minebea group requested that normal value be constructed on the basis of the prices at which its products exported from Singapore are first resold to an independent buyer on the Japanese market.
This method had to be ruled out by the Commission because it is not permitted by Regulation (EEC) No 3017/79 and, furthermore, with regard to these exports, it cannot be excluded that dumping is practised by Minebea on the Japanese market.

(14) The Commission determined therefore that the normal value for exports to the Community from Singapore by the Minebea group should be established on the constructed value method laid down in Article 2 (3) (b) (ii) of Regulation (EEC) No 3017/79 and, in view of this, Minebea supplied information sufficient for a provisional determination of normal value.

(15) This constructed value was computed by taking the company's total cost of materials and manufacture, including overheads, and adding a profit margin of 6 % considered to be reasonable in the light of the relevant industry's performance during a representative profitable period.

(16) In the case of exports by Koyo Seiko, the Commission, in seeking to determine the normal value also had to take account of the fact that there are virtually no sales of the like product on the domestic market, and that Koyo Seiko did not produce in Singapore. Normal value was established therefore on the basis of the constructed value of the producer in Singapore who sold the product to Koyo Seiko for export.

### C. Export price

(17) With regard to exports by one Japanese firm to an independent importer in the Community, export prices were determined on the basis of the prices actually paid or payable for the products sold.

(18) In all other cases where exports were made to subsidiary companies in the Community, export prices were constructed on the basis of the prices at which the imported product was first resold to an independent buyer, suitably adjusted to take account of all costs incurred between importation and resale including customs duty, and of a profit margin of 6 %. This profit margin was considered reasonable in the light of the profit margins of independent importers of the product concerned and of other similar industrial products.

### D. Comparison

(19) In comparing normal value with export prices the Commission took account, where appropriate, of differences affecting price comparability ; this was the case for conditions and terms of sale where claims of a direct relationship could be satisfactorily demonstrated. All comparisons were made at ex-factory level.

### E. Margins

(20) The above preliminary examination of the facts shows the existence of dumping in respect of exports by Koyo Seiko and Minebea from Singapore and by Koyo Seiko, Minebea, Nippon Seiko KK, Nachi Fujikoshi and NTN Toyo Bearing from Japan the margin of dumping being equal to the amount by which the normal value as established exceeds the price for export to the Community.

(21) These margins vary according to the exporter and the importing Member State concerned, the weighted average margin for each of the exporters investigated being as follows :

*Japan :*

| | |
|---|---|
| — Koyo Seiko | 4,36 % |
| — Minebea | 10,20 % |
| — Nippon Seiko KK | 18,30 % |
| — Nachi Fujikoshi | 11,88 % |
| — NTN Toyo Bearing | 18,45 % |

*Singapore :*

| | |
|---|---|
| — Koyo Seiko | 29,77 % |
| — Minebea | 37,44 % |

(22) For those exporters who neither replied to the Commission's questionnaire nor made themselves known otherwise in the course of the preliminary investigation, dumping was determined on the basis of the facts available. In this connection the Commission considered that the results of its investigation provided an accurate basis for determination of the level of dumping and that it would constitute a bonus for non-cooperation to assume that the dumping margin for these exporters was any lower than the highest dumping margin of 18,45 % for exports from Japan and 37,44 % for exports from Singapore determined with regard to exporters who had cooperated in the investigation. For these reasons it is considered appropriate to use these latter dumping margins for this group of exporters.

### F. Injury

(23) With regard to the injury caused by the dumped imports, the evidence available to the Commission shows that sales of imports in the Community from Japan and Singapore of single-row deep-groove radial ball bearings with greatest external diameter not more than 30 mm incresed from 22 670 000 pieces in 1979 to 26 337 000 pieces in 1982 and 18 538 000 pieces in the first half of 1983, with a consequent increase in the share of the market for those ball bearings held by the exporting countries from 17,5 % to 27,9 % in the same period. These sales were concentrated in most cases on a limited number of base types aimed mainly at high-volume consumers. The market shares of the most sold imported types are estimated at between 40,1 % and 84,5 % during the investigation period.

(24) The weighted average resale prices of these imports undercut the prices of the Community producers during the investigation period by up to 44,8 % depending on type and market. In most cases the resale prices of these imports were lower than those required to cover the costs of Community producers and provide a reasonable profit.

(25) The Community industry in respect of which the impact of the dumped imports must be assessed is the entire Community ball-bearing industry, part of which is specializing in the production of small-size ball bearings but which normally covers a wider range of products. Although the Italian market is protected to a certain degree against imports from Japan, but not from Singapore, by Council Regulation (EEC) No 288/82 (1), it was also included in all calculations referring to the Community industry.

(1) OJ No L 35, 9. 2. 1982, p. 1.

(26) The consequent impact on this Community industry has been a decline in production from 125 332 000 pieces in 1979 to 119 671 000 pieces in 1982 and 61 881 000 pieces in the first six months of 1983 representing a fall of 4,5 % between 1979 and 1982 and showing no significant improvement during the first six months of 1983.

(27) Utilization of capacity decreased by about 19 % between 1979 and 1983 for the entire Community industry for the product in question, whereas the decrease has been even greater for those producers specializing in small ball bearings.

(28) Sales of the ball bearings in question, produced by the Community industry, but excluding those manufactured by the Community subsidiaries of certain Japanese exporters, have decreased from 93 175 000 pieces in 1979 to 78 861 000 pieces in 1982 and 40 401 000 pieces during the first six months of 1983, representing a decrease of 13,3 % over the entire period. This resulted in a fall in market share for this industry from 72,0 % in 1979 to 60,9 % during the first six months of 1983.

(29) The Community industry has started to incur financial losses when low-priced imports and a further lowering of these prices have led it to compete for its market share at price levels below costs.

(30) With regard to employment, the situation with larger producers was cushioned, in part, by internal redeployment possibilities. Smaller, specialized firms have lost about 9 % of their workforce since 1979.

(31) The Commission has considered whether injury has been caused by other factors such as imports from third countries and certain developments in demand. On the basis of evidence available, it has, however, been established that the market share held by imports from third countries was only 3,8 % in 1979 and 2,2 % during the first six months of 1983. As to development in demand, it could be established that consumption of ball bearings of up to 30 mm outside diameter was 129 478 000 pieces in 1979, increased to 139 949 000 pieces in 1980, then decreased to 126 079 000 pieces in 1981 and 122 594 000 pieces in 1982 to rise to 66 388 000 pieces in the first six months of 1983. During this period, the market share held by imports from Japan and Singapore has been increasing steadily (1979 : 17,5 % ; 1980 : 19,3 % ; 1981 : 19,8 % ; 1982 : 21,5 % and the first six months of 1983 : 27,9 %) with consequent reductions in the market share of the Community industry including sales by the Community manufacturing subsidiaries of certain Japanese exporters (1979 : 78,7 % ; 1980 : 76,4 % ; 1981 : 75,5 % ; 1982 : 75,6 % ; first six months of 1983 : 69,9 %).

It has therefore been established that the trend of demand has affected Community production more than it has affected the dumped imports.

(32) All these factors led the Commission to determine that the effects of the dumped imports of single-row deep-groove radial ball bearings with greatest external diameter not more than 30 mm originating in Japan and Singapore, taken in isolation, have to be considered as constituting material injury to the Community industry concerned.

## G. Community interest

(33) After having considered the interest of the Community and both the dumping and the injury provisionally established, the Commission has come to the conclusion that action should be taken.

## H. Rate of duty

(34) Having regard to the extent of injury caused, the rates of anti-dumping duty should correspond to the margins of dumping provisionally established.

(35) A period should be fixed within which the parties concerned may make their views known and request an oral hearing,

HAS ADOPTED THIS REGULATION :

*Article 1*

Decision 81/406/EEC accepting the undertakings given by Koyo Seiko Co. Ltd, Nachi-Fujikoshi, Corp., Nippon Seiko KK and NTN Toyo Bearing Co. Ltd is hereby repealed in so far as single-row deep-groove radial ball bearings with greatest external diameter of not more than 30 mm are concerned.

*Article 2*

1. A provisional anti-dumping duty is hereby imposed on imports of single-row deep-groove radial ball bearings with greatest external diameter not more than 30 mm, falling within heading No ex 84.62 of the Common Customs Tariff, corresponding to NIMEXE code ex 84.62-01 and originating in Japan and Singapore.

2. The rate of the anti-dumping duty shall be as set out below expressed as a percentage of the price per piece net, free-at-Community-frontier, before duty.

| *Manufacturers / exporters* | *Rate of anti-dumping duty* |
|---|---|
| — Japan : | |
| — Koyo Seiko Co. Ltd | 4,36 % |
| — Minebea Co. Ltd | 10,20 % |
| — Nachi-Fujikoshi Corp. | 11,88 % |
| — Nippon Seiko KK | 18,45 % |
| — NTN Toyo Bearing Co. Ltd | 18,30 % |
| — Others | 18,45 % |
| — Singapore : | |
| — Koyo Singapore Bearing (Pte) Ltd | 29,77 % |
| — Minebea Co. Ltd | 37,44 % |
| — Others | 37,44 % |

3. The provisions in force concerning customs duties shall apply.

4. The release for free circulation in the Community of the products referred to in paragraph 1 shall be subject to the provision of a security, equivalent to the amount of the provisional duty.

*Article 3*

Without prejudice to Article 7 (4) (b) and (c) of Regulation (EEC) No 3017/79, the parties concerned may make known their views and apply to be heard orally by the Commission within one month of the entry into force of this Regulation.

*Article 4*

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities.*

Subject to Articles 11, 12 and 14 of Regulation (EEC) No 3017/79, it shall apply for a period of four months, unless the Council adopts definitive measures before the expiry of that period.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 19 March 1984.

*For the Commission*
Étienne DAVIGNON
*Vice-President*