COMMISSION REGULATION (EEC) No 3019/86

of 30 September 1986

imposing a provisional anti-dumping duty on imports of standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2176/84 of 23 July 1984 on protection against dumped or subsidized imports from countries not members of the European Economic Community (1), and in particular Article 11 thereof,

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

Whereas :

A. Review proceeding

(1) In October 1985 the Groupement des Industries de Matériel d'equipement electrique et de l'electronique Industrielle Associés (Gimelec), supported by the Zentralverband der elektrotechnischen Industrie (Zvei), the Rotating Electrical Machines Association (REMA), the Fédération des entreprises de l'industrie des fabrications métallurgiques, mécaniques, électriques et de la transformation des matières plastiques (Fabrimetal) and the Associazione Nazionale Industrie Elettrotecniche ed Elettroniche (ANIE), asked the Commission under Article 14 of Regulation (EEC) No 2176/84 to review acceptance of the price undertakings given by exporters in connection with the previous proceeding concerning imports of standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR.

(2) The following exporters gave undertakings in connection with the previous proceeding : Transelektro (Hungary), accepted by Commission Regulation (EEC) No 724/82 (2), Electroimpex (Bulgaria), Elektrim (Poland), AHB Elektrotechnik (German Democratic Republic), Electro-Export-Import (Romania) and ZSE (Czechoslovakia), accepted by Council Regulation (EEC) No 2075/82 (3), and Energo-Machexport (USSR), accepted by Commission Decision 84/189/EEC (4).

The exporters undertook to raise prices on their sales to the Community so as to offset the damaging effects of the dumping which had been proved.

(3) The request for review included evidence that dumping by the exporters from the countries concerned had continued and had even intensified considerably, and that, with regard to injury, the price undertakings had been insufficient to prevent a substantial increase in the divergence between 'consumer' prices for Community motors and those for motors originating in State-trading countries during the period 1982 to 1985.

The evidence presented was considered, after consultation, to indicate a sufficient change of circumstances to warrant a review of the undertakings given in connection with the previous proceeding ; the Commission therefore announced, by a notice published in the *Official Journal of the European Communities* (5), the reopening of an anti-dumping proceeding concerning imports of standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR. The Commission started its investigation.

(4) The products concerned by the request for review are standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW, falling within subheading ex 85.01 B 1 b) of the Common Customs Tariff, corresponding to NIMEXE codes ex 85.01-33, ex 85.01-34 or ex 85.01-36.

(5) The Commission officially informed the exporters and importers known to be concerned, the representatives of the exporting countries, and the complainants, of the reopening of the proceeding, and gave the parties directly concerned the opportunity to make known their views in writing and to request to be heard orally.

(1) OJ No L 201, 30. 7. 1984, p. 1.
(2) OJ No L 85, 31. 3. 1982, p. 9.
(3) OJ No L 220, 29. 7. 1982, p. 36.
(4) OJ No L 95, 5. 4. 1984, p. 28.
(5) OJ No C 305, 26. 11. 1985, p. 3.

The Commission asked for and obtained detailed written information from the complainants concerning the injury and its causes, and from all the exporters and most of the importers concerned. The information thus gathered was checked by the Commission to the extent necessary.

(6) In order to assess the dumping margin and injury, the Commission carried out inspections at the premises of the following companies:

— *Community producers:*

ACEC, (Drogenbos, Belgium),

Ansaldo-Marelli/CCE, (Milan, Italy),

FIMET, (Turin, Italy),

Leroy-Somer, (Angoulême, France),

BBC-France, (Lyons, France),

Siemens, (Erlangen, Federal Republic of Germany),

BBC-Deutschland, (Saarbrücken, Federal Republic of Germany).

Loher, (Ruhstorff, Federal Republic of Germany),

Schorch, (Mönchengladbach, Federal Republic of Germany);

— *Community importers:*

Symkens SA, (Liège, Belgium),

Veneta Motori, (Padua, Italy),

Elprom, (Parma, Italy),

Enital, (Milan, Italy),

Sermes, (Strasbourg, France),

Sodimef, (Strasbourg, France),

Elektrim-Oberstenfeld, (Hamburg, Federal Republic of Germany),

Peja BV, (Arnhem, Netherlands).

(7) In addition to the above companies, all the exporters concerned took the opportunity to make known their views in writing and to be heard orally; also, many importers made known their views in writing, and some were even heard orally, at their request. Thus, the Commission also took full account of the arguments presented by the following companies:

— *Exporters:*

Electro-Impex, (Sofia, Bulgaria),

Transelectro, (Budapest, Hungary),

Elektrim, (Warsaw, Poland),

AHB Elektrotechnik, (Berlin, German Democratic Republic),

Electro-Export-Import, (Bucharest, Romania),

ZSE, (Prague, Czechoslovakia),

Energomachexport, (Moscow, USSR);

— *Community importers:*

Van Houcke, (Snelleghem, Belgium),

Industrial Electric, (Kortrijk, Belgium),

Electropol-Cantoni, (Milan, Italy),

Mez, (Milan, Italy),

Sofbim, (Argenteuil, France),

MDF, (Argenteuil, France),

Stanko, (Longjumeau, France),

Elektra, (Frankfurt, Federal Republic of Germany),

Arnitlund Handels, (Vojens, Denmark),

Frimodt Pedersen, (Daugaard, Denmark),

Johnson, (Copenhagen, Denmark).

(8) The period decided upon by the Commission for investigating the existence of any dumping was 1 January to 31 October 1985. The same reference period was used to examine free-at-Community-frontier import prices, importers' resale prices, Community producers' selling prices and costs of production, and price-undercutting margins.

B. Definition of the products

(9) The products alleged to have been dumped are AC standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW.

In accordance with current commercial practice in that industry, the expression 'standardized motors' is taken to include all 'standard' types of motor — which are priced by reference to an official scale of prices — and all motors with 'standard' modifications — the additional cost of the modifications also being calculated by reference to an official scale of prices for 'standard' modifications.

The motors concerned by this proceeding are defined in terms of their power (expressed in kilowatts) and their speed of rotation (in rpm). The motors concerned are of the following powers: 1,1, 1,5, 2,2, 3, 4, 5,5, 7,5, 11, 15, 18,5, 22, 30, 37, 45, 55 or 75 kW; and of the following rotation speeds: 3 000 rpm, 1 500 rpm, 1 000 rpm or 750 rpm.

(10) Given the relatively large degree of international standardization in the manufacture of such motors, each type of standardized motor originating in one of the State-trading countries constitutes a like product to the same type of Community standardized motor, although there may be differences in quality.

(11) Given the large number of motors concerned by this proceeding (more than 64 types), the Commission considered that a sample of six precisely defined types of motor (1 500 rpm four-pole motors of the following powers : 1,1 kW, 3 kW, 5,5 kW, 11 kW, 30 kW and 75 kW) of the category with the highest sales in the Community (enclosed, blower-cooled, type B3 motors with retaining legs, IP 44/54, 220/380 V, 50 Hz) was representative for the calculation of dumping margins and the determination of price-linked factors affecting injury (import and resale prices, production costs and price undercutting margins).

The validity of that method and the representativeness of that sample were not disputed.

C. Normal value

(12) In order to establish whether products originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR were still being imported at dumped prices, the Commission had to take account of the fact that those countries do not have a market economy ; it therefore had to establish the normal value of products originating in those countries on the basis of information gathered in a country with a market economy.

The complainants had suggested reference to the internal market of Sweden or Austria. Since the only producer established in Austria did not respond to the Commission's requests for information, the question arose as to whether the prices on the Swedish domestic market of products manufactured by Asea, the main Swedish manufacturer, which had agreed to allow the Commission to inspect its books, constituted an appropriate and not unreasonable basis.

Although the Swedish market is of medium size (approximately 160 000 standardized motors sold each year), there is sufficient competition, with two national producers, Asea and ELMO, and many imports (approximately 36 % of the Swedish market) originating in State-trading countries or in Community Member States.

The Commission therefore considered, and this choice was not disputed by any party, that the prices on the Swedish domestic market of products manufactured by the largest Swedish manufacturer constituted an appropriate and not unreasonable basis for comparison.

D. Export prices

(13) As regards the export prices of all the products originating in a State-trading country, the Commission referred to the price actually paid or payable on export to each of the main Community markets, and in particular to the markets of the Member States where the industries associated with the complaint are located, namely, Germany, France, Italy and Belgium.

E. Comparison

(14) The preliminary determination of dumping was therefore made by comparing the average ex-factory prices charged by the main Swedish manufacturer for all sales of the standardized multi-phase electric motors concerned on its domestic market between January and October 1985, with the prices for exports to the Community originating in the exporting countries concerned.

(15) In order to compare the normal value with the ex-factory export prices of each of the products contained in the sample, the Commission took account of differences affecting price comparability, and appropriate allowances were made where the interested parties proved that such a request was justified (in particular for transport and packing costs and payment terms).

— In particular, the Swedish manufacturer's net selling prices were calculated on the basis of a discount of ... % [1] off list prices, corresponding to the discount generally granted by that manufacturer to customers purchasing comparable quantities to those purchased by the importers in the Community. That discount is midway between the average discount which ASEA grants to all customers in Sweden, ... %, and the maximum discount granted on certain exceptional sales, ... %.

— Although the choice of Sweden as reference country was not disputed as such, two allowances in normal value were requested :

[1] In the published version of the Decision, some figures have hereinafter been omitted, pursuant to the provisions of Article 8 of Regulation (EEC) No 2176/84 concerning non-disclosure of business secrets.

— As regards discounts, the Czechoslovak exporter argued that, since the motors originating in State-trading countries were marketed through exclusive importers in each Member State, the exporters had to grant the importers considerable discounts. In order to establish normal value, the Commission should, by analogy, take account of the maximum discounts granted by the Swedish manufacturer.

This argument was rejected on factual grounds and on principle. It is not true that motors originating in State-trading countries are marketed only through exclusive importers in each Member State. The Commission's investigation showed that in Italy, in particular, certain exporters sold through several importers and also sold directly to major customers.

The allowance requested by the Czechoslovak exporter would, in particular, lead to an excessive quantity discount being taken into account. In basing its calculations on the discount generally granted by the Swedish producer Asea to its major client, the Commission was reflecting in an appropriate manner the discount generally granted for comparable quantities to those purchased by the importers of the products in question.

— The Czechoslovak exporter also requested an allowance in normal value to reflect the difference between labour costs in Sweden and in the State-trading countries. That allowance was also rejected since, when establishing normal value on the basis of the market economy of a third country, there is no reason to take into account costs incurred in State-trading countries.

F. **Dumping margins**

(16) Examination of the facts showed that all the transactions concerned involved substantial dumping. Dumping margins for each type of motor were calculated by comparing the average price on export to each of the Member States of the Community with normal value as determined ; this calculation showed that the dumping margin varied relatively little from one type of motor to another but substantially from one exporting country to another.

(17) For all the motors in the representative sample, weighted for each exporter according to the relative importance of each national market within the Community market and according to the structure of that exporter's exports (by type of motor), the average weighted dumping margins represented the following percentages of the free-at-Community-frontier price, not cleared through customs :

	EEC	D	F	I	BLEU
Bulgaria	217 %	177 %	226 %	221 %	n.s.
Czechoslovakia	283 %	292 %	n.s.	206 %	206 %
German Democratic Republic	211 %	197 %	222 %	218 %	198 %
Hungary	208 %	—	203 %	217 %	198 %
Poland	204 %	218 %	208 %	202 %	205 %
Romania	192 %	189 %	205 %	189 %	212 %
USSR	193 %	189 %	197 %	193 %	n.s.

n.s. = no significant imports

G. **Injury**

(18) Since price undertakings had been in force since 1982, the Commission's aim in this review, proceeding under Article 14 of Regulation (EEC) No 2176/84, was to discover whether, and to what extent, the injury determined during the previous proceeding had been removed.

Compliance with price undertakings

(19) Although the complainants had not suggested that the price undertakings had not been complied with, the Commission's investigation discovered evidence warranting a detailed check on compliance with the price undertakings, by type of motor and for each market.

— The Commission believes, at this stage in the investigation, that the undertakings have generally been complied with, although there have been a few isolated breaches.

— It should, however, be pointed out that in the case of exporters who market through import subsidiaries (in particular the Bulgarian and Soviet exporters) the resale prices charged by those associated importers were, according to the Commission's findings, much lower than the resale prices charged by independent importers. In many cases, the resale prices charged by associated importers were even lower than the free-at-Community-frontier prices provided for in the undertakings.

Price-linked factors affecting injury

(20) Since the investigation showed that all industrial-scale Community manufacturers had suffered losses on their production of 'standard motors', and irrespective of the question of what profit level was appropriate for the industry concerned, the Commission's assessment of the injury first involved checking whether current free-at-Community-frontier import prices and resale prices of motors originating in the State-trading countries were sufficiently high to enable Community manufacturers to at least cover their costs (i.e. production costs plus overheads and general expenses excluding profit).

(21) The Commission therefore examined in detail the costs accounts of the main industrial-scale Community manufacturers for 1985 and discovered that they had all made losses on their production of 'standard electric motors'. There was a relatively large variation in costs around the following Community averages for the motors in the sample :

1,1 kW :	86,2 ECU
3,0 kW :	139,1 ECU
5,5 kW :	228,4 ECU
11 kW :	404,2 ECU
30 kW :	975,5 ECU
75 kW :	2 370,7 ECU

In view of that variation in production costs, the Commission identified, for the purposes of assessing injury, the most efficient manufacturer on each of the four main Community markets concerned by this proceeding (Federal Republic of Germany, France, Italy, Belgium).

(22) The price undercutting margin in each of these Member States was expressed as a ratio of the costs of the relevant Community producer, i.e. the difference between the reference costs and the (much lower) resale price of the motors imported from State-trading countries :

Price undercutting margins expressed as a percentage of the costs of the most efficient national manufacturer on each market

	D	F	I	BLEU
1,1 kW	34 to 45 %	36 to 44 %	35 to 46 %	28 to 37 %
3 kW	33 to 44 %	32 to 46 %	27 to 44 %	25 to 35 %
5,5 kW	31 to 66 %	42 to 60 %	27 to 44 %	24 to 36 %
11 kW	31 to 44 %	39 to 54 %	27 to 42 %	18 to 35 %
30 kW	31 to 44 %	35 to 51 %	25 to 43 %	12 to 36 %
75 kW	33 to 45 %	29 to 45 %	26 to 51 %	18 to 40 %

(23) The above price-undercutting margins, which are clearly substantial, represent the following percentages of free-at-Community-frontier prices, by the importing country concerned :

Price undercutting margins (1) expressed as a percentage of free-at-Community-frontier prices

	D	F	I	BLEU
1,1 kW	80 to 105 %	95 to 123 %	76 to 84 %	73 to 87 %
3 kW	80 to 102 %	78 to 117 %	53 to 86 %	65 to 79 %
5,5 kW	74 to 154 %	123 to 178 %	53 to 88 %	49 to 67 %
11 kW	73 to 104 %	114 to 160 %	52 to 83 %	41 to 76 %
30 kW	75 to 104 %	97 to 136 %	49 to 86 %	26 to 75 %
75 kW	81 to 108 %	76 to 89 %	51 to 116 %	43 to 88 %

(1) Calculated as a ratio of the costs of the most efficient manufacturer on each market.

(24) The above analysis of import prices and resale prices expressed as a ratio of the costs of the most efficient manufacturers in each of the four main Community markets showed that, overall, and for all the motors concerned, the average free-at-Community-frontier price of motors originating in the State-trading countries was approximately 38 % of the average costs of Community manufacturers for the same type of motor.

Overall, 'typical' price undercutting margins were 50 % of average Community costs, or 128 % of free-at-Community-frontier prices.

Macro-economic factors : imports, consumption and market shares

(25) As regards the macro-economic factors affecting injury, the extremely high pressure which imports originating in State-trading countries exerted on prices enabled those countries virtually to maintain their market shares between 1982 and 1985 on an expanding Community market.

— In volume terms, imports of the products concerned into the Community increased as follows between 1982 and 1985 : from 69 000 to 81 000 (USSR), from 238 000 to 276 000 (German Democratic Republic) and from 165 000 to 175 000 (Czechoslovakia). During the same period imports from Bulgaria remained stable at 61 000, imports from Poland fell from 98 700 to 89 900, imports from Hungary fell from 54 200 to 51 000 and imports from Romania fell from 29 500 to 13 900.

— However, the motors concerned exported by Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR are comparable products and are marketed in the Community by those State-trading countries at relatively similar prices ; for those reasons, and in order to avoid unfair discrimination, the volume of imports was assessed overall for all imports covered by this proceeding.

— Total imports of standardized motors from the State-trading countries concerned did indeed fall from 716 000 in 1982 to 604 000 in 1983, thus reflecting to some extent the effects of the price undertakings given in 1982, but rose again in 1984 to 689 000 and reached 748 300 in 1985, which is higher than the 1982 level.

— Thus, in view of the overall increase in Community demand of approximately 19,8 %, over the same period (3 070 000 motors sold in 1982, 3 680 000 in 1985), the overall share of the Community market held by imports proved to have been dumped remained more or less stable at 23,3 % in 1982 and 20,3 % in 1985.

— The 1985 market shares of motors originating in the State-trading countries concerned by this proceeding were 12,8 % (Federal Republic of Germany), 28,1 % (France), 25 % (Italy), 45 % (Netherlands), 24 % (Belgium/Luxembourg), 22 % (Denmark) and 60 % (Ireland).

The trend from 1982 to 1985 therefore seems to have been towards lower market penetration by motors from State-trading countries in the Federal Republic of Germany, France and, to some extent, Italy — where the corresponding market shares for 1982 were 18, 37,2 and 28 %, respectively — and towards higher market penetration in the Netherlands, Belgium/Luxembourg and, to a lesser extent, Denmark — where the 1982 market shares were 35, 19,1 and 20 %, respectively.

Impact on Community manufacturers

(26) Faced with extremely lively competition from manifestly dumped motors, which still retained a substantial share of the Community market (on average more than one-fifth of the market, with shares of more than 45 % in certain Member States), and which were sold at abnormally low prices, Community manufacturers clearly decided to try to maintain their market shares, since they considered that to be the only way to keep production costs within reasonable limits. It is clear that, for mass-production goods such as 'standard' electric motors, the length of production lines and the overall volume of production are, in a market economy, the two decisive factors affecting cost competitiveness.

Production of the motors concerned by the manufacturers whose premises were inspected consequently remained relatively stable between 1982 (907 000 motors) and 1985 (990 000 motors), only falling substantially in France in 1984.

(27) The substantial pressure which imports of motors originating in the State-trading countries exerted on prices resulted in a very sharp deterioration in the Community manufacturers' financial results in the standard motors sector concerned. None of the operating accounts for 1985 presented by the manufacturers showed a profit; for the motors in the sample, operating losses expressed as a percentage of costs generally varied between 33 and 0,4 %, with three-quarters of manufacturers losing between 3 and 25 % of their costs on each motor sold.

(28) Thus, all industrial-scale Community manufacturers made substantial losses in the standardized multi-phase electric motors sector covered by this proceeding. Moreover, employment directly related to the production of such electric motors, at the manufacturers whose premises were inspected, fell from 5 677 in 1982 to 5 040 in 1985 as the result of rationalization measures and cost-cutting.

Given the necessarily large share of 'normalized motors' in the production of most Community manufacturers in the 'rotary machines' sector, since every special motor and, in general, every rotary machine either incorporates or derives from one or more standardized motors, it is clear that if the injury caused to the standardized motors sector alone were allowed to persist, this would inevitably have negative effects on the whole of the Community 'rotary machines' sector.

Other causes of injury

(29) The Commission examined the other factors which, individually or together, might also have damaged the interests of the Community producers.

In particular, it examined the effects of imports into the Community in respect of which no allegations of dumping had so far been made, and the effects of intra-Community competition.

(30) As regards extra-Community imports other than those originating in the countries concerned by this proceeding, Community statistics showed an increase in imports originating in Yugoslavia and Hong Kong at apparently fairly low prices. Since the reliability of official import figures was questioned by almost all of the firms and organizations consulted, the Commission considered that, at this stage in the proceeding, it was not possible to draw any final conclusions as to the real impact of imports originating in those two countries. It will not neglect to deal with this matter in the definitive determination of dumping.

(31) As regards intra-Community competition, the Commission examined prices in intra-Community trade; that examination showed that the average prices at which German and French producers sold within the Community were far higher than the comparable prices for motors originating in the State-trading countries. However, the prices of the intra-Community sales of certain Italian manufacturers were relatively low, near those of certain State-trading countries.

Conclusions

(32) As regards injury, the investigation showed that the difficulties experienced by Community manufacturers as a result of the dumped imports had not been eliminated since, in 1985, they all continued to suffer substantial financial losses despite a slight improvement in their market shares.

— The main cause of those difficulties was the inadequacy of the price undertakings in the light of altered circumstances, and in particular the trend of costs.

— The continuing high market share of motors originating in the State-trading countries (more than 20 % in the Community as a whole) had combined with the abnormally low prices charged for those motors to depress the Community market.

— Intra-Community competition by certain Italian manufacturers might also have contributed to the difficulties of the Community industry.

(33) Overall, and taking account of all the factors affecting injury examined at points 20 to 31 above, the Commission believes, on the basis of evidence in its possession, that the injury caused by the massively dumped imports originating in the State-trading countries must, taken individually, be considered material.

H. Community interest; form and rate of duty

(34) Under those circumstances, in the light of the manufacturers' financial losses, and taking account of the fact that the manufacture of 'standardized multi-phase electric motors' is central to the

Community 'rotary machines' sector (cf. point 28 above), Community interests require the immediate adoption of a protective measure against the imports proved to have been dumped, in the form of a provisional anti-dumping duty intended to prevent injury being caused during the remainder of the proceeding.

(35) As regards the form of anti-dumping duty to be imposed, the Commission considers that, in view of the multiplicity of motors concerned, and since those motors originate in State-trading countries, the most appropriate type of anti-dumping duty in this case, with a view to maximum clarity, is a variable duty calculated on the basis of the difference between a minimum price for each type, expressed in ECU, and the import price to the first independent buyer.

Since the investigation showed (cf. point 19 above) that a large number of importers were linked with an exporter by an association or a compensatory arrangement with a third party within the meaning of Article 2 (8) (b) of Regulation (EEC) No 2176/84, the Commission believes that the anti-dumping duty must be calculated on the basis of the price charged to the first buyer not linked to the exporter.

The operative part of the Regulation must therefore distinguish between a range of minimum prices applicable, at the free-at-Community-frontier stage, to imports by independent importers, and a range of minimum prices applicable at the 'resale price' stage to imports through non-independent importers.

(36) As regards the level of the minimum price, the Commission considers that, in view of the substantial dumping margins and price-undercutting detected, the minimum price needed completely to eliminate the injury caused by the imports concerned must be established on the basis of Community manufacturers' *average* costs, after allowing for an appropriate profit margin ; in this respect, the Commission believes that in view of the stiff competition between Community manufacturers and the financial results obtained in the Community 'standard motors' sector for many years past, a gross profit margin of 5 % of costs represents, at this stage in the proceeding, a conservative estimate, which may be revised when the final determination of dumping is made.

On the basis of average Community costs and the above-mentioned profit margin, making due allowance for differences in the physical characteristics of the imported motors and the Community motors, and also taking account of the average import mark-up detected on the part of importers, the Commission quantified the price increases needed, both at the free-at-Community-frontier stage, and at the resale price stage for non-independent importers.

(37) The increase in import prices resulting from the calculation at 36 above represents an increase of approximately 60 % over the prices currently charged by the exporters.

In view of the provisional nature of some of the findings of the investigation, the preliminary assessment of Community interests led the Commission, at this stage in the proceeding, to establish the provisional anti-dumping duty in such a manner that the corresponding price increases, both at the free-at-Community-frontier price stage (Annex A) and at the resale price stage for non-independent importers (Annex B), represent approximately 35 % of the levels of current import and resale prices, respectively.

(38) The Commission believes that the definitive results of its investigation will enable the Council, when making its final assessment of Community interests, to decide whether or not to raise import prices to the level resulting from the calculation to be made on the basis of the definitive figures.

I. Final procedural provisions

(39) The Advisory Committee raised no objections.

(40) In view of the outcome of the review procedure outlined above, the price undertakings accepted have become devoid of object by reason of the imposition of the provisional duty. The exporters concerned were so informed by the Commission in good time.

As regards the price undertakings accepted by the Council, the latter has taken the necessary measures on a proposal from the Commission, by Regulation (EEC) No 3018/86 [1].

(41) A period should be fixed following imposition of the provisional duty within which the interested parties may make known their views and request an oral hearing.

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) No 724/82 and Decision 84/189/EEC, accepting the undertakings given by the exporters from Hungary and the USSR, respectively, are hereby repealed.

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[1] See p. 66 of this Official Journal.

Article 2

1. A provisional anti-dumping duty is hereby imposed on imports of standardized multi-phase electric motors having an output of more than 0,75 kW but not more than 75 kW, falling within subheading ex 85.01 B I b) of the Common Customs Tariff, corresponding to NIMEXE code ex 85.01-33, 85.01-34 or ex 85.01-36, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR.

2. Subject to paragraph 3, when the importer of the products concerned is not linked with the exporter within the meaning of Article 2 (8) (b) of Regulation (EEC) No 2176/84, the amount of duty shall be equivalent, for each type of motor, to the difference between the net unit price, free-at-Community-frontier, not cleared through customs, and the price specified in Annex A.

The said free-at-Community-frontier price, not cleared through customs, shall be net if the actual terms and conditions of sale provide that payment shall be made within 30 days of the date of dispatch ; it shall be lowered by 1 % for each month by which payment is actually deferred.

3. (a) Where it appears to the customs authorities that there is an association or a compensatory arrangement between the exporter and the importer or a third party within the meaning of Article 2 (8) (b) of Regulation (EEC) No 2176/84, the price actually paid or payable for the product sold for export to the Community may not be used as a reference ; the amount of duty shall be equivalent, for each type of motor, to the difference between the price at which the imported product is first resold to an independent buyer and the price specified in Annex B.

The said resale price to an independent buyer shall be net if the actual terms and conditions of sale provide that payment shall be made within 30 days of the date of dispatch ; it shall be lowered by 1 % for each month for which payment is actually deferred.

(b) The provisions of a) above shall apply in particular to motors originating in the countries concerned and imported by the companies named below, in respect of which the Commission's investigation showed that there was an association or a compensatory arrangement with an exporter within the meaning of Article 2 (8) (b) of Regulation (EEC) No 2176/84 :

	Motors originating in :
Enital, Milan	USSR
Sofbim, Argenteuil	Bulgaria
Stanko, Longjumeau	USSR
Eltrans, Schwelm	Hungary
Neotype Techmashexport, Bergisch Gladbach	USSR
Elprom, Borken/Hessen	Bulgaria

4. Release for free circulation in the Community of the products referred to in point 1 shall be subject to payment of a deposit equivalent to the amount of the provisional duty.

5. The provisions in force with regard to customs duties shall apply, subject to the provisions of this Regulation.

Article 3

Subject to the provisions of Article 7 (4) (b) and (c) of Regulation (EEC) No 2176/84, interested parties 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 2176/84, this Regulation 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, 30 September 1986.

For the Commission

Willy DE CLERCQ

Member of the Commission

ANNEX A

Minimum prices for imports into the Community of certain standardized multi-phase electric motors, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR

The minimum import prices referred to in Article 2 (2) of this Regulation are contained in the following table and are expressed in ECU. These prices apply to type B3 multi-phase electric motors (with retaining legs).

For other types (e.g. type B5 or B14) a supplement of 10 % must be added to the prices given below.

kW	hp	3 000 rpm	1 500 rpm	1 000 rpm	750 rpm
1,1	1,5	43,5	45	62,5	96,3
1,5	2	49,1	53,1	73,8	113,4
2,2	3	63,9	65,2	96,3	146,7
3,0	4	75,6	77,0	117,0	175,0
4,0	5,5	94,5	99,4	147,1	211,5
5,5	7,5	122,4	122,0	191,7	260,5
7,5	10	155,2	162,9	220,9	323,5
11,0	15	209,7	212,0	319,5	435,6
15,0	20	264,6	282,6	418,5	561,1
18,5	25	339,3	344,7	513,4	696,1
22	30	405,9	405,9	603,0	858,6
30	40	541,8	524,0	798,7	1 105,6
37	50	677,7	664,2	984,6	1 344,1
45	60	761,4	787,9	1 178,5	1 578,6
55	75	1 021,5	984,6	1 465,2	1 919,7
75	100	1 363,1	1 250,0	1 944,4	2 471,4

ANNEX B

Minimum resale prices in the Community of certain standardized multi-phase electric motors, originating in Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania and the USSR

The minimum resale prices referred to in Article 2 (3) of this Regulation are contained in the following table and are expressed in ECU. These prices apply to type B3 multi-phase electric motors (with retaining legs).

For other types (e.g. type B5 or B14) a supplement of 10 % must be added to the prices given below.

kW	hp	3 000 rpm	1 500 rpm	1 000 rpm	750 rpm
1,1	1,5	60,9	63,0	87,5	134,8
1,5	2	68,7	74,3	103,3	158,8
2,2	3	89,5	91,3	134,8	205,4
3,0	4	105,8	107,8	163,8	245,0
4,0	5,5	132,3	139,2	205,9	296,1
5,5	7,5	171,4	170,8	268,4	364,7
7,5	10	217,3	228,1	309,3	452,9
11,0	15	293,6	296,8	447,3	609,8
15,0	20	370,4	395,6	585,9	785,5
18,5	25	475,0	482,6	718,8	974,5
22	30	568,3	568,3	844,2	1 202,0
30	40	758,5	733,6	1 118,2	1 547,8
37	50	948,8	929,9	1 378,4	1 881,7
45	60	1 066,0	1 103,1	1 649,9	2 210,0
55	75	1 430,1	1 378,4	2 051,3	2 687,6
75	100	1 908,3	1 750,0	2 722,2	3 460,0