COMMISSION REGULATION (EEC) No 1613/90

of 13 June 1990

imposing a provisional anti-dumping duty on imports of ball bearings with a greatest external diameter not exceeding 30 mm originating in Thailand

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 11 thereof,

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

Whereas :

A. PROCEDURE

(1) In June 1988 the Commission announced, by a notice published in the *Official Journal of the European Communities* (2), the initiation of an anti-dumping proceeding concerning imports into the Community of ball bearings with a greatest external diameter not exceeding 30 mm originating in Thailand (hereinafter referred to as ball bearings), and commenced an investigation.

(2) The product investigated fell within CN code 8482 10 10.

(3) The proceeding was initiated as a result of a complaint lodged in December 1987 by the Federation of European Bearing Manufacturers' Associations (FEBMA) on behalf of producers representing a major proportion of all Community production of ball bearings. This complaint contained evidence of dumping of this product originating in Thailand and of material injury resulting therefrom, which was considered sufficient to justify opening a proceeding.

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

All the known exporters and importers, and the majority of Community producers, represented by the complainant, made their views known in writing.

(5) 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 :

(a) *Community producers :*

- FAG Kugelfischer Georg Schäfer KGaA, Schweinfurt, Germany,
- Georg Müller Nürnberg AG, Nürnberg, Germany,
- Gebrüder Reinfurt GmbH & Co. KG, Würzburg, Germany,
- SKF Industrie SpA, Turin, Italy,
- SKF Roulements Spécialisés (ADR), Thomery, France,
- SKF France, Clamart, France,
- ROL Rolamentos Portugueses SARL, Caldas da Rainha, Portugal ;

(b) *Thai producers/exporters :*

- NMB Thai Ltd, Ayutthaya, Thailand,
- Pelmec Thai Ltd, Bang Pa-in, Ayutthaya, Thailand.

These two companies are wholly-owned subsidiaries of Minebea Co. Ltd, Tokyo, Japan, which was also visited by the Commission ;

(c) *Importers :*

- NMB GmbH, Neu Isenburg, Germany,
- NMB Italia, Mazzo di Rho, Milan, Italy,
- NMB (UK) Ltd, Bracknell, United Kingdom.

(6) The investigation of dumping covered the period 1 April 1987 to 31 March 1988 (the investigation period).

(7) This investigation has exceeded the normal time period because of the volume and complexity of the data initially gathered and examined, and because the completion of the investigation has required the study of related issues which arose during the proceeding and which could not have been foreseen at its outset.

(1) OJ No L 209, 2. 8. 1988, p. 1.
(2) OJ No C 147, 4. 6. 1988, p. 6.

B. PRODUCT UNDER CONSIDERATION

(8) The products concerned are ball bearings with a greatest external diameter not exceeding 30 mm ; they fall within CN code 8482 10 10.

(9) From a technical point of view, the definition of the products under consideration covers a large number of standard bearing types, all available with different accessories, plus many special types made to the specification of the customer. Within this product definition, a distinction is sometimes made between the so-called miniature and instrument bearings and the standard small-sized bearings. However, they have the same basic physical characteristics and therefore no clear dividing line can be made between them.

(10) The major components of the bearings under consideration are an inner and outer ring (usually in chrome, but sometimes stainless steel), a cage and a variable number of balls. Metal shields or rubber seals can be added depending on the customer's requirements and a variety of greases are applied. Their function is to reduce friction and so enable machine parts to move faster and more smoothly. The main applications of the bearings in question are in consumer electronics, domestic appliances and office automation.

(11) Ball bearings are an intermediate product used in the assembly of consumer and capital goods or for replacement purposes. The demand for ball bearings therefore depends directly on the demand for the final product (e.g. washing machines, vacuum cleaners, video recorders, fans, small electric motors). Small ball bearings generally account for only a tiny fraction of the cost of the final product.

C. DUMPING

(i) Normal value

(12) The direct sales of the like product on the domestic market are extremely low : during the investigation period they amounted to only 62 650 pieces, against the 31,5 million pieces sold in the Community. This virtual abstention from domestic sales results from an agreement between Minebea Co. Ltd and the Thai Government, according to which NMB Thai and Pelmec Thai are required to export almost 100 % of their output in order to qualify for subsidies. The domestic sales, representing only 0,20 % of the total sales in the Community, fall far below the threshold, established by the Commission in previous cases, of 5 % of the volume of exports to the Community. The Commission thus considered such sales to be insufficient to be representative and determined normal value for all models on the basis of constructed value. The constructed value was established on the basis of the costs, both fixed and variable, in the country of origin of materials and manufacture for the types exported to the Community plus a reasonable amount for selling, administrative and other general expenses and profit.

(13) Concerning the cost of materials and manufacture, the exporters provided information per type on an actual basis. This information has been checked and found to be in accordance with the companies' records. However, a comparative analysis of the costs incurred in the investigation period (1 April 1987 to 31 March 1988) and those incurred in each of the two financial years which fall partially within this period (1 October 1986 to 30 September 1987 and 1 October 1987 to 30 September 1988) shows a clear discrepancy in the case of Pelmec. The cost per unit is almost the same in the first and in the second financial years, but in the investigation period, covering the second half of the financial year 1987 and the first half of the year 1988 (these six months accounts being unaudited), it falls to a substantially lower figure, the company's expenses being allegedly much higher during the two financial half years falling outside the investigation period.

The Commission examined whether these discrepancies can be considered as being 'in the ordinary course of trade' or whether they should be corrected in order to preserve the representativeness of the investigation period. In the latter case the cost of materials and manufacture would be increased by an amount representing the ratio between the cost per unit in the investigation period and the cost per unit in the financial years 1987 and 1988. However, it was felt appropriate to avoid any such change at the stage of the provisional calculations.

(14) The selling, general and administrative expenses of the two companies have been established at 7 % of the selling price, according to their submission.

(15) Concerning the profit margin, the two producers/exporters participating in the proceedings proposed to use the rate of 6 % on top of the cost of production, as had been done in a previous anti-dumping proceeding involving imports of the same product originating in Thailand [1].

This position cannot be accepted. According to Regulation (EEC) No 2423/88, where there are no representative sales of the like product made by the exporters in the domestic market (as in this case), and in the absence of sales of other producers or exporters of the like product in the domestic market (which is also the case here), the profit margin should be calculated 'by reference to the sales made by the exporter or other producers or

[1] OJ No L 113, 30. 4. 1986, p. 113.

exporters in the same business sector in the country of origin or export or on any other reasonable basis' (Article 2 (3) (b) (ii) *in fine*).

During the investigation the exporters provided information about profit margins of other companies operating in Thailand, either with the like product or allegedly in the same business sector. This information cannot be considered relevant for the case under investigation, since none of the companies dealing in the like product were producers or exporters, and those producers or exporters of other products were not operating in the same business sector. Therefore, the only possibility left to the Commission is to use 'any other reasonable basis'.

Under these conditions, it seems appropriate to use, as 'reasonable basis', the profit realized on certain NMB Thai bearings, exported from Thailand but re-imported into this country by an independent company which incorporates them into disc-drives. Three bearing types produced by NMB Thai are re-imported into Thailand by this independent company. The goods are first shipped from NMB Thai to Minebea Singapore, then sold to the Singapore subsidiary of the independent company (the first independent customer), which then sells them back to its factory in Thailand. (Invoices and shipment follow the same route.) This sales route is necessary due to the provisions of the subsidy agreement between Minebea and the Thai Government described in recital 12. The major part of these bearings were already earmarked from the beginning for sale in Thailand. Furthermore the quantities involved are huge : combined sales of the three types concerned amounted to more than seven million units in the investigation period, i.e. almost a quarter of the total sales of the exporters in the Community.

The profit (unit cost/sale price) realized by the Minebea Group on the above transactions to an independent customer in Singapore, amounts, on a weighted average basis, to 96 %. However, this profit has been realized by NMB, which is normally more profitable than Pelmec, while the big majority of bearings exported to the Community are Pelmec bearings. It is therefore appropriate at this preliminary stage to apply a reduction to the above figure. In considering the reduction to be applied, the Commission took into account the fact that (the limited number of) Pelmec Thai bearings sold in the Singapore market realized an average profit of 54 %, while Pelmec bearings made in Singapore were, on a weighted average basis, exactly half as profitable as the NMB Singapore-made bearings sold in the Singapore market. In view of the similarities between the Minebea companies in Singapore and Thailand, mainly with regard to the product range, the Commission has considered that this 50 % difference in profitability in Singapore is the appropriate basis for the establishment of the profit margin in the present case and has therefore decided that, for the provisional calculation (and subject to further evidence to be submitted by the companies concerned), this profit margin should be established at exactly 50 % of the above figure of 96 %, i.e. 48 % representing 32 % of the constructed normal value. The Commission is further satisfied that this level of profit could still be realized even in the absence of the subsidies granted to the exporters by the Royal Thai Government.

(ii) **Export price**

(16) Since virtually all the sales in the Community have been made through companies wholly owned by Minebea Co. Ltd, export prices were constructed on the basis of prices to the first independent buyer. On these prices allowances have been made for all expenses (including the rebates given in Germany) incurred between importation and resale, and for a reasonable profit margin. The abovementioned costs include payment terms, freight, import charge, customs duty, insurance and SG&A, the allocation of the latter to the products under investigation being generally made on turnover basis. Generally speaking, the calculation of all expenses has been made in accordance with the information provided by the related importers, which has been checked during the verification and found correct.

Concerning the 'reasonable profit margin' it should be added that the rate used was 6 % on turnover, as in the importers' submission.

(iii) **Comparison**

(17) Normal value and export price (brought to ex-factory level) were compared on a transaction-by-transaction basis at the same level of trade. All types compared had the same specifications and grade of precision. The comparison was made between the most important types, which accounted for 93 % of the exporters' Community sales.

(iv) **Dumping margins**

(18) Since NMB Thai and Pelmec Thai are both wholly-owned subsidiaries of Minebea Co. Ltd of Japan, they are related companies, and it is therefore appropriate to fix a single combined dumping margin calculated on a weighted-average basis. Expressed as a percentage cif import value at the Community frontier, this proves to be 6,71 %.

D. **INJURY**

(i) **Like product**

(19) The ball bearings produced in the Community have the same physical characteristics and uses as the bearings defined in recital 8.

(ii) **Community industry**

(20) For the purpose of this investigation the Japanese-owned companies producing in the Community are not considered to be part of the Community industry pursuant to Article 4 (5) of Regulation (EEC) No 2423/88. This is because they are related to exporters of the same product from Japan who are currently subject to anti-dumping duties [1]. These are being reviewed in an investigation running concurrently with the present proceeding [2]. The Japanese-owned production companies sell all their production to the same Japanese sales subsidiaries who are involved in selling imported bearings from Japan at dumped prices, and they thus benefit from these unfair business practices. In these circumstances they cannot be considered to be behaving as normal Community producers but rather as a complementary source of supply for exporters practising dumping. After excluding the Japanese-owned companies from the scope of the proceeding, the Commission found that, during the period under investigation, the Community producers on behalf of whom the complaint was lodged manufactured about 85 % of Community production. This is clearly a major proportion of total production and these companies are therefore considered to form the Community industry.

(iii) **Preliminary observations**

(21) In assessing injury, account has been taken of the fact that the present case has been investigated at the same time (and using the same investigation period) as a countervailing duty case concerning imports of the same product originating in Thailand [3].

In this latter case it has been determined that the imports from Thailand were subsidized and that, without prejudice to any finding of dumping, this subsidization has caused material injury to the Community industry. Now that dumping has been established in this case, the combined effect of subsidization and dumping of Thai imports will be examined, in order to determine whether the injury caused was material and, if so, whether the contribution of the dumping to this material injury was substantial or not.

(iv) **Volume and market shares of imports**

(22) Between 1985 and the investigation period, total sales of ball bearings in the Community rose from 332,5 to 356,1 million pieces, an increase of 7,1 %.

(23) The sales of bearings imported from Thailand increased from 3,1 million pieces in 1985 to 31,5 million pieces in the investigation period and their share of the Community market rose from 0,9 to 8,8 %.

(24) The Community market share of imports from countries other than Thailand fell from 59 % in 1985 to 50 % in the investigation period.

(v) **Prices**

(25) For the purpose of analysing price undercutting, a comparison was made between the selling price (net of all discounts and rebates) of Thai-made bearings and of bearings sold by Community manufacturers in the main Community markets.

(26) Calculations always involved representative types of bearings, sold in reasonable quantities, usually exceeding 50 000 pieces. Only sales to industrial users who purchase bearings for incorporation into their final product (e.g. makers of vacuum cleaners, VCRs, etc.) have been taken into account, since these industrial users account for the great majority of the sales made by the Thai and Community producers and are almost the only customers who buy in sufficient quantities to enable a comparison to be made.

(27) On a weighted-average basis, the bearings from Thailand undercut those sold by the Community producers by 17 %.

(vi) **Situation of the Community industry**

(a) *Market shares*

(28) Although the EC sales of the Community industry rose by 3,5 %, from 112 to 116 million pieces, between 1985 and the investigation period, the 7,1 % increase in total demand in the Community market (see recital 22) meant that the Community industry's share dropped from 33,6 to 32,5 %.

[1] OJ No L 193, 21. 7. 1984, p. 1.
[2] OJ No C 159, 18. 6. 1988, p. 2.
[3] OJ No C 147, 4. 6. 1988, p. 4.

(b) *Price depression*

(29) A considerable amount of price depression was found. The average unit selling prices of most Community producers to industrial users fell between 1985 and the investigation period.

For the major Community producers, the average decreases, in current terms, varied from 2,6 to 9 %.

(c) *Profitability*

(30) The overall profitability of the Community producers in the sector of the bearings under investigation has declined by half since 1985, leading to a situation where current profits, as shown below, are clearly inadequate to finance the additional expenses required to keep the Community industry competitive. Indeed, at a time when the appropriate pre-tax profit margin for the bearings industry has been established to be 15 % (see recital 34), the Commission has found that the profitability achieved during the investigation period fell far below this figure. During this period, the profitability of the Community industry, on sales made in the ordinary course of trade in the Community, just reached 8 %.

(d) *Production, capacity utilization and employment*

(31) Community production fell from 170,6 million units in 1985 to 153,9 million during the investigation period, a decline of 10 %.

(32) Community production capacity, calculated as far as possible on a two-shift, five-day-week basis, expanded from 177,5 million units in 1985 to 185,5 million during the investigation period. Utilization of capacity therefore declined from 96 % in 1985 to 83 % in the investigation period.

(33) Over the same period, employment in the sector declined from 2 304 to 2 033 — a net loss of 271 jobs and a fall of 12 %.

(vii) **Determination of injury**

(34) An examination of the indicators described in recitals above leads the Commission to conclude that the Community industry has suffered material injury in this case. The Commission considers that the following factors constitute elements of injury :

(a) Decline and shortfall of profitability : the fall in profitability since 1985 has led to a situation where the current pre-tax profit margin on sales to independent customers in the Community market of 8 % (see recital 30) is inadequate in view of the additional expenses required to keep the Community industry competitive ; these additional expenses are mainly related to investments in fixed assets, research and development, training and marketing. The Commission has concluded that a 15 % pre-tax profit margin is necessary for this purpose. The establishment of the adequate return on sales at 15 % also corresponds broadly to an empirical/historical approach to the profitability issue, i.e. the fact that there was an adequate level of profitability in 1985 when the overall profit margin stood at about 15 % of sales ;

(b) loss of market share (see recital 28 in conjunction with recitals 22, 23 and 24) ;

(c) decline in production, capacity utilization and employment (see recitals 31, 32 and 33).

E. CAUSATION OF INJURY

(i) Injury caused by dumping and subsidization

(35) In the market for high volume industrial users as opposed to the distributors/dealers market, the main competitors to the Community producers are the manufacturers in Thailand.

Eighty-five per cent of Community producers' sales in the Community are destined for the industrial users' market, while the corresponding figure for the exporters from Thailand is 90 %.

(36) Since there are no real differences in quality, particularly in the case of standard types, price is the main consideration in sourcing supply of these products. Thus the price undercutting, which was caused by dumping and subsidization, practised by the producers and exporters concerned, has led to price depression, i.e. forcing the European companies to reduce their prices (and therefore their profits) or risk losing market share, thus depriving themselves of the benefits of economies of scale.

(37) The sharp increase in the Thai exporters' sales in the Community (almost exclusively in the industrial users' sector) has given them an increased share of the Community market, usually at the expense of Community producers. In particular, they have prevented the Community industry from taking full advantage of the increase in demand since 1985.

(38) The Commission considers that, had dumping and subsidization of Thai imports not taken place, the export prices would have been higher and, consequently, the price erosion and loss of profitability of the Community producers would not have occurred.

(39) In conclusion, the market conditions applying to this product and the factors listed above demonstrate that the price pressure resulting directly from dumping and subsidization of Thai imports, and the consequent rapid increase in import volumes from this source has led to injury to the Community industry, i.e. inadequate and reduced profitability, loss of market shares and decline of production, employment and capacity utilization.

(40) The Commission determines therefore that there is a causal link between these indicators of injury and the situation covered by the present Regulation i.e. the dumping of imports from Thailand.

(ii) **Other factors**

(a) *Fall in Community exports*

(41) The injury suffered by the Community industry is to a certain extent due to the fall in Community exports and an increase in capacity. Indeed these exports fell from 59 million to 38 million pieces and this fall has certainly had an effect on the level of production, employment and capacity utilization ; it could furthermore be argued that the fall in exports and the consequent drop in capacity utilization (due in part to the increase in capacity) may have an impact on profitability, since it would result in an increase in fixed costs per piece.

However, the fall in production, employment, capacity utilization (and therefore profitability which, as will be seen below, is used for the establishment of the injury threshold), would have been less marked if the Community producers had been able to maintain their share of the Community market, where the demand was increasing ; the reason for the Community producers being unable to do so is precisely that this increasing demand in the Community market has largely been satisfied by the unfairly low-priced imports under investigation.

However, this observation in no way invalidates the argument that the fall in exports is a cause of injury.

(b) *Imports from Japan*

(42) Bearings from Japan are being sold in the Community at dumped prices and compete in the industrial users' market. However, during the investigation period they were sold in lower volumes than the Thai bearings (21,7 million pieces compared to 31,5 million), and since 1985 their sales volume declined by over 30 %. In addition, their prices only undercut the Community producers by a small amount, compared to the 17 % undercutting found in the case of Thai bearings.

It should be borne in mind that the Japanese bearings have been subject to anti-dumping duties since 1984, and that several Japanese exporters have transferred production to Europe.

However, without, for the purpose of this Regulation, considering the impact of modifying the existing anti-dumping duties imposed on Japanese imports, it is clear that while the level of Japanese bearing imports is still significant, and that the anti-dumping duties in force have not completely removed injury to the Community industry caused by imports from this source, the amount of current injury caused by imports from Japan is rather limited.

(c) *Imports from other sources*

(43) As far as imports from other countries are concerned, with the exception of a part of the high precision miniature bearing market, these are not competing directly with those types produced in the Community.

— Bearings from Eastern Europe and China are of lower quality than Community, Japanese or Thai products.

— Bearings from Switzerland are of specialized, often miniature, types.

(iii) **Conclusion**

(44) After taking account of the factors described in recitals 41, 42 and 43 the Commission concludes that the remaining injury, caused by dumping and subsidization, is material, and that the contribution of the dumped imports from Thailand to this material injury is substantial.

F. COMMUNITY INTEREST

(45) In general, it is in the Community interest for there to be fair and workable competition and the purpose of measures in this case is to re-establish a situation of fair competition. In considering the Community interest in this case, the Commission has taken account of the interest of the Community ball bearing industry, the users of ball bearings and the final consumer of the end product.

In the absence of measures, a continuation of the trend observed would lead to negative consequences for the Community industry producing the ball bearings in question and endanger its viability. The loss of this industry would have serious consequences from the point of view of :

— employment and investment expenditure,

— research and development in high technology areas (particularly new materials),

— development of new products in fast-growing sectors (telecommunications, aerospace and vehicle electronics).

It is in the interest of the Community that such consequences do not occur.

As far as the purchasers of ball bearings (and implicitly the final consumers of their products) are concerned, it may be argued that they could derive some benefit from buying dumped or subsidized low-priced bearings. Any such benefit, however, would be minimal, since the bearings in question account for only a tiny fraction of the final price of most products. This is confirmed by the fact that no Community purchaser of ball bearings up to 30 mm external diameter has reacted to any of the proceedings.

(46) The Commission has therefore concluded that on balance the interest of the Community in this case clearly lies in granting protection to its ball bearings industry against unfair competition caused by imports at dumped prices.

G. DUTY

(i) Combination of anti-dumping and countervailing duties

(47) In the anti-subsidy proceeding concerning the same product from Thailand (referred to in recital 21), the level of countervailing duty (eventually replaced by an undertaking), has been calculated at 13 %.

(48) Article 13 (9) of Regulation (EEC) No 2423/88 states that no product shall be subject to both anti-dumping and countervailing duties for the purpose of dealing with one and the same situation arising from dumping or from the granting of any subsidy.

It is therefore necessary to consider whether an anti-dumping duty can be imposed in addition to the countervailing duty without there being any double counting.

(49) In order to determine this, the impact of the countervailable subsidies on the normal value and the export price of the product has to be examined.

(50) All the countervailable subsidies found are export subsidies, since they are granted on condition that virtually 100 % of output is exported. Two types of subsidy were found :

(a) exemption from the payment of duties and taxes on imported machinery and essential materials (in addition, a small amount of the subsidy was accounted for by a rebate of electricity costs and of indirect taxes on domestic purchases) ;

(b) exemption from the payment of corporate income tax.

(51) It should be remembered that the normal value in this case is constructed and therefore consists of two components — cost of production and a reasonable profit margin.

(52) The effect of the first type of subsidy, the duty and tax exemption on imports, is to reduce the cost of production element of the normal value, and this subsequently leads to a drop in the export price (since it is an export subsidy). Consequently, the fall in the export price cannot be greater than the reduction in the normal value. The effect of this subsidy is therefore neutral as regards the dumping margin.

(53) The second type of subsidy, the corporate income tax exemption, affects the export price and consequently the profits on sales to all third countries. In the present proceeding, the 'reasonable margin of profit' element of the normal value has been calculated on bearings sold in Thailand, but via a first independent customer located in Singapore ; it follows that this subsidy affects the 'reasonable margin of profit' part of the normal value by the same amount as the export price.

The Commission considers that the countervailable subsidies found affect the normal value in the same manner as the export price. Conversely, the elimination of these subsidies by the imposition of a countervailing duty or by an undertaking would have no effect on the dumping margin found. It is therefore appropriate to impose an anti-dumping duty in addition to the countervailing measures in this case.

(ii) Injury threshold

(54) The Commission's view is that in order to eliminate injury to the Community industry, it would be necessary to :

— eliminate price undercutting, found to be 17 % (see recital 27),

— ensure that Community producers realize an adequate return on sales, i.e. cover the 7 % gap between the target profit (15 % — see recital 34) and the profit actually earned during the investigation period (8 % — see recital 30).

(55) The addition of the price undercutting (17 %) and the profit shortfall (7 %), gives an injury threshold of 24 % on the basis of the resale price in the Community. The basis for using this method is that the prices of Thai bearings in the Community are so far below the prices of Community products mainly because the Thai exports have succeeded in capturing a number of very high volume customers by offering them extremely low prices. Community producers have for the moment retained customers who pay higher prices. Since the customers are different and since there are no quality differences between Thai and Community bearings, there is no guarantee that the mere elimination of 17 % Thai price undercutting would result in any appreciable increases in the prices paid to Community producers. Only by adding the 7 % profit shortfall is it

possible to reach a price level at which Community producers could earn the required level of profit to realize an adequate return on sales (see recital 54).

When converted to cif import value, the injury threshold becomes 34,8 %.

(iii) **Rate of duty**

(56) The Commission considers that the imposition of the full amount of the dumping margin as an anti-dumping duty is required to fully remove the injury caused by dumping in this case. The rate of provisional duty for imports of ball bearings with a greatest external diameter not exceeding 30 mm, originating in Thailand, is set at 6,7 %.

(iv) **Combined effect of anti-dumping and countervailing duty**

(57) The addition of the anti-dumping duty of 6,7 % to the countervailing duty of 13 % (replaced by an export tax of equivalent effect) results in a combined amount of 19,7 %. This is well below the injury threshold of 34,8 % (see recital 55).

(v) **Future procedure**

(58) A period should be fixed within which the parties concerned may make their views known and request a hearing. Furthermore, it should be stated that all findings made for the purpose of this Regulation are provisional and may have to be reconsidered for the purposes of any definitive duty which the Commission may propose.

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty of 6,7 % of the net free-at-Community-frontier price before duty is hereby imposed on imports of ball bearings with a greatest external diameter not exceeding 30 mm falling within CN code 8482 10 10 originating in Thailand.

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

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

Article 2

Without prejudice to Article 7 (4) (b) of Regulation (EEC) No 2423/88, the parties concerned may make known their views in writing and apply to be heard orally by the Commission within one month of the date of entry into force of this Regulation.

Article 3

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

Subject to Articles 11, 12 and 13 of Regulation (EEC) No 2423/88, Article 1 of 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, 13 June 1990.

For the Commission

Jean DONDELINGER

Member of the Commission