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COUNCIL REGULATION (EC) No 2042/2000

of 26 September 2000

imposing a definitive anti-dumping duty on imports of television camera systems originating in Japan

(OJ L 244, 29.9.2000, p. 38)

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		No	page	date
►**M1**	Council Regulation (EC) No 2676/2000 of 4 December 2000	L 308	1	8.12.2000
►**M2**	Council Regulation (EC) No 198/2001 of 29 January 2001	L 30	1	1.2.2001
►**M3**	Council Regulation (EC) No 951/2001 of 14 May 2001	L 134	18	17.5.2001
►**M4**	Council Regulation (EC) No 1696/2002 of 23 September 2002	L 259	1	27.9.2002

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COUNCIL REGULATION (EC) No 2042/2000

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imposing a definitive anti-dumping duty on imports of television camera systems originating in Japan

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community [1], and in particular Article 9 and 11(2) thereof,

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

Whereas:

A. PROCEDURE

1. Previous investigations

(1) In April 1994, further to an anti-dumping investigation initiated in March 1993 ('the original investigation'), the Council, by Regulation (EC) No 1015/94 [2] ('definitive Regulation'), imposed a definitive anti-dumping duty on imports of television camera systems ('TCS') originating in Japan. The original investigation covered the period from 1 July 1991 to 31 December 1992.

(2) In October 1997, further to an investigation ('the anti-absorption investigation') pursuant to Article 12 of Council Regulation (EC) No 384/96 (the 'basic Regulation'), the Council, by Regulation (EC) No 1952/97 [3], raised the rates of the definitive anti-dumping duty for two companies concerned, namely for Sony Corporation ('Sony') and Ikegami Tsushinki & Co Ltd to 108,3 % and 200,3 % respectively.

(3) In June 1998, the Commission, by Regulation (EC) No 1178/98 [4] initiated, pursuant to Article 13 of the basic Regulation, an investigation concerning the alleged circumvention of the anti-dumping measures in force by the assembly of parts and modules of TCS in the Community ('the anti-circumvention investigation'). Subsequently the complaining Community industry withdrew its complaint and the proceeding was terminated in February 1999. On the basis of the evidence found during this investigation, the Commission initiated a proceeding pursuant to Article 5 of the basic Regulation concerning the imports of certain parts of TCS originating in Japan [5] ('the parts investigation').

(4) In addition, an anti-dumping investigation pursuant to Article 5 of the basic Regulation was initiated in January 1999 concerning the imports of TCS originating in the United States of America (US) [6] ('the US investigation'). This investigation was terminated on 1 February 2000, without the imposition of any measures following the closure of the production facilities of the single US exporting producer of TCS, a company related to a major Japanese exporting producer of TCS.

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[1] OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Regulation (EC) No 905/98 (OJ L 128, 30.4.1998, p.18).
[2] OJ L 111, 30.4.1994, p.106. Regulation as last amended by Council Regulation (EC) No 176/2000 (OJ L 22, 27.1.2000, p. 29).
[3] OJ L 276, 9.10.1997, p. 20.
[4] OJ L 163, 6.6.1998, p. 20.
[5] OJ C 38, 12.2.1999, p. 2.
[6] OJ C 17, 22.1.1999, p. 4.

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2. **Present investigation**

2.1. *Expiry review*

(5) Following the publication of a notice of impending expiry [1] of the anti-dumping measures in force on imports of TCS originating in Japan, the Commission received a request to review these measures pursuant to Article 11(2) of the basic Regulation.

(6) The request was lodged on 28 January 1999 by Philips Digital Video Systems and Thomson Broadcast Systems (the 'applicant Community producers' or the 'Community industry'), whose collective output of TCS constitutes 100 % of the Community production of this product pursuant to Articles 4(1) and 5(4) of the basic Regulation.

(7) The request was based on the grounds that the expiry of the measures would be likely to result in the continuation or recurrence of dumping and injury to the Community industry.

(8) Having determined, after consulting the Advisory Committee, that sufficient evidence existed for the initiation of an expiry review, the Commission initiated the present investigation pursuant to Article 11(2) of the basic Regulation by the publication of a notice in the *Official Journal of the European Communities* on 30 April 1999 [2].

3. **Investigation**

(9) The Commission officially advised the applicant Community producers, the exporting producers in Japan and the representatives of the government of the exporting country, of the initiation of the review. The Commission sent questionnaires to all these parties and to those who made themselves known within the time limit set in the Notice of Initiation. The Commission also gave the parties directly concerned the opportunity to make their views known in writing and to request a hearing.

(10) The applicant Community producers replied to the questionnaire. Only one Japanese exporting producer and no unrelated importer replied to the questionnaire. Fifteen users replied to the questionnaire, although some of them did so only partially, and an association of users provided certain information.

(11) The Commission sought and verified all information it deemed necessary for the purpose of a determination of the likelihood of continuation or recurrence of dumping and injury and of the Community interest. Verification visits were carried out at the premises of the following companies:

(a) applicant Community producers:

— Philips BTS Broadcast Television Systems b.v., Breda ('Philips')

— Thomson Broadcast Systems, Cergy St Christophe ('Thomson').

(b) Exporting producers in Japan

— Hitachi Denshi, Ltd.

(12) The investigation of the likelihood of a continuation and/or recurrence of dumping covered the period from 1 January 1998 to 31 December 1998 (the 'investigation period' or 'IP'). The examination of trends relevant for the assessment of any continuation and/or recurrence of injury covered the period from 1 January 1995 to 31 December 1998 (hereinafter referred to as 'IIP').

[1] OJ C 334, 31.10.1998, p. 15.
[2] OJ C 119, 30.4.1999, p. 11.

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B. **PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT**

1. **Product under consideration**

(13) The product under consideration is television camera systems (TCS) currently classified under CN-codesexex 8525 30 90, ex 8537 10 91, ex 8537 10 99, ex 8529 90 81, ex 8529 90 88, ex 8543 89 95, ex 8528 21 14, ex 8528 21 16 and ex 8528 21 90 originating in Japan.

(14) As set out in the definitive Regulation, TCS may consist of the following parts, imported either together or separately:

— a camera head with three or more sensors (12 mm or more charge-coupled pick-up devices) with more than 400 000 pixels each, which can be connected to a rear adapter, and having a specification of the signal to noise ratio of 55 dB or more at normal gain; either in one piece with the camera head and the adapter in one housing, or separate;

— a viewfinder (diagonal of 38 mm or more);

— a base station or camera control unit (CCU) connected to the camera by a cable;

— an operational control panel (OCP) for camera control (i.e. for colour adjustment lens opening or iris) of single cameras;

— a master control panel (MCP) or master set-up unit (MSU) with selected camera indication, for the overview and for adjustment of several remote cameras.

(15) Products not covered by the above-definition are:

— Lenses;

— Video tape recorders;

— Camera heads with the recording unit in the same, inseparable, housing;

— Professional cameras which cannot be used for broadcast purposes;

— Professional cameras listed in the Annex (TARIC additional code: 8786).

(16) During the course of the investigation it was found that a new model of TCS had been developed as from 1997, i.e. a broadcasting camera head which is connected to a videotape recorder (‘camcorder’). The investigation has shown that both the Community industry and the exporting producers offer their television camera heads, in general, with different configurations, either connected to a triax adapter or to a recording unit. As indicated above, videotape recorders and camera heads with a recording unit in the same housing are excluded from the product scope of the current proceeding. However, camcorders may also consist of a camera head docked with a videotape recorder without both being within the same housing. On this basis it was concluded that such type of camera head falls into the definition of the product under consideration made in the definitive Regulation. Furthermore, it has been established that on the basis of the definition of the product under consideration mentioned above the recording unit alone does not fall under it.

(17) The investigation has also shown that analogue broadcast TCS have been gradually replaced by a new type of TCS, digital broadcast TCS (‘digital TCS’) which have been introduced in the Community market as from 1997. These digital TCS fall into the definition of the product under consideration in the definitive Regulation.

2. **Like product**

(18) It was found that there were no basic differences in the physical and technical characteristics and uses of the TCS manufactured by Japanese exporting producers and sold in the Community, and the product manufactured and sold on the domestic market of the exporting country.

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(19) Furthermore, the product concerned manufactured by Japanese exporting producers and sold in the Community and the product manufactured and sold by the applicant Community producers on the Community market use the same basic technology and are both conform with world-wide applicable industry standards. These products also have the same applications and uses, they consequently have similar physical and technical characteristics, are interchangeable and competing with each other. Furthermore, both the applicant Community producers and the Japanese exporting producers manufacture digital products and camcorders, which have been the latest technological developments related to the product concerned as compared with the original investigation. Therefore, TCS manufactured by Japanese exporting producers and sold in the Community and TCS manufactured and sold by the complaining Community industry in the Community market are alike within the meaning of Article 1(4) of the basic Regulation.

C. LIKELIHOOD OF RECURRENCE OR CONTINUATION OF DUMPING

(20) In accordance with Article 11(2) of the basic Regulation, the purpose of this type of review with regard to the dumping aspects is to determine whether or not, the expiry of measures would lead to a continuation and/or recurrence of dumping.

1. Level of cooperation

(21) As compared to previous investigations, the level of cooperation in the present investigation by the Japanese exporting producers was particularly low. Only one of the smaller producers of TCS cooperated and reported a marginal number of exports of the product concerned to the Community. The remaining three companies which had made themselves known in the original investigation refused to provide any cooperation although it is widely known that they have their head offices, main production and R&D facilities in Japan and that, for at least two of them, TCS with their brand name have been sold in the Community during the IP in substantial quantities.

2. Likelihood of continuation of dumping

(22) Given the low degree of cooperation and the fact that the statistical information available from Eurostat in this respect was considered not to be reliable (the CN codes also cover products not concerned), it could not be established with certainty whether there were imports of TCHs as such from Japan. However, it is recalled that during the IP, important parts of TCS were imported into the Community. Moreover, it was established that TCS produced in the US by a subsidiary of Sony were imported into the Community in significant quantities. On balance, it was therefore considered prudent to conclude that the current import volumes of TCS originating in Japan were low when compared with import volumes during the original investigation period. Hence, no conclusion was made regarding the likelihood of continuation of dumping.

3. Likelihood of recurrence of dumping

(23) In the absence of cooperation from the main Japanese exporting producers, and in accordance with Article 18 of the basic Regulation, findings had to be established on the basis of facts available. Consequently, and in the absence of any other reliable source, the analysis regarding the likelihood of recurrence of dumping, should the measures be allowed to expire, was based on information provided in the request for a review as well as information obtained in the course of the investigation from the Community industry and users of TCS.

(24) According to the request, the level of dumping for the camera head alone is 30,6 %. The corresponding calculation contains a

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number of conservative estimates. For instance, other elements of a TCS have not been taken into consideration for the purpose of the aforementioned calculation although they are sometimes supplied free of charge. This indicates that the actual level of dumping in case of a repeal of the duty would most likely be higher than 30,6 %.

(25) The request also shows that dumping margins would reach at least at the level found in the original investigation should measures be repealed.

(26) On this basis, and in the absence of any more appropriate information, it has been concluded that, should measures be repealed, the dumping margins would resume at significant levels.

(27) As far as the likely future volume of exports of TCS to the Community is concerned, it was found that according to the information available, production capacity of TCS in Japan has remained at least at the same level as that found in the original investigation and it is large enough to allow for the resumption of considerable exports to the Community if the anti-dumping duty was to expire. This is confirmed by the fact that the sales of TCS assembled in the Community and in third countries, which usually incorporate valuable and crucial TCS parts originating in Japan, indicate that the production capacity was basically unchanged.

(28) Furthermore, given the mobile nature of the production, production capacity for these products may be expanded if necessary within months. Indeed, the fact that the manufacturing facilities of one of the Japanese exporting producers were transferred from the US to the Community in a time period of some months clearly shows that production capacity for the product concerned may be created/expanded or reduced in a short period of time. Should the anti-dumping measures expire, manufacturing activities for TCS in the Community could be transferred to Japan and production capacity in Japan could be easily expanded in order to resume the exports to the Community.

(29) During the IIP, with the exception of Sony, all Japanese exporting producers manufactured their TCS for the US and Latin American markets in Japan. Furthermore, on the basis of the information available, it has been established that TCS destined for the Japanese and Asian markets were being manufactured in Japan by all exporting producers. Furthermore, R&D activities for these products were also located in Japan since an important part of these activities benefit not only TCS but also professional cameras as well as other products. The Japanese exporting producers were able to adapt to the changing demand by increasing their production in Japan when the market expanded. This led to the conclusion that there was free production capacity left in Japan which was used when the consumption both in the Community and worldwide expanded. Therefore, should the anti-dumping measures expire, an increase in production of the Japanese exporting producers is likely.

(30) It has been concluded that the existing production capacity, as well as the possibility to increase it if necessary, constituted a potential for Japanese exporting producers to raise their production and export volumes to the Community in case the anti-dumping measure were to lapse. Considering that their R&D facilities as well as the manufacturing facilities for the main part of the components of the TCS were located in Japan, this would result in an improvement of the economies of scales of the Japanese exporting producers.

(31) It should also be noted that the two Japanese exporting producers which set up assembly facilities for TCS in the Community maintained the production for export to the Community of products not subject to anti-dumping duties in Japan, i.e. video tape recorders, camera heads with the recording unit in the same, inseparable housing and professional cameras that cannot

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be used for broadcast purposes. Although, as mentioned above, these products are not covered by the present investigation, the production lines and related capacity needed to produce them are also appropriate for the production of TCS. On this basis and in the absence of any other information due to the lack of cooperation from the exporting producers concerned, it was concluded that although the imposition of anti-dumping duties has led to a change in the organisation of the production of TCS by the exporting producers concerned, an expiry of the anti-dumping measures would be likely to reverse this situation.

4. **Conclusion**

(32) It results from the above that the Japanese exporting producers have the potential to raise their production in Japan and their export volumes of TCS to the Community at significantly dumped prices.

(33) The investigation revealed no facts showing that the situation regarding normal value, export prices and consequently the dumping margins established in the original investigation, the anti-absorption investigation and the anti-circumvention investigation have significantly changed. It is therefore concluded that, should the measures be repealed, there is a likelihood of recurrence of dumping.

D. **DEFINITION OF THE COMMUNITY INDUSTRY**

(34) The investigation confirmed that the collective output of the two applicant Community producers accounts for 100 % of the Community production of TCS. The two producers are therefore deemed to constitute the Community industry within the meaning of Article 4(1) and Article 5(4) of the basic Regulation.

(35) As to the other economic operators in the Community related to the Japanese exporting producers, given the low degree of cooperation, the nature of their activities within the Community could not be investigated in detail, i.e. whether these activities are simple assembly operations or if there is a certain value added in the Community. Therefore it could not be determined whether these assembly operations are sufficient in order to qualify them as companies manufacturing the product under consideration in the Community. Furthermore, given their relation with the Japanese exporting producers, it was considered that they should be excluded from the Community industry in accordance with Article 4(1)(a) of the basic Regulation.

E. **ANALYSIS OF THE SITUATION IN THE COMMUNITY MARKET** ([1])

1. **Preliminary remarks**

(36) As described above, the product under consideration in the current proceeding is TCS which consist of a camera head with three or more sensors, a view finder, a base station or camera control unit (CCU), an operational control panel (OCP) and a master control panel (MCP) or master set-up unit (MSU). In practice these components can be sold and therefore also imported either together or separately.

(37) The investigation confirmed that while TCS do not always consist of all of the above elements, they all necessarily include a camera head. Therefore, in line with the approach taken in the original investigation, it was decided to express the economic indicators relating to the situation of the Community industry and the situation on the Community market in terms of numbers of television camera heads (‘TCHs’).

([1]) Given that there are only a very limited number of market participants, the figures relating to them had to be indexed for confidentiality reasons.

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2. **Consumption**

(38) As mentioned above, only one of the Japanese exporting producers cooperated in the present investigation. Thus, as regards the other Japanese exporting producers that did not cooperate and for which the investigation has shown that they are still operating on the Community market, the Commission made use of best facts available, in accordance with Article 18 of the basic Regulation.

(39) Therefore, the apparent Community consumption of TCHs was assessed on the basis of:

— the volume of sales in the Community as provided by the Community industry and

— information on the sales volume of Japanese exporting producers in the Community submitted by the Community industry and established on the basis of contracts and tenders lost by the Community industry to all Japanese exporting producers on the Community market. This information was considered reliable given the transparent nature of the market in terms of size and number of market participants, it being largely supplied via tenders. Moreover, the information provided by users confirmed the information supplied by the Community industry on the activity of the Japanese exporting producers.

(40) Given the low degree of cooperation and the fact that the statistical information available from Eurostat in this respect was considered not to be reliable, it could not be established whether TCHs were imported as such from Japan. However, regardless of their origin, these TCHs have been effectively sold under the respective brand names on the Community market and have to be therefore included in the Community consumption for this product.

(41) On this basis, the investigation has shown that, whereas consumption was stable in 1995 and 1996, there was an overall expansion in 1997, which continued during the investigation period. This was due, amongst other reasons, to the sales of TCHs for broadcasting the football World Cup held in France in 1998 and to the introduction of a new type of TCH, i.e. camcorders, in the market which started from 1997. In overall terms, from 1995 to the investigation period, Community consumption increased by 54 %, reaching around 1 500 units during the investigation period.

3. **Imports and sales of TCHs by the Japanese exporting producers in the Community**

(42) Further to the imposition of the definitive anti-dumping duty on imports of TCHs originating in Japan in 1994, these imports have in any event decreased significantly. As confirmed by the abovementioned anti-circumvention, parts and US investigations, these imports have been replaced by imports of certain parts of TCS originating in Japan which are being subsequently assembled in the Community by certain Japanese exporting producers and, in the case of one Japanese exporting producer, with incomplete TCHs imported from the US. Indeed, the current investigation has shown that Japanese exporting producers have continued to sell TCHs on the Community market under their brand names.

(43) Thus, the decrease of imports of TCHs originating in Japan has to be seen as a consequence of the anti-dumping duty in force since 1994. The fact that these imports have been replaced by sales of TCHs assembled in the Community incorporating parts originating in Japan shows already that, as explained below, there is a likelihood that imports from the country concerned would take place at the same levels as in the original investigation in case anti-dumping measures are not maintained.

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4. **Economic situation of the Community industry**

(44) Pursuant to Article 3(5) of the basic Regulation, all relevant economic factors and indices having a bearing on the state of the Community industry were examined.

(45) The economic indicators relating to the situation of the Community industry have to be seen in the light of previous investigations concerning TCS originating in Japan, i.e. the original investigation in 1994 and the subsequent anti-absorption investigation which led to an increase of the rates of that anti-dumping duty. The present investigation has shown that the latter had a positive effect on the situation of the Community industry. In addition, two other factors linked to technological development also had an impact on some of the indicators below, i.e. the above mentioned introduction of the camcorders, a new kind of TCHs, in the market as from 1997 and the development of the new generation of digital TCHs which also started in 1997.

4.1. *Production*

(46) Total production of TCHs of the Community industry significantly decreased between 1995 and 1996, i.e. by 32 %, then increasing again steadily between 1997 and the investigation period, without recovering however the levels of 1995. In this respect, production has followed the evolution of the Community market since 1997.

4.2. *Production capacity and capacity utilisation*

(47) The production capacity of the Community industry remained stable during the IIP. Capacity utilisation for TCHs went down between 1995 and 1996, i.e. by 32 %, increasing again towards the investigation period. This development likewise reflects the above mentioned increase in production volumes as from 1997.

4.3. *Sales volume*

(48) The sales of the Community industry decreased between 1995 and 1996 by 10 % and they increased from then to 1997 and the investigation period, i.e. in overall terms they went up by 21 % between 1995 and the investigation period reaching around 850 units, without, however, matching the expansion of the Community consumption, which substantially increased, i.e. by 54 %, during the same period of time.

4.4. *Market shares*

(49) The steady decrease of the market share of the Community industry between 1995 and the investigation period by more than 16 percentage points, reaching around 60 % during the investigation period, shows that the Community industry did not benefit from the expansion of the Community consumption or from the favourable market conditions from 1997 which resulted from the conclusion of the anti-absorption investigation.

4.5. *Employment*

(50) Employment has remained stable as from 1996, in which year it had increased by 20 %, as a result of the introduction of the camcorders and the new generation of digital TCS.

4.6. *Investment*

(51) Investments decreased substantially between 1995 and 1996, i.e. by 21 %, following the negative evolution of production and sales of the Community industry. They then increased substantially in 1997, by around 100 %, due, amongst other reasons, to the R&D investments linked to the development of the new generation of digital TCS but sharply decreased again in the investigation period.

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4.7. *Profitability*

(52) In 1995 and especially in 1996, the Community industry suffered significant losses which only diminished as from 1997 at a time when, amongst other things, the rate of the anti-dumping duty imposed on TCS originating in Japan was raised and camcorders were successfully introduced on the market. Throughout this period, however, sales of the Community industry remained loss-making. These losses were still at a level of around –10 % on net sales during the investigation period.

5. **Conclusion on the situation in the Community market**

(53) The investigation has shown that anti-dumping duties have very rarely been paid during the IIP. Indeed, as from the imposition of an anti-dumping duty on imports of TCHs originating in Japan, they have been replaced by imports of parts of TCHs originating in Japan, which have been subject to anti-circumvention and anti-dumping investigations as from 1998. However, the development of the market after the imposition of the measures reveals that Japanese exporting producers have continued to sell TCHs on the Community market.

(54) As concerns the pricing behaviour of the Japanese exporting producers, the anti-absorption investigation concluded in 1997 showed that export prices of the Japanese exporting producers had gone below the level of 1994.

(55) After the imposition of the anti-dumping measures in 1994, and during the whole IIP, the situation of the Community industry improved as regards some of the economic indicators examined. Continued efforts to rationalise the production process and new investments were made, showing an industry that is still viable. However, the overall assessment of the economic indicators during the IIP does not show such a favourable development. Indeed, during the IIP, the Community industry's sales volume did not follow the growing trend of the market and only increased by 21 % whilst the Community consumption expanded by 54 %. These opposing trends resulted in a loss of market share by the Community industry by 16 percentage points. Furthermore, even though its losses diminished during the IIP, the Community industry continued to suffer losses of around –10 % during the investigation period whereas in such an industry, a profit level of 15 % must be considered necessary to finance the investment needed to keep up to date with technological development.

(56) On the basis of the above, it is therefore concluded that, in spite of the measures in force, due to the continued price pressure exerted by the Japanese exporting producers, the Community industry remained in a difficult economic situation. This price pressure prevented the Community industry from fully recovering from the effects of the previous and ongoing dumping practices.

F. **LIKELIHOOD OF CONTINUATION AND/OR RECURRENCE OF INJURIOUS DUMPING**

(57) In order to assess the likely effect of the expiry of the measures in force, and taking into account that the Community industry is still in a difficult situation, the following elements were considered, in addition to those already mentioned above.

(58) The current investigation has shown that Japanese exporting producers have continued to sell TCHs on the Community market under their brand names [1].

[1] The origin of these TCS remains unclear since it could not be determined whether they were imported as such from Japan or if, as mentioned above, only parts thereof were imported in order to be subsequently assembled in the Community.

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(59) Indeed, sales of TCHs by Japanese exporting producers in the Community increased considerably in terms of volume between 1995 and the investigation period, i.e. by 157 %, reaching around 600 units during the investigation period.

(60) With respect to the development of their market share, the overall trend shows a constant and significant increase between 1995 and the investigation period, i.e. by more than 16 percentage points, reaching a level of around 40 % during the investigation period.

(61) As regards sales prices of the Japanese exporting producers for TCHs sold on the Community market, the investigation has shown that they were significantly below the Community industry's sales prices.

(62) The Japanese exporting producers provided no information on sales prices. However, it was established that sales made via tenders both by the Community industry and the Japanese exporting producers represented an important part of the overall sales of TCHs during the IP (around 40 %). On the basis of tenders for which information was available from the Community industry and users, prices offered by the exporting producers were, in general, lower than prices offered by the Community industry both for the total tender [1] and for TCHs taken in isolation. In one of the tenders analysed, the global price offered by a Japanese exporting producer was 37 % lower than the one offered by the Community producer. In this tender, the Community producer had to grant an additional discount of more than 40 % in order to win the tender. Another tender in a different Member State showed that, in the second round of negotiations and despite having granted significant discounts between the first and the second round, the final offer of the Japanese exporting producer was still around 20 % lower than the offer of the Community producer participating in the tender. In these circumstances, the latter lost the tender.

(63) It was likewise established that the low prices offered during a tender necessarily influence all prices negotiated in follow-up transactions and in subsequent tenders held in the same Member State. It follows that the price behaviour in tenders actually influenced a significantly higher share of the Community market than the 40 % of it that were governed directly by tenders. Thus, the analysis of the tenders has not only shown the extent to which the prices offered by the Community industry have been undercut by those offered by exporting producers during the tenders (up to 37 %) but also the depressive effect of the dumped imports on the sales prices of the Community industry.

(64) These price differences should be seen bearing in mind that the market for TCS was found to be price-sensitive and transparent, with a small number of players, and that the Community industry suffered losses of around 10 %, whereas in this kind of high-technology industry a profit of 15 % must be deemed appropriate so that an industry can keep up with the pace of technological developments.

(65) On this basis, should the measures be repealed, it can be expected that the Japanese exporting producers would manufacture again complete TCS in Japan, where, as mentioned above, the production capacity exists, their R&D departments are located and where they could benefit from economies of scale. Moreover, it was considered that the exporting producers would be likely to continue to sell their products on the Community market at prices significantly lower than those of the Community industry, thus contributing to the continuation of the injurious situation of the Community industry.

[1] Calls for tenders usually include complete TCS and not only TCHs.

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(66) As to the pricing behaviour of the Japanese exporting producers on third countries, on the basis of the information made available by the Community industry, a parallel was drawn between the behaviour of Japanese exporting producers in the US and in the Community. In both markets, Japanese prices were, in general, lower than those of the Community industry and this during the whole of the IIP, but more in particular in 1998.

(67) More specifically, when analysing the information available on tenders on the North American markets, it was found that the Japanese exporting producers were granting discounts up to 70 % off their price lists and that prices offered by them were consequently up to 50 % lower than prices offered by the Community industry. In addition, certain elements of a TCS or even other equipment sold in combination with TCS in the same tender, were sometimes offered free of charge or with high discounts such as the already mentioned 70 %.

(68) Furthermore, on the basis of the information available on tenders held in Latin-America, prices offered by the Japanese exporting producers were also lower than those of the Community industry in similar proportions and the same behaviour as to discounts and products offered free of charge existed.

(69) From the above, it was concluded that, in the absence of measures, prices of Japanese exporting producers could at least remain at the current levels found on the Community market which are significantly lower than those of the Community industry and could even potentially fall to levels comparable to the prices for imports originating in Japan into the US, Canadian and Latin-American markets or to the level of prices found in the original investigation.

Conclusion on the recurrence of injurious dumping

(70) In view of the above, namely of the following factors:

— despite the measures in force, the Community industry was still in a difficult economic situation;

— the sales of TCHs manufactured by the Japanese exporting producers held an exceptionally strong position on the Community market and were made at extremely low prices by comparison with the prices of the Community industry;

— the prices which Japanese exporting producers might charge in the absence of anti-dumping measures were determined as potentially very low if one considers the producers' behaviour in the North American and Latin-American markets, where their prices were lower than those of the Community industry;

— the information available on the production capacity in Japan as well as on the possibility to expand it when necessary in order to react to an expansion of demand gave an indication that the Japanese exporting producers had the potential to raise their production and export volumes;

— even though a high anti-dumping duty reaching up to 200 % was in force, the Japanese exporting producers were able to offer prices which were lower than those of the Community industry, thus giving an indication that they are fully capable of maintaining an aggressive pricing policy in spite of the measures in force;

it is concluded that, should the measures be repealed, there is a likelihood of recurrence of injurious dumping and that the measures currently in force should therefore be maintained.

G. **COMMUNITY INTEREST**

1. **Introduction**

(71) According to Article 21 of the basic Regulation, the Commission examined whether a prolongation of the existing anti-dumping

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measures would be against the interest of the Community as a whole. The determination of the Community interest was based on an appreciation of all the various interests involved.

(72) In order to assess the likely impact of a continuation or non-continuation of the measures, the Commission requested information from the Community industry and users of TCS. The Commission sent questionnaires to more than sixty users of the product concerned. Fifteen replies were received, although the information provided was incomplete in many cases.

(73) It should be recalled that, in the previous investigation, the adoption of measures was considered not to be against the interest of the Community. Furthermore, it should be noted that the present investigation is a review, thus analysing a situation in which anti-dumping measures are already in place. Consequently, the current investigation should enable the assessment of any undue negative impact the current anti-dumping measures may have had in the past on the parties concerned.

(74) On this basis it was examined, whether, despite the conclusions on the likely continuation and/or recurrence of injurious dumping, compelling reasons exist which would lead to the conclusion that it is not in the Community interest to maintain measures in this particular case.

2. **Interests of the Community industry**

(75) It is considered that without maintaining the anti-dumping measures established in the previous investigation, injurious dumping is likely to continue or recur and the situation of the Community industry, which is still fragile, will further deteriorate.

(76) As shown above, the Community industry has been affected by the low priced sales of TCHs by Japanese exporting producers in the Community during the IIP. It is therefore considered that the objective of the anti-dumping measures under review, i.e. to re-establish fair competition in the Community market between the Community producers and their exporting counterparts in third countries, has not been fully met.

(77) The Community industry has proven to be a structurally viable and successful industry, able to adapt its product range to the changing competitive conditions on the market and even to gain some technological lead in the development of the digital technology, this being confirmed in particular by its investment during the IIP.

(78) However, it cannot be excluded that this industry would reduce its manufacturing activities for the product concerned in the Community if the anti-dumping measures were not maintained. This conclusion is justified in view of the duration of the negative profitability situation (during the investigation period, the Community industry has suffered around 10 % losses). As mentioned above, without anti-dumping measures, imports of TCHs originating in Japan would likely restart and their price-depressive effect will continue to frustrate all efforts of the Community industry to regain a satisfactory margin of profitability, which is especially needed to keep up with the pace of technological development in this kind of industry. In addition, since certain operations of the TCHs production are labour intensive, it is highly possible that they would be de-located to low labour cost countries in order to reduce such costs.

(79) Indeed, should the deteriorated economic situation of the Community industry continue, it might be forced to reduce its manufacturing activities in the Community, and around 250 jobs directly linked to the product concerned would be endangered. Should however anti-dumping duties be maintained, this industry will be able to maintain and further develop its activities in the Community. Also, a further number of jobs linked indirectly to the production of TCS, mainly in R&D would be

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secured. Thus, overall employment in the Community in relation to TCS would be secured and can even be expected to rise should anti-dumping measures be maintained.

(80) As to R&D developments, the production of television camera systems has spin-off effects which are mainly related to the development of a part of the TCHs, i.e. the CCD block, since its components are used as well for other applications such as security systems, medical, industrial and telecommunications applications. Furthermore, the existence of a Community industry manufacturing TCS has an impact on the entire television industry, i.e. from the development and manufacturing of broadcast equipment to the production of television sets and recorders, but it may also have an influence on the standards set for the Community television sector in the near future.

(81) Given the above, it was concluded that to prolong the existing measures in order to ward off the adverse effects of dumped imports which could endanger the existence of the Community industry and consequently a number of jobs was necessary. It has also to be considered that if this high-technology industry disappears, there would be a negative impact on the television industry in general.

3. **Interests of related importers and economic operators in the Community**

(82) As regards the economic operators in the Community related to Japanese exporting producers, it is likely that the decision to maintain the anti-dumping measures would have positive effects with regard to production and employment in the Community, since some of the manufacturing activities of TCS which took place in the Community would even become more important as evidenced following the initiation of the US investigation and would not be relocated to Japan.

4. **Interests of users**

(83) Users of TCS were mainly licensed broadcasting companies that broadcast their own programmes by using their own equipment. However, there were also licensed broadcasters which did not broadcast their own programmes as well as facility companies which supply equipment including camera systems as well as crews to their customers and, finally, rental companies which provide camera and other equipment to various customers. All these users of TCS usually purchased directly from the TCS producers.

(84) Only fifteen out of the sixty users to which the questionnaire was sent by the Commission replied and partially cooperated. The low level and degree of cooperation is in itself an indication that this sector did not suffer any substantial negative effect on its economic situation as a result of the anti-dumping measures.

(85) This conclusion was in line with findings in earlier proceedings where it was found that TCS were not a significant cost factor for the users, since in relation to their production of broadcast programmes, they only accounted for a small proportion of their total costs. Indeed, when looking only at equipment costs of the users, the cost of a TCS represented around 10 % in a studio and reached up to 20 % in a small outside broadcasting vehicle. However, when looking at the total costs of a broadcasting company, and not only at the equipment, the percentage decreased since there were other more important costs such as programme production, personnel, overheads, etc. which were well above the mere cost of a TCS. In addition, the average life time of a TCS has been estimated by the cooperating users at around eight years reaching, exceptionally, more than fifteen years, which means that TCS were far from being a recurrent cost factor for the users.

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(86) Likewise, in general terms, the effects on either category of users were relatively limited when compared to the size of the global turnover of broadcasting companies and of other companies dealing with TCS, i.e. the purchase of a TCS represents around 0,1 % of the total turnover of broadcasting companies and around 1 % of the turnover of production and rental companies.

(87) The investigation has also shown, as mentioned above, that prices of TCS in the Community in no way significantly increased following the imposition of an anti-dumping duty concerning imports of TCS originating in Japan. Indeed, certain users continued, and even started, to purchase TCS manufactured by the Japanese exporting producers in spite of the measures in force. These measures therefore did not constitute a deterrent for TCS users to change their sources of supply. Thus, any increase of the import price was apparently not such as to constitute any significant inconvenience.

(88) On the basis of the above, it can be ruled out that the anti-dumping measures had any significant negative influence on the cost situation and on the profitability of the users of the product concerned. Thus, the result of the anti-dumping measures in force has not been to close the Community market to TCS manufactured by Japanese exporting producers, but rather to counter the unfair trade practices and to remedy to some extent the distorting effects of dumped imports.

(89) Since the measures have been in place for a certain period and would be maintained at the same level, it can be concluded that this would not imply any deterioration of the situation of the users.

5. **Competition and trade distorting effects**

(90) With respect to the effects on competition in the Community, some interested parties have argued that, should the anti-dumping duties be maintained, this would lead to the disappearance of the exporting producers concerned from the Community market, thus considerably weakening competition, and to an increase of the prices for TCS.

(91) However, it appears more likely that the Japanese exporting producers will continue to sell TCS albeit at non-injurious prices, as they have a solid technological basis, a strong market position and manufacturing facilities in the Community. This conclusion is confirmed by the developments further to the imposition of the anti-dumping duty in 1994 and to the increase of the rate in 1997, which did not lead to any harmful effects for the competition on the Community market.

(92) Given the rapid technological development in this sector, competition will, without any doubt, remain strong after the continuation of anti-dumping-measures. Given also the fact that a number of actors in the market for TCS have nowadays established their manufacturing facilities for these products in the Community, they will be able to satisfy the user's demand and to offer a wide range of models. Thus, the continuation of the anti-dumping measures in force will not limit the user's choice or weaken competition.

6. **Conclusion on Community interest**

(93) Based on the above, it is concluded that there are no compelling reasons on grounds of Community interest against the prolongation of the existing anti-dumping measures.

H. **ANTI-DUMPING MEASURES**

(94) All parties concerned were informed of the essential facts and considerations on the basis of which it was intended to recommend the maintenance of the existing anti-dumping duty in

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respect of imports of TCS originating in Japan. They were also granted a period within which to make representations subsequent to this disclosure. No comments were received which were of a nature to change the above conclusions.

(95) It follows from the above that, as provided for by Article 11(2) of the basic Regulation, the anti-dumping duty currently in force with regards to imports of TCS originating in Japan imposed by Council Regulation (EC) No 1015/94, as amended by Council Regulation (EC) No 1952/97, should be maintained.

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of television camera systems and parts thereof, falling within CN codes ex 8525 30 90 (TARIC code: 8525 30 90 10), ex 8537 10 91 (TARIC code 8537 10 91 91), ex 8537 10 99 (TARIC code 8537 10 99 91), ex 8529 90 81 (TARIC code 8529 90 81 38), ex 8529 90 88 (TARIC code 8529 90 88 32), ex 8543 89 95 (TARIC code 8543 89 95 39), ex 8528 21 14 (TARIC code 8528 21 14 10), ex 8528 21 16 (TARIC code 8528 21 16 10) and ex 8528 21 90 (TARIC code 8528 21 90 10), originating in Japan.

2. The television camera systems may consist of a combination of the following parts, imported either together or separately:

(a) camera head with three or more sensors (12 mm or more charge-coupled device pick-up devices) with more than 400 000 pixels each, which can be connected to a rear adapter, and having a specification of the signal-to-noise ratio of 55 dB or more at normal gain; either in one piece, with the camera head and the adapter in one housing, or separate;

(b) a view finder (diagonal, of 38 mm or more);

(c) a base station or camera control unit (CCU) connected to the camera by a cable;

(d) an operational control panel (OCP) for camera control (i.e. for colour adjustment, lens opening or iris) of single cameras;

(e) a master control panel (MCP) or master set-up unit (MSU) with selected camera indication, for the overview and for adjustment of several remote cameras.

3. The duty shall not apply to:

(a) lenses;

(b) video tape recorders;

(c) camera-heads with a recording unit in the same, inseparable housing;

(d) professional cameras which cannot be used for broadcast purposes;

(e) professional cameras listed in the Annex (TARIC additional code: 8786).

4. When the television camera system is imported with the lens the free-at-Community-frontier value used in applying the anti-dumping duty shall be that of the television camera systems without the lens. If this value is not specified on the invoice the importer shall declare the value of the lens at the time of release for free circulation and shall submit appropriate evidence and information on that occasion.

5. The rate of the anti-dumping duty shall be 96,8 % of the net, free-at-Community-frontier price, before duty (TARIC additional code: 8744) except for the products manufactured by the following companies for which the rate shall be as follows:

— Ikegami Tsushinki Co. Ltd: 200,3 % (TARIC additional code: 8741),

— Sony Corporation: 108,3 % (TARIC additional code: 8742),

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— Hitachi Denshi Ltd: 52,7 % (TARIC additional code: 8743).

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

Article 2

This Regulation shall enter into force on the day following that of 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.

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ANNEX

List of professional camera systems not qualified as television camera systems (broadcast camera systems) which are exempted from the measures

Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adapters
Sony	DXC-M7PK	DXF-3000CE	CCU-M3P	RM-M7G	—	CA-325P
	DXC-M7P	DXF-325CE	CCU-M5P			CA-325AP
	DXC-M7PH	DXF-501CE	CCU-M7P			CA-325B
	DXC-M7PK/1	DXF-M3CE	CUU-M5AP (1)			CA-327P
	DXC-M7P/1	DXF-M7CE				CA-537P
	DXC-M7PH/1	DXF-40CE				CA-511
	DXC-327PK	DXF-40ACE				CA-512P
	DXC-327PL	DXF-50CE				CA-513
	DXC-327PH	DXF-601CE				VCT-U14 (1)
	DXC-327APK	DXF-40BCE				
	DXC-327APL	DXF-50BCE				
	DXC-327AH	DXF-701CE				
	DXC-537PK	DXF-WSCE (1)				
	DXC-537PL	DXF-801CE (1)				
	DXC-537PH					
	DXC-537APK					
	DXC-537APL					
	DXC-537APH					
	EVW-537PK					
	EVW-327PK					
	DXC-637P					
	DXC-637PK					
	DXC-637PL					
	DXC-637PH					
	PVW-637PK					
	PVW-637PL					

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Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adapters
	DXC-D30PF DXC-D30PK DXC-D30PL DXC-D30PH DSR-130PF DSR-130PK DSR-130PL PVW-D30PF PVW-D30PK PVW-D30PL DXC-327BPF DXC-327BPK DXC-327BPL DXC-327BPH DXC-D30WSP (1) DXC-D35PH (1) DXC-D35PL (1) DXC-D35PK (1) DXC-D35WSPL (1) DSR-135PL (1)					
Ikegami	HC-340 HC-300 HC-230 HC-240 HC-210 HC-390 LK-33 HDL-30MA	VF15-21/22 VF-4523 VF15-39 VF15-46 (1) VF5040 (1) VF5040W (1)	MA-200/230 MA-200A (1) MA-400 (1) CCU-37 CCU-10	RCU-240 RCU-390 (1) RCU-400 (1) RCU-240A	—	CA-340 CA-300 CA-230 CA-390 CA-400 (1) CA-450 (1)

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Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adapters
	HDL-37					
	HC-400 (1)					
	HC-400W (1)					
	HDL-37E					
	HDL-10					
	HDL-40					
Hitachi	SK-H5	GM-5 (A)	RU-C1 (B)	—	—	CA-Z1
	SK-H501	GM-5-R2 (A)	RU-C1 (D)			CA-Z2
	DK-7700	GM-5-R2	RU-C1			CA-Z1SJ
	DK-7700SX	GM-50	RU-C1-S5			CA-Z1SP
	HV-C10	GM-8A (1)	RU-C10 (B)			CA-Z1M
	HV-C11	GM-9 (1)	RU-C10 (C)			CA-Z1M2
	HV-C10F	GM-51 (1)	RC-C1			CA-Z1HB
	Z-ONE (L)		RC-C10			CA-C10
	Z-ONE (H)		RU-C10			CA-C10SP
	Z-ONE		RU-Z1 (B)			CA-C10SJA
	Z-ONE A (L)		RU-Z1 (C)			CA-C10M
	Z-ONE A (H)		RU-Z1			CA-C10B
	Z-ONE A (F)		RC-C11			CA-Z1A (1)
	Z-ONE A		RU-Z2			CA-Z31 (1)
	Z-ONE B (L)		RC-Z1			CA-Z32 (1)
	Z-ONE B (H)		RC-Z11			CA-ZD1 (1)
	Z-ONE B (F)		RC-Z2			
	Z-ONE B		RC-Z21			
	Z-ONE B (M)		RC-Z2A (1)			
	Z-ONE B (R)		RC-Z21A (1)			
	FP-C10 (B)		RU-Z3 (1)			
	FP-C10 (C)		RC-Z3 (1)			

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Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adapters
	FP-C10 (D)					
	FP-C10 (G)					
	FP-C10 (L)					
	FP-C10 (R)					
	FP-C10 (S)					
	FP-C10 (V)					
	FP-C10 (F)					
	FP-C10					
	FP-C10 A					
	FP-C10 A (A)					
	FP-C10 A (B)					
	FP-C10 A (C)					
	FP-C10 A (D)					
	FP-C10 A (F)					
	FP-C10 A (G)					
	FP-C10 A (H)					
	FP-C10 A (L)					
	FP-C10 A (R)					
	FP-C10 A (S)					
	FP-C10 A (T)					
	FP-C10 A (V)					
	FP-C10 A (W)					
	Z-ONE C (M)					
	Z-ONE C (R)					
	Z-ONE C (F)					
	Z-ONE C					
	HV-C20					
	HV-C20M					
	Z-ONE-D					

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Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adapters
	Z-ONE-D (A) Z-ONE-D (B) Z-ONE-D (C) Z-ONE.DA ([1]) V-21 ([1]) V-21W ([1])					
Matsushita	WV-F700 WV-F700A WV-F700SHE WV-F700ASHE WV-F700BHE WV-F700ABHE WV-F700MHE WV-F350 WV-F350HE WV-F350E WV-F350AE WV-F350DE WV-F350ADE WV-F500HE (*) WV-F-565HE AW-F575HE AW-E600 AW-E800 AW-E800A	WV-VF65BE WV-VF40E WV-VF39E WV-VF65BE (*) WV-VF40E (*) WV-VF42E WV-VF65B AW-VF80	WV-RC700/B WV-RC700/G WV-RC700A/B WV-RC700A/G WV-RC36/B WV-RC36/G WV-RC37/B WV-RC37/G WV-CB700E WV-CB700AE WV-CB700E (*) WV-CB700AE (*) WV-RC700/B (*) WV-RC700/G (*) WV-RC700A/B (*) WV-RC700A/G (*) WV-RC550/G WV-RC550/B WV-RC700A WV-CB700A WV-RC550 WV-CB550	—	—	WV-AD700SE WV-AD700ASE WV-AD700ME WV-AD250E WV-AD500E (*) AW-AD500AE AW-AD700BSE

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Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adapters
			AW-RP501 AW-RP505			
JVC	KY-35E KY-27ECH KY-19ECH KY-17FITECH KY-17BECH KY-F30FITE KY-F30BE KY-27CECH KH-100U KY-D29ECH KY-D29WECH (1)	VF-P315E VF-P550E VF-P10E VP-P115E VF-P400E VP-P550BE VF-P116 VF-P116WE (1) VF-P550WE (1)	RM-P350EG RM-P200EG RM-P300EG RM-LP80E RM-LP821E RM-LP35U RM-LP37U RM-P270EG RM-P210E	—	—	KA-35E KA-B35U KA-M35U KA-P35U KA-27E KA-20E KA-P27U KA-P20U KA-B27E KA-B20E KA-M20E KA-M27E
Olympus	MAJ-387N MAJ-387I		OTV-SX2 OTV-S5 OTV-S6			
	Camera OTV-SX					

(*) Also called master set up unit (MSU) or master control panel (MCP).
(1) Models exempted under the condition that the corresponding triax system or triax-adapter is not sold on the EC market.