COUNCIL REGULATION (EC) No 2962/95

of 18 December 1995

repealing Regulations (EEC) No 868/90 and (EEC) No 898/91 imposing definitive anti-dumping duties on imports of certain welded tubes, of iron or non-alloy steel, originating in Yugoslavia except Serbia and Montenegro and Romania, and in Turkey and Venezuela respectively

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 3283/94 of 22 December 1994 on protection against dumped imports from countries not members of the European Community (1), and in particular Article 23 thereof,

Having regard to Council Regulation (EEC) No 2423/88 of 11 July 1988 on protection against dumped or subsidised imports from countries not members of the European Economic Community (2), and in particular Article 14 thereof,

Having regard to the proposal submitted by the Commission after consulting the Advisory Committee,

Whereas :

A. PREVIOUS INVESTIGATIONS

1. Romania and the former Yugoslavia

(1) By Regulation (EEC) No 868/90 (3), the Council imposed a definitive anti-dumping duty on imports of certain welded tubes, or iron or non-alloy steel, originating in Yugoslavia and Romania.

(2) By Decision 90/166/EEC (4), the Commission accepted price undertakings from the former State-trading import/export monopoly organization of Romania and from a Yugoslavian producer.

2. Turkey and Venezuela

(3) By Regulation (EEC) No 898/91 (5), the Council imposed definitive anti-dumping duties on imports of certain welded tubes, of iron or non-alloy steel, originating in Turkey and Venezuela.

(4) By Regulation (EEC) No 3617/90 (6), the Commission accepted price undertakings from different producers/exporters in Turkey and Venezuela.

B. CURRENT REVIEW INVESTIGATION

1. Review application in respect of Romania

(5) A request for a review was lodged by S. C. Tepro SA, a Romanian producer, based on changed circumstances with regard to imports at dumped prices from Romania. In its request, the producer alleged that the former centrally planned economic system had been abolished and that important economic reform programmes had been set in motion. It further alleged that the price undertaking accepted from the former State-trading import/export monopoly organization had become discriminatory towards all Romanian producers of the product in question because it upheld the position of the State-trading organization as exclusive exporter to the Community, while other independent companies since established were subject to the residual anti-dumping duty. It finally alleged that prices for export to the Community were not lower than domestic prices and that dumping had ceased.

These circumstances were deemed sufficient to justify a review with regard to imports of the product concerned originating in Romania.

2. Extension of review in respect of the former Yugoslavia (except Serbia and Montenegro)

(6) Taking into account the fundamental changes that have also occurred in the former Yugoslavia due to the dissolution of the country and the fact that anti-dumping measures on imports of the product

(1) OJ No L 349, 31. 12. 1994, p. 1. Regulation as last amended by Regulation (EC) No 1251/95 (OJ No L 122, 2. 6. 1995, p. 1).
(2) OJ No L 209, 2. 8. 1988, p. 1. Regulation as last amended by Regulation (EC) No 522/94 (OJ No L 66, 10. 3. 1994, p. 10).
(3) OJ No L 91, 6. 4. 1990, p. 8.
(4) OJ No L 91, 6. 4. 1990, p. 36.
(5) OJ No L 91, 12. 4. 1991, p. 1.
(6) OJ No L 351, 15. 12. 1990, p. 17.

in question were imposed at the same time as for Romania, it was considered that a review, on the initiative of the Commission, with regard to imports originating in the successor Republics of the former Yugoslavia was also warranted.

(7) However, a review was not warranted in respect of Serbia and Montenegro, with which the Community has suspended trade relations and where a trade embargo is currently in operation. In the absence of a request for review of the measures applicable to imports of the product concerned from these two countries, the relevant definitive anti-dumping duty expired on 8 April 1995 (1).

3. Extension of review in respect of Turkey and Venezuela

(8) As the products imported from Turkey and Venezuela are the same as those subject to the proceeding concerning Romania and the former Yugoslavia, for which a review was warranted, it was decided, in the interest of efficiency and sound administration, to extend the review to include the anti-dumping measures imposed on imports of welded tubes originating in Turkey and Venezuela.

4. Initiation of the investigation

(9) On the basis of the above and after consultation of the Advisory Committee, a review pursuant to Article 14 of Regulation (EEC) No 2423/88 (hereinafter referred to as 'the Basic Regulation') was initiated in respect of the anti-dumping measures relating to imports of certain welded tubes of iron or non-alloy steel originating in Romania, the former Yugoslavia (except Serbia and Montenegro), Turkey and Venezuela. A notice of initiation of a review was published in December 1993 (2).

5. Investigation

(10) The Commission officially advised the producers, exporters known to be concerned, importers which cooperated in the original investigations, the representatives of the exporting countries and the complainants, and gave the parties directly concerned the opportunity to make their views known in writing and to request a hearing. Several interested parties made written submissions and were granted hearings.

(11) The Commission sent questionnaires to parties known to be concerned and received detailed information from the following:

Community producers:

— British Steel plc, Corby, UK;

— Hoogovens Buizen BV, Oosterhout, Netherlands;

— Mannesmannröhren-Werke AG, Mülheim an der Ruhr, Germany;

— Perfil en Frio SA, Pamplona, Spain;

— Profil Arbed SA, Differdange, Luxembourg;

— Siderurgica Aristrain Madrid SL, Madrid, Spain;

— Tubeurop France, Paris la Défense, France;

— Tubi Dalmine Ilva srl, Genova, Italy;

producers/exporters:

Romania:

— Metalexportimport SA, Bucharest,
S.C. Tepro SA, Iasi;

Croatia:

— Zeljezara Sisak 'Femark';

Former Yugoslavian Republic of Macedonia:

— FZC 11. Oktomvri, Kumanovo;

Turkey:

— Borusan Birlesik Boru Fabrikalari AS, Istanbul;

— Borusan Ihracat Ithalat ve Dagitim AS, Istanbul;

— Bosas Boru ve Profil Sanayi AS, Trabzon;

— Cayirova Sanayi ve Ticaret AS, Istanbul;

— Erbosan Erciyas Boru Sanayii ve Ticaret AS, Kayseri;

— Mannesmann-Sümerbank Boru Indüstrisi TAS, Izmir;

— Yücel Boru Ihracat Ithalat ve Pazarlama AS, Istanbul;

— Yücel Boru ve Profil Indüstrisi AS, Istanbul;

Venezuela:

— C.A. Conduven, Caracas, Venezuela.

(12) None of the importers contacted (see recital (10)) replied to the questionnaires sent by the Commission in the course of the current review and no new importer made itself known to the Commission after the publication of the notice of initiation.

(13) The Commission carried out investigations at the premises of all cooperating Community producers, with the exception of Profil Arbed S.A. and all producers/exporters in both Romania and Turkey.

(1) OJ No C 77, 29. 3. 1995, p. 2.
(2) OJ No C 344, 22. 12. 1993, p. 5.

(14) Upon request, parties were informed of the essential facts and considerations upon which it was intended to recommend the repeal of the measures in force. They were also granted a reasonable period within which to make representations subsequent to the disclosure.

(15) The investigation of dumping covered the period from 1 January 1993 to 30 November 1993 (the investigation period).

C. PRODUCT UNDER CONSIDERATION, LIKE PRODUCT

1. Description

(16) The products concerned are certain welded tubes, of iron or non-alloy steel, threaded or threadable, zinc coated or not, of circular cross section of an external diameter of not more than 168,3 mm falling within CN codes 7306 30 51, 7306 30 59, ex 7306 30 71 and ex 7306 30 78.

2. Like product

(17) The products in question produced in the Community, Romania, the former Yugoslavia (except Serbia and Montenegro), Turkey and Venezuela which have closely resembling physical characteristics and uses and compete with each other are considered like products within the meaning of Article 2 (12) of the Basic Regulation.

D. DUMPING

1. Former Yugoslavia

(a) Bosnia-Herzegovina and Slovenia

(18) For the reasons expressed in recitals 45 and 77 concerning the absence of any contribution to injury suffered by the Community industry or recurrence of injury, no dumping calculations were made with regard to Bosnia-Herzegovina and Slovenia.

(b) Croatia

Normal value

(19) Normal value was based on domestic prices of the like product on the Croatian market which were found to be made in the ordinary course of trade and in representative quantities as compared to the volume exported to the Community during the investigation period. Due to the high rate of inflation during the said period, normal value has been assessed on a monthly basis.

Export prices

(20) Export prices have been determined on the basis of prices actually paid for the product concerned sold for export to independent customers in the Community.

Comparison

(21) Normal value has been compared to export prices on a transaction-by-transaction basis, at ex-works level and at the same level of trade. Adjustments in respect of credit costs and import charges have been granted in accordance with Article 2 (10) (b) and (c) (iii) of the Basic Regulation.

Dumping margin

(22) The dumping margin found, expressed as a percentage of the export price, at CIF Community frontier level, amounts to 31,1 %.

(c) Former Yugoslavian Republic of Macedonia (Fyrom)

(23) In the absence of export sales during the investigation period, no dumping calculation could be made with regard to Fyrom.

2. Romania

(a) Preamble

(24) Information submitted in reply to the Commission's questionnaire and the subsequent on-the-spot investigation showed that Romania had commenced a liberalization process which affected both the pricing of goods sold and the relations between the different operators on the domestic market. In the context of this process, the producer of the product concerned became progressively independent, its management being entitled to act on behalf of the company. Furthermore, the investigation revealed that the company's book-keeping, as supplemented by the necessary commercial documentation, had developed to conform with generally agreed principles of accountancy. Consequently, the Commission was satisfied that the information provided by the Romanian companies investigated could be used for determining normal value and export price.

(b) Normal value

(25) Normal value could not be calculated by reference to domestic sales transactions because none was profitable during the investigation period. Therefore, normal value was determined on the basis of cost of production calculated on the basis of all costs, in the ordinary course of trade, both fixed and variable, in Romania, plus a reasonable amount for selling, administrative and other general expenses and a reasonable level of profit. The steel coils which were used for manufacturing the tubes concerned were supplied by a sister company at a price below the cost of production. For that reason, the steel coil input factor used for determining the cost of production of steel hot-rolled coils manufactured by the sister company which supplied the necessary information. The profit rate was fixed at 3 % on turnover, which was considered reasonable for the industry in question.

(c) Export prices

(26) With regard to export prices, all transactions were made through the former State-trading company, Metalexportimport, from which a price undertaking had been accepted at the end of the original investigation.

(27) Taking into account that this trading organization had to be considered as being related to the producer during the investigation period, as both entities belonged to the Romanian State, the export prices were assessed on the basis of the price actually paid for the product when exported to the Community by the State-trading company.

(d) Comparison

(28) Constructed normal value has been compared with export prices on a transaction-by-transaction basis at ex-works level and at the same level of trade.

(29) To take account of any differences affecting price comparability, adjustments have been granted with regard to selling expenses as provided for by Article 2 (9) and (10) of the Basic Regulation.

(e) Dumping margin

(30) The dumping margin found, expressed as a percentage of the export price at cif Community frontier level, amounts to 10,3 %.

3. **Turkey**

(a) Preamble

(31) Of the eight companies which cooperated in the current investigation, three constituted the Yücel Boru Group, two the Borusan Group, while the three remaining companies were fully independent.

(32) During the investigation period, only the Yücel Boru Group and the Borusan Group, from which price undertakings had been accepted during the original investigation, made exports to the Community.

(33) The remaining three companies did not export the products concerned to the Community during the investigation period. For this reason, no dumping determination could be made in respect of them.

(b) Normal value

(34) Due to high inflation in Turkey during the investigation period, normal value was established on a monthly basis.

(35) Normal values for the Borusan Group and the Yücel Boru Group were determined on the basis of the comparable prices actually paid or payable in the ordinary course of trade for the like product sold for consumption on the domestic market in Turkey when such sales were representative.

(36) In cases where domestic sales could not be considered to have been made in ordinary course of trade, normal value was constructed in accordance with Article 2 (3) (b) (iii) of the Basic Regulation by adding cost of production, including a reasonable amount for selling, general and administrative expenses and a margin of profit of 3 % of turnover, considered reasonable for the industry in question.

(c) Export prices

(37) For the two groups concerned, export prices were calculated on the basis of the prices actually paid for the welded tubes sold for export to the Community.

(d) Comparison

(38) Normal value has been compared to export prices on a transaction-by-transaction basis, at ex-works level and at the same level of trade. Adjustments in respect of selling expenses have been granted in accordance with Article 2 (9) and (10) of the Basic Regulation.

(e) Dumping margins

(39) The dumping margins found, expressed as a percentage of the export price, at cif Community frontier level amount to :

— Borusan Group : 3,0 %,

— Yücel Boru Group : 7,6 %.

4. Venezuela

(40) Due to the absence of export sales to the Community during the investigation period, no dumping determination could be made in respect of Venezuela.

E. COMMUNITY INDUSTRY

(41) For the purpose of the current investigation, the Community industry consists of eight cooperating Community producers (see recital (11)), which represent approximately 70 % of Community production of the product concerned.

F. INJURY

(42) In order to assess the evolution of the situation of the Community industry, the Commission took into consideration the available information for the period beginning in 1990, when the first anti-dumping measures against Romania and the former Yugoslavia were adopted (see recitals (1) and (2)), and ending in November 1993 with the investigation period.

1. Consumption

(43) In order to calculate the apparent consumption of iron or non-alloy steel welded tubes in the Community, the Commission services added the total deliveries destined for the Community market of the Community production of the product concerned to the total imports into the Community falling under CN codes 7306 30 51, 7306 30 59, 7306 30 71 and 7306 30 78.

(44) On this basis, total consumption decreased by 23,2 % between 1990 and the investigation period from an average of 105 932 tonnes per month to an average of 81 334 tonnes per month.

2. Dumped imports

(a) *Volume and market share by country taken individually*

(45) Import statistics in respect of the successor Republics of the former Yugoslavia (which were available only from 1992) and information supplied by the cooperating companies showed that, during the period under consideration (see recital (42)), only Croatia continued to export to the Community, Fyrom ceased to export in 1990 and Bosnia-Herzegovina and Slovenia did not export to the Community.

(46) Imports from Croatia decreased continuously on average from 2 297 tonnes per month in 1990 to 1 584 tonnes per month in 1991, 1 293 tonnes per month in 1992 and to 1 123 tonnes per month during the investigation period in line with the corresponding market share which amounted to 2,2 % in 1990, 1,7 % in 1991, 1,4 % in 1992 and 1,4 % during the investigation period.

(47) During the same period, imports from Romania averaged (per month) 179 tonnes in 1990, 132 tonnes in 1991, 1 039 tonnes in 1992 and 800 tonnes during the investigation period. The corresponding market share varied accordingly from 0,2 % in 1990, 0,1 % in 1991, 1,2 % in 1992 to 0,9 % during the investigation period.

(48) Imports from Turkey show the following development, based on an average tonnage per month : 2 384 tonnes in 1990, 1 759 tonnes in 1991, 2 038 tonnes in 1992 and 3 038 tonnes during the period of investigation, i.e. an overall increase in volume of 27 %. The corresponding market shares were equivalent to 2,3 % in 1990, 1,9 % in 1991, 2,3 % in 1992 and 3,7 % during the period of investigation.

(49) Imports from Venezuela decreased from 1 595 tonnes per month in 1990, to 287 tonnes per month in 1991 and ceased in 1992.

(b) *Volume and market share of total imports*

(50) Total imports from the countries concerned showed the following development during the period under consideration on an average tonnage per month basis : 6 456 tonnes in 1990, 3 761 tonnes in 1991, 4 372 tonnes in 1992 and 4 960 tonnes during the period of investigation. The corresponding total market share amounted respectively to : 6,2 % in 1990, 4,0 % in 1991, 4,9 % in 1992 and 6,0 % during the investigation period.

(c) *Price undercutting*

(51) In order to assess the degree of price undercutting, the Commission services compared the average prices of the imports from Croatia, Romania and Turkey (cif Community frontier duty paid) with the Community producer's selling prices, calculated at ex-works level. In order to ensure that comparison was made at the same level of trade, export prices of the countries concerned had to be adjusted by the cost of handling up to the first independent

buyer in the Community. In the absence of any cooperation from importers of the product concerned in the Community during the current investigation, these margins were estimated on the basis of the information available to the Commission.

(52) The weighted average price undercutting amounted to :

— Croatia 8,0 %,

— Romania 0 %,

— Turkey

— Borusan Group 6,1 %,

— Yücel Boru Group 0,7 %.

3. Situation of the Community industry

(a) *Production*

(53) The volume of production of the cooperating Community producers decreased sharply between 1990 and the investigation period, from an average of 56 390 tonnes per month to an average of 46 946 tonnes per month, a decrease of 16,75 %.

(b) *Production capacity and capacity utilization*

(54) Regarding capacity, it should be noted that the product in question is generally manufactured on equipment which can also be used for manufacturing other categories of tubes which are not subject to the current review. Therefore, the quantification of capacity and assessment of the rate of capacity utilization specifically relevant to the product under investigation is generally difficult to establish with any precision.

(55) However, an indication of the trend of capacity utilization can be found by reference to data relating to those Community producers manufacturing, for the most part, the like product. On this basis, the rate of utilization of capacity of the Community industry decreased from an average of 59 % in 1990 to about 54 % in the investigation period.

It should be mentioned that the fall in production was not fully reflected in capacity utilization, as the industry in question was facing contracting demand and continued to restructure by streamlining or closing some production facilities.

(c) *Sales and market share*

(56) The total deliveries of the Community industry destined for the Community market, expressed in monthly averages, declined continuously from a level of 53 177 tonnes in 1990 to 46 492 tonnes in 1991, 42 671 tonnes in 1992 and to 41 397 tonnes during the investigation period, i.e. a loss in volume of sales of 22,15 %.

(57) Over the same period, the corresponding market share amounted to 50,2 % in 1990, 49,1 % in 1991, 47,4 % in 1992 and 50,9 % during the investigation period.

(d) *Sales prices*

(58) The products concerned by the current review comprise two main categories of steel tubes :

— tubes without coating (so-called 'black welded tubes'),

— galvanized welded tubes, i.e. coated with zinc.

Between 1990 and the investigation period, prices of the Community producers' like product decreased continuously, by 10 % for black tubes and 19 % for galvanized tubes.

In this context it should be mentioned that prices for the steel tubes concerned had peaked in 1990 under the combined effect of a very favourable market situation and the anti-dumping measures taken against the four countries concerned. In fact, between 1987 and 1990 prices had increased by about 15 % for black tubes and 22 % for galvanized tubes.

(e) *Profitability*

(59) It should first be mentioned that, during the period under review, the Community industry benefited from a sharp decline in the cost of raw materials used for manufacturing welded tubes, i.e. the cost of hot-rolled steel coils which are transformed during the production process and the cost of zinc used when tubes are further worked in the galvanizing process. However, due to the combined effects of the decrease in the rate of utilization of capacity and the corresponding increase of fixed costs, the reduction in the cost of raw materials resulted in only a small (but continuous) decline in the total cost of production for the Community producers.

(60) In 1990, the Community industry had benefited from a strongly improved domestic market, and subsequently a sizeable reduction of imports from dumped sources and their price-distorting effects after the imposition of anti-dumping measures. On the basis of the information available for representative Community producers, the Community industry had reached a generally profitable situation in 1990.

(61) However, the continuous decline in the cost of production and prices produced contrasting results, with some producers incurring substantial financial losses in 1992 and during the investigation period, while others were able to minimize the impact of the economic downturn and pressure on prices on their financial results.

(f) *Employment*

(62) The abovementioned restructuring process of the Community industry (see recital 55) was accompanied by a reduction of approximately 800 employees by the cooperating companies, which represents a decrease of one third of total employment between 1990 and the investigation period.

4. Conclusion

(63) It follows from the above findings that, despite the restructuring process that is underway and the existing anti-dumping measures, the Community industry's situation again deteriorated continuously until the investigation period, notably in terms of loss of production, market share and financial losses.

G. CAUSATION

(64) In order to determine the factors which prevented the Community industry from stemming the renewed downturn in its situation, as observed since 1990, the Commission has examined the following criteria, which were considered to be decisive in determining causation :

— functioning of existing anti-dumping measures,

— decrease of consumption,

— decrease of exports by Community producers to thrid countries,

— imports from other third countries.

1. Effect of existing anti-dumping measures

(65) The measures in force are based on the findings of investigations referable to a period of three to four years preceding 1990. Price undertakings were accepted by the Commission and designed to eliminate the injurious effect of the dumping.

(66) After the entry into force of the first anti-dumping measures in 1990, the total market share of the imports under investigation declined from 12,7 %, the level during the original investigation, to 6,2 % in 1990, falling further to 4,0 % in 1991, to recover slightly to 4,9 % in 1992 and again to 6 % during the investigation period (see recital 50).

The market shares, taken separately for each country concerned, have shifted. Romanian imports, which had almost disappeared after the imposition of anti-dumping measures, recovered somewhat but remained below 1 %. The market share of imports from Turkey also increased slightly to 3,7 %. However, taken together, the increase of the Turkish and Romanian market share was more than compensated for by the decline of imports from Croatia and the disappearance of imports from Venezuela, so that the overall effect on the Community industry was practically neutral.

During the period under consideration, (see recital 42), price undertakings have not been revised. Prices of Community producers increased sharply after the introduction of the measures and subsequently reached a level well above the prices of the undertaking, i.e. by about 15 % for black tubes and 20 % for galvanized tubes, allowing the Community industry to return to a satisfactory level of profitability.

If some price undercutting was found in the case of Croatian and Turkish imports, it did not exist for Romanian imports. In any case, imports from the three countries concerned were priced at significantly higher levels than imports from other third countries. Indeed, these imports were purchased at prices 17 % to 23 % below those of the Turkish products. Furthermore, the combined market share of Turkey and Romania amounted to 4,6 % in the investigation period which is to be compared to a share of 7 % of other low-priced imports (see recital 73).

It can thus be concluded that, from the outset, the anti-dumping measures taken have been effective and that the impact of the imports from the countries concerned on the situation of the Community industry was not clearly discernible during the period considered.

2. Effect of other factors

(a) *General*

(67) As, however, the analysis of the situation of the Community industry (see recitals 53 to 63) has revealed a renewed serious deterioration in sales,

prices and profitability between 1990 and the investigation period, consideration must be given to other factors which might have influenced this development.

(b) *Decrease in consumption*

(68) As indicated in recital 46, consumption steadily decreased from 1990 to the investigation period, a decline of 23,2 %. This figure practically equals the percentage of loss of sales by the Community industry on the Community market.

(69) Consequently, in terms of market share, the Community industry was able to maintain its position. The slight decline from 50,2 % in 1990 to 49,1 % in 1991 and 47,4 % in 1992 was mainly due to an increase of other imports not under investigation which was reversed during the investigation period so that the Community industry's share recovered to 50,9 %.

(c) *Decrease of exports by Community producers to third countries*

(70) During the period under consideration, total exports by Community producers to third countries amounted to an average of 11 413 tonnes per month in 1990, 14 064 tonnes per month in 1991, 11 888 tonnes per month in 1992 and 10 203 tonnes per month during the investigation period, which corresponds to an overall decrease of 10,6 %.

(d) *Imports from other countries*

(71) Imports from third countries other than those subject to review averaged 17 860 tonnes per month in 1990, 17 582 tonnes per month in 1991, 18 335 tonnes per month in 1992 and 15 176 tonnes per month during the investigaiton period.

(72) The corresponding market share developed as follows: 16,9 % in 1990, 18,6 % in 1991, 20,4 % in 1992 and 18,7 % during the investigation period.

(73) An analysis of the price pattern of these imports reveals that, for certain countries, representing an 8,5 % market share in 1992, price undercutting of between 12 % and 18 % was constantly practised by comparison to the prices of the countries subject to investigation and bound by price undertakings.

3. Conclusion

(74) As set out in recital 68, sales of the Community industry decreased almost in line with consumption, the disproportionately higher fall in 1991 and 1992 being attributable mainly to the increase in imports from third countries not under investigation. This trend was reversed during the investigation period, leaving the Community industry with a small gain of 0,7 % over the whole period.

(75) Under these circumstances, the continuous deterioration in the situation of the complainant Community industry, as reflected by sharply decreasing sales, production, capacity utilization, employment and a general lack of profitability, cannot be attributed to the imports under investigation. Although some of these imports, i.e. from Turkey, which are covered by price undertakings, showed a small increase of their market share, the effect of these imports in the Community cannot be considered material, given that they were constantly undercut by other imports.

In conclusion, the weakened situation of the Community industry does not appear to have been caused by the dumped imports taken in isolation.

H. LIKELIHOOD OF A RECURRENCE OF INJURY

1. General

(76) Having concluded that the existing anti-dumping measures have been effective in preventing further material injury caused by the imports under consideration and that the apparent lack of improvement of the situation of the Community industry was attributable to other factors, the investigation also analyzed the likelihood of a recurrence of material injury if the existing anti-dumping measures were lifted. It should be recalled in this respect that the circumstances which would lead to a renewal of material injury must be clearly foreseeable and the foreseen injury imminent.

2. Slovenia and Bosnia-Herzegovina

(77) No imports of the products concerned have been reported since separate trade statistics have been made available by Eurostat for these countries. Furthermore, according to the information available to the Commission, significant production facilities for the products concerned in these countries do not exist.

3. The Former Yugoslav Republic of Macedonia (Fyrom)

(78) No imports from this country have been recorded since separate trade statistics became available. According to the information available to the Commission there is sizeable capacity in Fyrom for the production of the primary material, hot rolled steel coils, and for the products under consideration which are derived from these coils. There is, however, no indication, under the prevailing circumstances in this country, which is practically isolated from international trade, that exports of the product concerned to the Community could be developed in the short term to the extent that they could cause material injury to the Community industry.

4. Venezuela

(79) Since 1992, imports from Venezuela have totally ceased. The welded tube industry in Venezuela has been developed to a sufficient extent to satisfy the requirements of the domestic oil industry, the principal user in this country, for its needs of tubes and pipes in exploitation, production, refining and distribution of its gas and liquid products.

(80) In the event of fluctuations in demand by the oil industry, excess production is usually exported to neighbouring countries on the American continent. Given the relatively high cost of transport for this product, it is unlikely that the lifting of the anti-dumping measures in force would create an incentive for the Venezuelan producer again to redirect exports to the Community to the extent that the likelihood of a recurrence of imminent injury would be clearly foreseen.

5. Croatia

(81) Imports from Croatia have declined continuously and were close to 1 % during the investigation period. More recent information received by the Commission from the Croatian exporter pursuant to the monitoring procedure of the undertaking in force confirms this declining tendency.

(82) This continuing retreat of Croatian exports from the Community, despite a substantial dumping margin, is explained by the tremendous internal difficulties encountered by the Croatian welded tube industry since the break-up of the Former Republic of Yugoslavia. Indeed, the Croatian producer faces a problem in replacing traditional raw material supplies from the former Yugoslav steel industry with imports which must be paid in hard currency. In addition, production activity is hampered by the surrounding military conflict. Therefore, it is most unlikely that an increase of injurious imports from this country is imminent.

6. Romania

(83) Imports from Romania, which has been a traditional supplier of welded tubes to the Community, had almost disappeared from the Community market, its market share falling to a *de minimis* level. This was mainly due to the difficulties encountered by this country in the wake of the reform of its centrally planned economic system which is still only progressing slowly. Tube production had almost come to a halt because the upstream steel industry could not supply the necessary raw materials or the spare parts necessary for the maintenance of the ageing production equipment which is mainly of Russian origin, to the extent that one large production facility of 200 000 tonnes capacity had to be scrapped. It is estimated that the effective production facilities in Romania declined from over 600 000 tonnes before the changes to less than 150 000 tonnes at present.

(84) In 1992 and during the investigation period a modest recovery of Romanian exports to the Community was observed. Their market share remained, however, at *de minimis* levels. The slight increase in Romanian exports after a decline to almost zero cannot be considered an indication that a sizeable increase in exports is imminent such that, should existing anti-dumping measures be lfited, exports would be likely to cause material injury to the Community industry, given the economic difficulties that exist in the Romanian steel and tube industry.

7. Turkey

(85) Turkey is the only country of those involved in the proceeding which, after the imposition of anti-dumping measures, maintained its market share and could even increase it during the investigation period, mainly at the expense of Venezuela and Croatia. With regard to prices, the Turkish exporters were bound by price undertakings which, as verified by the Commission, have been respected.

(86) In order to assess the likelihood that imports from Turkey would again expand to such an extent that they could cause injury to the Community industry, the Commission took into account the available production capacity in Turkey, prospects of consumption in the domestic market, export capacities and the likely behaviour regarding prices of the Turkish exporters which could be expected in the absence of price undertakings.

(87) Production capacities for the products in question of the major Turkish producers which cooperated with the Commission are substantial, amounting to about 700 000 tonnes per year. To this figure, 20 % should be added to take account of two samller producers which have only regional importance, which means that about 840 000 tonnes of capacity is available. No major increase in, or reduction of, capacity is planned in the near future. In contrast to the Community, which, being a mature economy, has a shrinking market for these products, consumption in Turkey has expanded and this tendency is forecast to continue in the future, although at a reduced rate. Consumption of welded tubes in Turkey is estimated at 392 000 in 1990, 520 000 tonnes in 1993 and is forecast to reach 557 000 tonnes in 1995.

(88) Assuming a maximum possible output of 90 %, the theoretical export potential would be 200 000 tonnes per year. Total Turkish exports during the period of investigation amounted to 76 000 tonnes, of which 45 % were directed to the Community and 55 % to other countries. If this trend were to continue in 1995, about 90 000 tonnes could be shipped to the Community. Although this calculation cannot be precise and relies on theoretical assumptions, it indicates that the Turkish tube industry has the potential to increase its exports to the Community substantially.

(89) Indeed, the information available on the development of Turkish exports to the Community after the investigation period shows that their volume and market share has continued to increase. Although at this stage the Commission has no detailed information to assess the effects on the Community industry, this evolution seems to reflect the considerable improvement of the Community market with regard to sales and prices. Monitoring of the undertakings accepted from the Turkish exporters, in particular analysis of their quarterly reports on export quantities and prices to date, reveals that not only have the undertakings been scrupulously respected but, where market conditions permit, even higher prices have been charged by the Turkish exporters.

(90) In conclusion, it is undeniable that imports from Turkey are potentially capable of causing injury to the Community industry. There is also a potential risk that Turkish exporters could be tempted to cut their prices if market conditions in the Community were to tighten again in the future. There are, however, no indications that such a situation is actually imminent and clearly foreseeable.

(91) Should the situation, nevertheless, deteriorate at a future stage to the extent that material injury is caused to the Community industry by dumping, it remains open to the Community industry to lodge a new complaint with the Commission.

I. REPEAL OF ANTI-DUMPING DUTIES

(92) In view of the foregoing, the anti-dumping duties in force on imports of certain welded tubes, of iron or non-alloy steel, originating in Romania, the former Yugoslavia (except Serbia and Montenegro), Turkey and Venezuela should be repealed and the proceedings thereby terminated. Consequently, the corresponding undertakings offered and accepted by Commission Decision 90/166/EEC and Commission Regulation (EEC) No 3617/90 have no further purpose,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 868/90 and Regulation (EEC) No 898/91 are hereby repealed.

Article 2

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

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

Done at Brussels, 18 December 1995.

For the Council

The President

J. BORRELL FONTELLES