COMMISSION REGULATION (EEC) No 763/90

of 26 March 1990

imposing a provisional anti-dumping duty on imports of tungsten carbide and fused tungsten carbide originating in the People's Republic of China and terminating the anti-dumping proceeding concerning imports of those products from the Republic of Korea

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 June 1988 on protection against dumped or subsidized imports from countries not members of the European Economic Community (1), and in particular Articles 9 and 11 thereof,

After consultation with the Advisory Committee as provided for in the above Regulation,

Whereas :

A. PROCEDURE

(1) In July 1988 the Commission received a written complaint lodged by the EEC Liaison Committee for the Non-Ferrous Metal Industries on behalf of producers representing most of the Community production of tungsten carbide and fused tungsten carbide.

The complaint contained evidence of dumping and consequent injury which was judged sufficient to justify the initiation of a proceeding.

In a notice published in the *Official Journal of the European Communities* (2), the Commission accordingly announced the initiation of an anti-dumping proceeding concerning imports into the Community of tungsten carbide and fused tungsten carbide falling within CN code 2849 90 30 originating in the People's Republic of China or the Republic of Korea.

(2) The Commission officially advised the exporters and importers known to be concerned, the representatives of the exporting countries and the complainants.

It called on the parties concerned to reply to the questionnaires sent to them, and gave them the opportunity to make their views known in writing and request a hearing.

(3) All the Community producers on whose behalf the complaint was lodged replied to the questionnaires, made their views known in writing and requested and were granted hearings by the Commission.

(4) None of the three main Chinese export bodies, their 20 regional offices nor any of the eight Chinese producers to which the Commission sent questionnaires returned them completed, even partially. However, the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters, hereinafter referred to as 'the China Chamber of Commerce', brought itself to the attention of the Commission and informed it that it intended to reply to the questionnaires on behalf of all the Chinese exporters and producers referred to above. On two occasions the China Chamber of Commerce requested and obtained from the Commission an extension of its deadline to prepare a reply to the questionnaire. However, in lieu of a specific reply to the questionnaires all that was received by the Commission was a general position paper.

The China Chamber of Commerce also requested and was granted a hearing, at which it put forward both general arguments and arguments relating to other intermediate tungsten products for which separate anti-dumping proceedings had been instituted.

None of the nine companies listed in the complaint as importers of tungsten carbide and fused tungsten carbide originating in China replied to the questionnaires sent out by the Commission.

(5) The Korean producer and exporter Korea Tungsten Mining Co. Ltd (KTMC), of Seoul and Taegu, replied in full to the Commission's questionnaires on its own behalf and that of its sales offices in the Community.

KTMC also requested and was granted a hearing, and made its views known in writing, particularly on the question of its responsibility for the injury alleged by the complainants.

(6) Accordingly, the findings for those parties which failed to reply and did not make themselves known by other means were made in accordance with Article 7 (7) (b) of Regulation (EEC) No 2423/88,

(1) OJ No L 209, 2. 8. 1988, p. 1.
(2) OJ No C 322, 15. 12. 1988, p. 7.

on the basis of the facts available, namely the information supplied by the complainant and official Community statistics.

(7) The Commission sought and verified all the information it deemed necessary for the purposes of making a preliminary determination of dumping and consequent injury for the parties which agreed to cooperate. To these ends it carried out inspections at the premises of:

(a) *Community producers*

— Hermann C. Stark Berlin GmbH & Co. KG, Düsseldorf and Goslar, Germany,

— Murex Ltd, Rainham, United Kingdom,

— Eurotungstène Poudres SA, Grenoble, France;

(b) *Korean producer/exporter*

— Korea Tungsten Mining Co. Ltd, (KTMC), Seoul and Taegu.

It also sought information from the producer in the reference country suggested by the complainant, Wolfram Bergbau- und Hüttengesellschaft mbH, Vienna, Austria.

(8) The dumping investigation lasted from 1 January 1988 to 30 September 1988.

This proceeding overran the one-year period laid down in Article 7 (9) (a) of Regulation (EEC) No 2423/88 because of the duration of Advisory Committee consultations.

B. THE PRODUCT — COMMUNITY INDUSTRY

(9) Tungsten carbide and fused tungsten carbide are compounds of carbon and tungsten produced by heat treatment (carburization in the first case, fusion in the second).

They are intermediate products used in the manufacture of hard metal components (sintered carbide cutting tools, high-wear components, drills and so on).

(10) The products concerned, which both fall within CN code 2849 90 30, have identical chemical characteristics and come from the same stage in the tungsten production chain — between tungsten metal powder and sintered carbide products. They are, moreover, put to similar uses in industry.

The Commission concluded that tungsten carbide and fused tungsten carbide could be considered to be like products within the meaning of Article 2 (12) of Regulation (EEC) No 2423/88, since:

— their chemical composition is identical (approximately 94 % tungsten metal and 6 % carbon),

— they have similar end-uses.

Moreover, according to the information gathered by the Commission, the products exported by China and Korea and those manufactured by Community producers may be considered to be like products within the meaning of the abovementioned Article.

(11) The Commission observed that during the reference period the Community producers on whose behalf the complaint had been lodged had accounted for the bulk — about 85 % — of Community production of tungsten carbide and fused tungsten carbide.

The Commission therefore considered that the complainant Community producers constituted the Community industry within the meaning of Article 4 (5) of Regulation (EEC) No 2423/88.

C. NORMAL VALUE

1. Republic of Korea

(a) *Tungsten carbide*

(12) During the reference period, tungsten carbide made up 98,7 % of Korea's exports to the Community of goods falling within CN code 2849 90 30. The Commission observed that during that period:

— KTMC had sold tungsten carbide on its domestic market, and

— these domestic sales had been made at a profit and in sufficient quantity to provide a valid comparison.

The Commission therefore determined the normal value of tungsten carbide on the basis of the prices charged in the domestic sales made during the first nine months of 1988.

(b) *Fused tungsten carbide*

(13) During the reference period, fused tungsten carbide made up 1,3 % of Korea's exports to the Community of goods falling within CN code 2849 90 30.

Since KTMC sold no fused tangsten carbide on its domestic market during the investigation period, the Commission determined normal value on the basis of the constructed value, calculated by adding together the cost of production and a reasonable margin of profit.

The cost of production was obtained by adding all costs, both fixed and variable, of :

— materials (i. e. the cost of producing the tungsten concentrate or ore which KTMC extracts from its mine at Sang Dong), and

— manufacture in the country of origin.

To these costs were added selling, administrative and other general expenses, calculated, in the absence of data on other producers or exporters in the country of origin, by reference to sales of tungsten carbide by KTMC on its domestic market during the reference period.

As regards the profit margin, in the case of fused tungsten carbide it was considered reasonable once again to look at domestic sales of tungsten carbide.

2. People's Republic of China

(14) In order to establish that imports from China were being dumped, the Commission had to take account of the fact that China does not have a market economy and thus it based its calculations on the normal value of the products in question in a country with a market economy ; to that end, the complainant suggested taking the constructed value calculated on the basis of the cost of production in Austria.

(15) However, the Commission observed that the Austrian producer did not manufacture fused tungsten carbide. Moreover, the representatives of the China Chamber of Commerce indicated their opposition to the complainant's suggestion, arguing that Austria's economic structure was different from that of China, but failing to suggest any other reference country.

(16) The Commission therefore considered it appropriate to determine normal value for tungsten carbide and fused tungsten carbide originating in China on the basis of the data collected during the investigation relating to the Korean exporter, since :

— the products exported by China and Korea could be considered like products within the meaning of Article 2 (12) of Regulation (EEC) No 2423/88,

— South Korea's technical standards for the product were comparable to those of China,

— the economies of the Republic of Korea and the People's Republic of China were less dissimilar than those of Austria and the People's Republic of China.

(17) However, because the Chinese export price had to be determined using the information published by Eurostat, which, like the figures collected by the Member States themselves, makes no distinction between tungsten carbide and fused tungsten carbide, and because there were no grounds to believe that Chinese sales of the two products differed from Korean sales of similar products, it seemed reasonable to establish a normal value valid for both tungsten carbide and fused tungsten carbide.

To that end, the Commission considered it appropriate to refer to the available figures on the breakdown between tungsten carbide and fused tungsten carbide in Community trade with third countries.

In the absence of information from exporters in China and Community importers, the only available information on the subject related to Korea. The Commission therefore thought it appropriate and not unreasonable to take the proportions of tungsten carbide and fused tungsten carbide falling within CN code 2849 90 30 exported by China to be similar to those indicated by the figures for Korea.

The Commission accordingly calculated normal value for China by averaging :

— the weighted average domestic price of the tungsten carbide sold by the Korean exporter during the reference period, and

— the constructed value determined for fused tungsten carbide on the basis of the Korean exporter's production costs during the same period.

The average was based on the proportion of each of the two types of tungsten carbide sold in the Community by the Korean exporter during the first nine months of 1988.

No objection was made to that proposal.

D. EXPORT PRICE

1. Republic of Korea

(18) Although carried out with the assistance of its liaison offices in the Community, all KTMC's exports are direct sales to independent importers in the Community. The sole task of the liaison offices is to carry out commercial surveys and to draw up final invoices on KTMC's behalf ; they never operate as importers themselves.

The export price was therefore calculated on the basis of the price actually paid or payable for the tungsten carbide and fused tungsten carbide sold for export to the Community, net of all taxes, discounts and rebates actually granted and directly related to the sales under consideration.

To that end the Commission verified all the transactions carried out during the investigation period.

2. People's Republic of China

(19) In the absence of a reply from the Chinese exporters and producers or Community importers, the export price was determined on the basis of the information available, viz. the information on average prices published by Eurostat (cif at Community frontier)

E. COMPARISON

1. Republic of Korea

(20) In comparing the normal value of tungsten carbide and fused tungsten carbide with export prices for those products, the Commission took account, where appropriate, of differences affecting the comparability of prices, such as credit conditions, transport, insurance and handling costs and other ancillary costs.

(21) An appropriate adjustment was made to selling costs to take account of the expense incurred by KTMC on account of its liaison offices in the Community.

(22) All the adjustments made were based on statistical data verified during inspection at the premises. All comparisons were made at the ex-works stage, on an transaction-by-transaction basis.

2. People's Republic of China

(23) In comparing normal value and export prices, the Commission took account of differences affecting price comparability.

The normal value had been calculated ex-works, while the export price obtained from the average prices published by Eurostat (cif at Community frontier) included costs incurred between the time at which the goods left the factories in China and their entry into the Community.

In that connection, given the lack of cooperation from the Chinese exporters and producers and from the Community importers, the necessary adjustments, relating particularly to shipping and insurance, handling and selling costs, were made on the basis of the information on Korea gathered during the investigation.

(24) Comparisons were made at the ex-works stage, globally for the whole of the reference period.

F. DUMPING MARGINS

(25) The preliminary examination of the facts showed that imports from China and Korea were being dumped, the dumping margin being equal to the difference between the established normal value and the export price to the Community.

(26) On the basis of the cif Community frontier price of tungsten carbid and fused tungsten carbide, the weighted average margins were as follows :

— 73,13 % in the case of China, and

— 48,20 % in the case of Korea.

G. INJURY

1. Volume and market share

(a) *Republic of Korea*

(27) In its reply to the questionnaire, KTMC gave figures for the volume of its sales of tungsten carbide and fused tungsten carbide in the Community which were slightly higher than those for imports originating in Korea as published by Eurostat.

In the light of the evidence relating to its sales of tungsten carbide and fused tungsten carbide in the Community provided by KTMC during the inspection at its premises, the Commission considered that for the purposes of this investigation the figures for KTMC's actual deliveries to the Community between 1984 and 1987 and in the first nine months of 1988 should be used in lieu of the figures published by Eurostat which were cited in the complaint.

(28) On that basis, it appeared that imports of these products originating in Korea, which totalled 257 metric tonnes in 1986, fell to 126 metric tonnes during the reference period, i. e. a level below that of each of the years 1985 to 1987, taken on an annual basis.

The Commission considered that the share of the Community market held by the Korean imports should be assessed on the basis of total quantities traded in the Community (i. e. the Community producers' sales plus total imports originating in non-Community countries).

On that basis it appeared that Korea's market share, which had stood at 6,6 % in 1984 and 9,4 % in 1986, has now fallen to 5,7 %.

(b) *People's Republic of China*

(29) According to the figures published by Eurostat, which are the best available for China, imports from China have risen substantially, from seven metric tonnes in 1984 to 100 metric tonnes in 1987, and 117 metric tonnes during the reference period.

In terms of market share calculated on the basis explained above, these imports, which represented 0,29 % in 1984, rose to 3,9 % in 1987 and reached 5,3 % during the reference period.

(c) *Other third country suppliers*

(30) Imports originating in other non-Community countries remained stable between 1984 and 1988 (at an average of 1 200 metric tonnes per year).

2. **Prices**

(31) Between 1984 and 1988 the Korean exporter reduced its selling price in the Community by 1,7 %, a small reduction compared to the general downturn in the prices of imported tungsten carbide and fused tungsten carbide during the same period, which resulted in a drop of 16,5 %.

(32) Between 1984 and 1988, China's exporters, taken as a whole, reduced their selling prices in the Community by over 41 %.

(33) To determine the price differential in the Community between tungsten carbide and fused tungsten carbide from China or Korea and that produced within the Community, the Commission compared the average price of imports from China and the weighted average selling price of imports from Korea (at the free-at-Community-frontier duty paid stage) and the weighted average selling price, excluding transport, of the products sold by the Community producers.

Through this comparison the Commission found that producers in the Community had been unable to match the prices set on the market by the Chinese exporters, and that the price differentials during the reference period were as much as 35,34 %. In the case of KTMC, however, the difference had been limited to 3,73 %.

3. **Other economic factors to be taken into consideration**

(a) *Production*

(34) The Commission found that Community output of tungsten carbide and fused tungsten carbide, taking as a basis the index 1984 = 100, was 101 in 1985, 100 in 1986, 83 in 1987 and 96 during the reference period. The figures show a slight recovery of Community production in 1988 compared to the preceding year, but this was not sufficient to restore it to 1984 to 1986 levels.

(b) *Capacity utilization*

(35) Calculated on the basis of the capacity actually available each year from 1984 to 1987 and during the reference period, the capacity utilization rate of the Community producers fell between 1984 and 1987 from 81 to 62 % and rose again to 76 % during the first nine months of 1988.

(36) The Commission sought the reason for this slight recovery during the reference period, and found that it was a result of a rise in the amount of what is termed 'conversion' being performed by the Community producers.

The conversion work is carried out on commission under contracts whereby the Community producers process raw materials belonging to a customer to produce tungsten carbide.

The Commission observed that this activity was linked to the existence of stocks of tungsten ore or concentrate, generally Chinese, purchased and cleared through customs by certain operators, and was not the main activity of the undertakings in question.

The Commission therefore concluded that the slight improvement the Community producers' capacity utilization during the reference period was not a genuine or lasting upturn and that it did not cast doubt on the findings for the period from 1984 to 1987.

(c) *Stocks*

(37) The Commission noted that stocks had risen slightly between 1984 and 1988, from the equivalent of six weeks' production in 1984 to two months' production during the reference period

(d) *Sales*

(38) Community producers' sales on the Community market decreased from 1984 onwards, and reached their low in 1987. They recovered slightly during the reference period thanks to an improvement in the state of the market.

(e) *Market share*

(39) The market share of Community producers, calculated in the same way as those of China and Korea, fell from 51 % in 1984 to 43,6 % in 1987 and rose to 46,9 % during the first nine months of 1988, while, following a period of fluctuation between 1984 and 1987, the volume of tungsten carbide and fused tungsten carbide traded in the Community rose during the reference period to a level higher than that of the preceding year.

(f) *Prices*

(40) Community producers were unable to match the prices set on the market by China's producers of tungsten carbide. As a result, their market share decreased and they could no longer resist the price pressure being exerted by the Chinese suppliers. In such a situation, Community producers are faced with a choice between continuing to lose market share and dropping their prices, either course threatening profitability, and, in the longer term, viability.

(g) *Profits*

(41) The Commission found that the Community industry's financial results deteriorated in 1986 and 1987 and improved somewhat during the reference period. The observation on conversion found in recital 36 is also of relevance to financial performance.

The Commission established that most of the profits (or curbing of losses) in the Community industry could be put down to the viability of their conversion operations.

4. Possibility of a cumulative effect

(42) In order to establish the impact of dumping on the Community industry, the Commission examined the effects of all dumped imports originating in the two countries to which this investigation relates.

KTMC, the Korean exporter of tungsten carbide and fused tungsten carbide, had claimed in a note which was not part of its reply to the questionnaire that Chinese and Korean imports should be considered separately and not jointly. The Commission sought to determine whether this should be the case.

To that end, in the absence of any notable differences affecting the comparability of the Chinese and Korean products, the Commission examined how far the imports concerned had contributed to the material injury suffered by the Community. It looked at the volume of imports, the market shares of the Chinese and Korean exporters, the upward or downward trend of those market shares, and the exporters' pricing policies.

The Commission found that the import volume and market shares held by each had been at comparable levels during the reference period.

It ascertained, however, that the figures were in fact the result of diametrically opposed progressions, since while Chinese imports had tripled in 1986 to 1987 and further increased by over 80 % in 1987 to 1988, Korean imports had remained steady between 1985 and 1987, and had fallen by approximately 20 % in 1987 to 1988.

Similarly, the Commission found that the Chinese exporters had pushed their share of the market up by a factor of 3,4 in 1986 to 1987, and that it had risen by another 35 % in 1987 to 1988, while the Korean exporter had lost over 40 % of its share between 1987 and the reference period. Compared to the 1985 figures, the figures for the reference period (on an annual basis) showed that the Korean exporter had lost over 30 % of its market share, i. e. KTMC suffered a loss of market held for several years.

With regard to the pricing policies referred to in recital 33, the Commission found market differences :

— first, in terms of the behaviour of prices between 1984 and 1988, as the Korean exporter's selling prices in the Community had remained virtually steady, while those of the Chinese exporters had decreased considerably,

— second, in terms of the undercutting observed during the reference period, since the price differential in the Korean exporter's case had been 3,5 % on average and that of the Chinese exporters as a whole over 35 %.

The Commission consequently concluded that consideration of the prices showed that the Chinese and Korean products could not be regarded as competing with each other, and that the marketing strategies of the Chinese and Korean exporters differed from one another.

In the light of these considerations, the Commission took the view that injury to the Community industry from imports of tungsten carbide and fused tungsten carbide from China and Korea should be evaluated separately.

5. **Cause and effect and other factors**

(43) The Commission examined the volume and price trends of the dumped imports (for China and Korea separately) side-by-side with the sales and market share of the Community industry.

In the case of tungsten carbide and fused tungsten carbide originating in China, investigation revealed that the growth of Chinese imports had coincided with the deterioration of the Community producers' sales and market shares.

In the case of imports of these products originating in Korea, however, in found that prices had remained relatively stable and undercutting had been by a very small margin, and that both the volume and the market share had markedly declined. These imports could therefore not be said to be responsible in any large measure for the injury to the Community industry.

(44) The Commission also checked whether or not the injury to the community industry had been caused by other factors such as the volume and prices of imports originating in other non-Community countries or by a drop in demand.

The Commission found in that connection that:

— the volume of sales and market share of the other non-Community countries (notably Austria and the United States) which traditionally supplied tungsten carbide to the Community had remained stable between 1984 and 1988,

— the prices charged on sales to the Community by exporters in these countries could not be considered, on the basis of the figures available, to indicate dumping, and did not significantly undercut the prices charged by Community producers,

— following a period of fluctuation between 1984 and 1987, consumption of tungsten carbide in the Community had risen during the reference period to a level higher than that of the preceding year.

Accordingly, the Commission judged that the injury to the Community industry could not be ascribed to these producers, who, while they had held a substantial share of the Community market for several years, did not seem to have retained it, on the basis of the figures available, by resorting to unfair trade practices.

(45) All the above factors inicate that during the reference period virtually the only gainer from dumped imports in terms of sales volume and market share had been China.

(6) **Conclusion**

(46) On the basis of the detailed figures in recitals 34 to 41, the Commission considered that dumped chinese imports, taken in isolation, had inflicted material injury on the Community industry in question. The impact of such imports had been most pronounced on:

— the Community industry's sales volume and market share,

— the activity of the sector producing intermediate tungsten products, since Chinese imports, which until 1986 had been at a low level, began a determined push onto the Community market in 1987.

This market penetration further increased in 1988 and threatens to surge again in the future, judging by the rate at which exports to the Community grew between 1984 and the reference period, and the capacity available in China, as indicated by the figures collected during the investigation.

(47) With regard to imports of tungsten carbide and fused tungsten carbide originating in Korea, the Commission noted that there had been no heavy undercutting of the Community producers' prices and that examination revealed a very marked downward trend in the volume and market share of these imports.

The Commission therefore considered that the imports in question had not caused material injury to the Community industry.

H. COMMUNITY INTEREST

(48) Some manufacturing industries which use intermediate tungsten products, largely in the form of carbides, to produce hard metal components (sintered carbide cutting tools, high-wear components and drills, for the most part), argue that it would not be in the Community's interest to institute protective measures.

The representatives of these industries claimed that by increasing the cost of tungsten carbide and fused tungsten carbide in the Community, and therefore the cost of products further down the chain of tungsten production, the measures would make them less competitive.

(49) The Commission did not dispute the validity of this argument from a short-term point of view, but considered that it failed to take account of the medium and long-term prospects of the Community tungsten industry as a whole.

If no steps are taken to counter the effects of dumped chinese imports Community producers will be obliged to cut back their output of tungsten carbide, the last and therefore most vulnerable link in the chain of production of intermediate tungsten products. Such a reduction in their range of activity will palce the whole of the industry and therefore their own long-term viability under threat.

At the same time, the Chinese exporters would assume an ever more dominant position in this particular segment of the market, with predictably damaging effects for the competitiveness of Community producers further down the chain (especially producers of hard metal components).

(50) The Commission noted that the general aim of anti-dumping measures was to remedy the distortions in competition brought about by unfair trading practices, and thus restore open and fair competition to the Community market, which is fundamentally in the Community's overall interest.

In the case under examination, measures against imports of tungsten carbide and fused tungsten carbide from China would do just that. The short-term drawbacks for the industries further down the chain, which are not disputed by the Commission, should be offset by the benefits brought by the continued existence of a viable tungsten carbide industry in the Community.

(51) The Commission also considers it necessary to bear in mind that the low prices hitherto available to buyers are the result of unfair trading practices, and there are no grounds for allowing them to continue.

(52) In the light of the foregoing, the Commission concluded that it was in the Community's interest to take steps to remove the material injury to the Community industry caused by imports of tungsten carbide and fused tungsten carbide originating in the People's Republic of China.

In order to prevent further injury being caused during the remainder of the proceeding, these steps should take the from of a provisional anti-dumping duty.

I. PROVISIONAL ANTI-DUMPING DUTY ON IMPORTS FROM THE PEOPLE'S REPUBLIC OF CHINA

(53) To determine the rate of the provisional duty, the Commission took into account the size of the dumping margins and the level of duty needed to remove the injury caused.

To that end it compared the import prices of tungsten carbide and fused tungsten carbide originating in the People's Republic of china with the production cost of the most representative Community producer plus a reasonable profit margin.

The Community producer was chosen with regard to the size of the undertaking, the efficiency of its production facilities and its overall production costs.

Production costs were calculated by adding together the cost of the tungsten ore or concentrate bought by the producer during the reference period and the producer's processing costs for the same period.

It was considered reasonable to set the profit margin at 10 % of the cost of production. This appeared to be the minimum level needed to enable a producer of tungsten carbide and fused tungsten carbide to keep a plant running under acceptable operating conditions and give him a return on invested capital somewhat near the rate generally required in the sector.

The cost of production plus the profit margin was compared with the free-at-Community-frontier export price plus customs clearance charges. This gave an injury threshold of 33 % of the net free-at-Community-frontier price calculated for tungsten carbide and fused tungsten carbide originating in the People's Republic of China.

The amount of anti-dumping duty to be levied must therefore be high enough to remove the injury caused. This would be less than the dumping margin calculated.

J. TERMINATION OF THE PROCEEDING REGARDING IMPORTS ORIGINATING IN THE REPUBLIC OF KOREA

(54) In the light of the findings set out in recitals 27, 28, 31, 33, 42, 43 and 47 regarding causation of injury, in respect of imports of tungsten carbide and fused tungsten carbide originating in the Republic of Korea the Commission considers that the proceeding should be terminated without protective measures being imposed.

(55) No objections to this conclusion were raised in the Advisory Committee.

(56) The complainant was informed of the facts and principal considerations on the basis of which the Commission intended to terminate the proceeding concerning imports originating the Republic of Korea and did not contest them.

K. FINAL PROVISIONS

(57) In the interests of proper management a reasonable deadline should be allowed for the parties concerned to make their views known in writing and request a hearing from the Commission,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is hereby imposed on imports of tungsten carbide and fused tungsten carbide falling within CN code 2849 90 30, originating in the People's Republic of china.

2. The duty shall be 33 % of the net free-at-Community-frontier price of the product before duty.

The free-at-Community-frontier price shall be net if the actual conditions of payment provide for payment within 30 days of the arrival of the goods on the customs territory of the Community. It shall be increased by 1 % for each further month by which the period for payment is extended.

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 2

The anti-dumping proceeding concerning imports of tungsten carbide and fused tungsten carbide originating in the Republic of Korea is hereby terminated.

Article 3

Without prejudice to Article 7 (4) (b) and (c) of Regulation (EEC) No 2423/88, the parties concerned may make known their views in writing and apply to be heard 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 following its publication in the *Official Journal of the European Communities.*

Subject to Articles 11, 12 and 14 of Regulation (EEC) No 2423/88, it shall apply for a period of four months, unless the Council adopts definitive measures before that period has elapsed.

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

Done at Brussels, 26 March 1990.

For the Commission

Frans ANDRIESSEN

Vice-President