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►**B** **COUNCIL REGULATION (EC) No 1644/2001**

of ►C1 8 August 2001 ◄

amending Regulation (EC) No 2398/97 imposing a definitive anti-dumping duty on imports of cotton-type bed linen originating in Egypt, India and Pakistan and suspending its application with regard to imports originating in India

(OJ L 219, 14.8.2001, p. 1)

Corrected by:

►**C1** Corrigendum, OJ L 260, 28.9.2001, p. 39 (1644/2001)

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COUNCIL REGULATION (EC) No 1644/2001

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amending Regulation (EC) No 2398/97 imposing a definitive anti-dumping duty on imports of cotton-type bed linen originating in Egypt, India and Pakistan and suspending its application with regard to imports originating in India

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 thereof,

Having regard to Council Regulation (EC) No 1515/2001 of 23 July 2001 on the measures that may be taken by the Community following a report adopted by the WTO Dispute Settlement Body concerning anti-dumping and anti-subsidy measures [1],

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 [2] ('the basic Regulation'),

Having regard to the proposal made by the Commission after consultation of the Advisory Committee,

Whereas:

A. EXISTING MEASURES

(1) The Council, by Regulation (EC) No 2398/97 [3], imposed a definitive anti-dumping duty on imports of cotton-type bed linen originating in Egypt, India and Pakistan ('definitive Regulation'). The definitive Regulation was preceded by Commission Regulation (EC) No 1069/97 of 12 June 1997 imposing a provisional anti-dumping duty on imports of cotton-type bed linen originating in Egypt, India and Pakistan [4] ('provisional Regulation').

B. REPORTS ADOPTED BY THE DISPUTE SETTLEMENT BODY OF THE WTO

(2) On 12 March 2001, the Dispute Settlement Body of the World Trade Organisation ('WTO') adopted an Appellate Body report and a panel report as modified by the Appellate Body report on the case 'European Communities — anti-dumping duties on imports of cotton-type bed linen from India' (Reports).

C. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

(3) The product concerned is certain bed linen of cotton fibres, pure or mixed with man-made fibres or flax (flax not being the dominant fibre), bleached, dyed or printed originating in India, Pakistan and Egypt, falling within CN codes ex 6302 21 00 (TARIC codes 6302 21 00*81, 6302 21 00*89), ex 6302 22 90 (TARIC code 6302 22 90*19), ex 6302 31 10 (TARIC code 6302 31 10*90), ex 6302 31 90 (TARIC code 6302 31 90*90), ex 6302 32 90 (TARIC code 6302 32 90*19). The Reports do not affect the findings set out in the definitive Regulation concerning the product under consideration and the like product.

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[1] OJ L 201, 26.7.2001, p. 10.
[2] OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Regulation (EC) No 2238/2000 (OJ L 257, 11.10.2000, p. 2).
[3] OJ L 332, 4.12.1997 p. 1. Regulation as last amended by Regulation (EC) No 554/2000 (OJ L 68, 16.3.2000, p. 1).
[4] OJ L 156, 13.6.1997, p. 11.

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D. REVISED FINDINGS BASED ON THE REPORTS

1. Preliminary remark

(4) The Commission reassessed findings by taking account of the recommendations set out in the Reports on the basis of information which was collected in the original investigation which took place in 1996/97. The reassessment shows that injurious dumping still exists although at lower levels.

It is recalled that the investigation of dumping covered the period from 1 July 1995 to 30 June 1996 ('IP'). The investigation relating to the parameters relevant in the context of the injury assessment covered the period from 1 January 1992 up to the end of the IP (30 June 1996). This period will be referred to as 'the period considered'.

2. Dumping

2.1. *Introduction*

(5) This part sets out the reassessed findings based on the recommendations of the Reports concerning:

(a) determination of sales, general & administrative expenses ('SG&A') and profit when applying Article 2(6)(a) of the basic Regulation for the purpose of constructed normal values and

(b) the practice of 'zeroing' when establishing the weighted average margin of dumping.

(6) All other calculation methods applied are those used in the original investigation. For further details, reference is made to the abovementioned provisional Regulation and definitive Regulation.

2.2. *Sampling*

(7) It is recalled that in view of the large number of exporters in the countries concerned, it was decided during the original investigation to apply sampling in accordance with Article 17 of the basic Regulation.

2.3. *India*

(8) Since only one out of the five companies in the main sample for India had representative global domestic sales and the profitable domestic types represented less than 80 % but more than 10 % of total domestic sales, the amounts for SG&A and profit used to construct normal value were those actually made in the ordinary course of trade by this company, in accordance with the first sentence of Article 2(6) of the basic Regulation.

(9) For the other four companies, in order to comply with the recommendations of the Reports and in accordance with Article 2(6)(a) of the basic Regulation, the amounts for SG&A and profits used to construct normal value were the weighted average of the actual amounts incurred and realised by the company with representative global domestic sales mentioned above and a reserve company which had also representative global domestic sales. It should be noted that sales not made in the ordinary course of trade have not been eliminated when determining the profit margin attributable to the other four companies.

(10) No changes have been necessary as far as the original findings concerning the export price and adjustments pursuant to Article 2(10) of the basic Regulation are concerned.

(11) The weighted average constructed normal value by type was compared with weighted average export price by type, as determined above. In compliance with the recommendations of

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the Report, no 'zeroing' was applied in calculating the overall dumping margin for each company.

(12) The revised dumping margins expressed as a percentage of the cif import price at the Community frontier for India are the following:

Anglo French Textiles	9,8 %
Bombay Dyeing & Manufacturing Co. Ltd and Nowrosjee Wadia & Sons Ltd	5,5 %
Madhu Industries Ltd and Madhu International	3,0 %
Omkar Exports	0,0 %
Prakash Cotton Mills Ltd	0,0 %

(13) Cooperating companies not selected in the sample for India were attributed the average dumping margin of the companies in the sample, weighted on the basis of their export turnover to the Community. In accordance with Article 9(6) of the basic Regulation, when calculating this average dumping margin any zero and *de minimis* margins established have been disregarded. Expressed as a percentage of the cif import price at the Community frontier, this revised dumping margin for India is 5,7 %.

(14) For non cooperating companies in India a revised dumping margin was determined on the basis of the facts available in accordance with Article 18 of the basic Regulation. The level of cooperation during the original investigation was high. Therefore, it is considered appropriate to set the dumping margin for non cooperating companies in India at the level of the highest dumping margin established for a company in the sample. Indeed, it would constitute a bonus for non cooperation to assume that the dumping margin attributable to exporters/producers which did not cooperate is lower than the highest found for a cooperating exporter/producer. This revised residual dumping margin for India, expressed as a percentage of the cif import price at the Community frontier, is 9,8 %.

2.4. *Egypt and Pakistan*

(15) The findings on dumping with regard to imports originating in Egypt and Pakistan have not been revised. The relevant dumping margins are set out in recitals 29 to 31 of the definitive Regulation.

3. **Community industry and sampling**

(16) The findings concerning the definition of the Community industry and standing remain unaffected by the conclusions set out in the Reports (see recital 34 of the definitive Regulation). The same is true with regard to sampling of the Community industry (see recitals 58 to 61 of the provisional Regulation).

4. **Injury**

4.1. *Preliminary remark*

(17) The Reports conclude that the Community acted inconsistently with the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade ('ADA')

(i) by considering information for producers not part of the Community industry as defined by the Council in analysing the state of the industry;

(ii) by failing to evaluate all relevant factors having a bearing on the state of the Community industry, and specifically all the factors set forth in Article 3.4 ADA. In this respect, it is recalled that the determinations concerning productivity,

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stocks, utilisation of capacity, ability to raise capital or investments, cash flow, wages and the magnitude of dumping margins were not fully described in the provisional and definitive Regulation.

The Panel also expressed the opinion that imports attributable to a producer/exporter found not to be dumping could not be considered as falling within the notion of 'dumped imports' for purposes of injury analysis. However, since India had not contested the injury finding on this ground and there were no Indian producers who had been found not to be dumping, the Panel reached no conclusions in this regard. The claim that India had made — that non-dumped transactions should be excluded from the injury analysis — was rejected by the Panel as unfounded.

(18) The injury findings established in the original investigation were reexamined in the light of the Panel's conclusions. It was also examined whether the exclusion of Indian exporters found not to have dumped would have led to any change in the injury findings. The results of this re-examination are set out below.

(19) The approach described in recital 62 of the provisional Regulation was revised by eliminating data relating to producers which were not part of the Community industry. In the present Regulation, the data were analysed as follows:

(i) at the level of the Community industry, for trends concerning production, sales by volume, market share, employment and growth. The relevant data were obtained from the verified questionnaire responses in the case of the 17 sampled producers, and from the information collected with regard to the further 18 producers forming part of the Community industry;

(ii) at the level of the sampled Community producers, for the trends concerning prices and profitability, cash flow, ability to raise capital and investments, stocks, utilisation of capacity, wages and productivity, on the basis of the aforementioned questionnaire responses.

In addition, the magnitude of the margin of dumping was examined.

4.2. *Consumption in the Community*

(20) The findings set out in recital 63 of the provisional Regulation remain unaffected by the recommendations in the Reports. It is recalled that Community consumption of the product concerned (as measured by production plus imports minus exports) decreased from around 200 000 tonnes in 1992 to around 186 000 tonnes in the IP, a decrease of approximately 7 %.

4.3. *Cumulation, volume, market share and prices of the imports from the three countries concerned*

(21) In the original investigation it was found that dumped imports from the three countries concerned increased from 33 825 tonnes in 1992 to 46 656 tonnes during the IP, i.e. an increase by 38 % during the period considered. During the same period, the market share of dumped imports increased from 16,9 % to 25,1 % (see recital 67 of the provisional Regulation).

(22) If the imports from exporters found not to have dumped are excluded, the increase in volume of dumped imports would remain significant, as shown in the table below, namely an increase of 30 %. The market share of the remaining imports increased by 40 % during the period considered. It still represented more than 21 % of the Community market during the IP.

Dumped imports	1992	1993	1994	1995	IP
Volume — tonnes	30 593	33 484	29 500	39 036	39 825

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Dumped imports	1992	1993	1994	1995	IP
Index	100	109	96	128	130
Market share	15,3 %	17,2 %	15,2 %	20,6 %	21,4 %
Index	100	112	99	135	140

(23) Furthermore, it is recalled that during the period considered, the prices of imports from India and Egypt had actually fallen by up to 18 % (see recital 80 of the provisional Regulation). This decrease is not significantly changed if the imports from the Indian exporters found not to have dumped are excluded.

(24) During the IP, the level of undercutting of the dumped imports originating in India ranged from 13,8 % to 40,7 %, expressed as percentages of the adjusted average prices of the Community industry, and this is also unaffected if imports from the exporters found not to have dumped are excluded. It is recalled that, with respect to Pakistan the level of undercutting ranged from 27,9 % to 34,4 % and with respect to Egypt from 23,8 % to 53,7 %.

4.4. *Situation of the Community industry*

4.4.1. General remarks

(25) It should be recalled that during the original investigation, not all injury factors listed in Article 3.4 of the ADA (Article 3(5) of the basic Regulation) were found to have a bearing on the state of the Community industry. This was the case for stocks and capacity of production.

(26) In addition, it was also found that some factors were in fact closely linked to a number of injury factors set out in detail in the regulations. This was the case in particular for productivity with production and employment, and cash flow and return on investments with profitability. Accordingly, only the developments of the main injury factors were fully addressed in the provisional and definitive Regulations.

(27) The findings below only relate to the Community industry as defined in recital 34 of the definitive Regulation. Obviously, the indicators listed in subparagraph (ii) of recital 17 have been established at the level of sample.

4.4.2. Stocks and capacity of production

(28) These indicators were found not to have a bearing on the state of the Community industry.

(29) As to stocks, this is the case for two reasons. Firstly, production (e.g. of printed patterns) often takes place in response to or in anticipation of orders placed by particular clients, thus reducing the possibility to produce purely for stocks. Secondly, stock valuation often takes place at 31 December, which is towards the end of a peak period of activity for the bed linen sector. Large stock variations can take place between one year and another simply because of large orders leaving the warehouse on 30 December in one season and 2 January the next. While some increase in stocks was observed in some companies, neither the complainant nor any sampled Community producer adduced increase in stocks as evidence of injury. An increase in stocks in this sector can thus indicate increased actual or anticipated orders rather than unsold production.

(30) As to production capacity, the Community industry is characterised by a large number of highly flexible small and medium-sized companies. Machinery can, relatively easily, be bought, sold or used for other products. Under these circumstances, reliable capacity of production figures were extremely difficult to

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establish throughout the period considered in the present case. However, the investigation showed that many producers were able to maintain a high rate of capacity utilisation and even had to subcontract surplus production, to allow them to run at high utilisation even in depressed periods.

4.4.3. Production, employment and productivity

(31) The findings of recitals 81 and 91 of the provisional Regulation concerning production and employment of the Community industry are confirmed. The Community industry was able to increase its total production of bed linen from 39 370 tonnes in 1992 to 42 781 tonnes during the IP, namely an increase by 8,7 %. In the meantime, employment declined by 5,3 %. This trend was also replicated at the level of the sampled producers.

(32) The combination of these two factors explains the improvement in productivity of the sampled Community producers during the period considered.

Community industry	1992	1993	1994	1995	IP
Productivity index	100	99	110	111	111

4.4.4. Wages

(33)

Community industry	1992	1993	1994	1995	IP
Wages (Index)	100	102	98	107	107

Despite the fall in personnel employed the overall amount of wages paid to the employees directly working in the bed linen sector increased by 7 % during the period considered. Average wages per employee increased by 6 % from 1993 up to the end of the IP but should be compared with the 5,5 % increase in consumer price in the Community during the same period (see recital 86 of the provisional Regulation).

4.4.5. Sales volume, market share and price development

(34) The figures on sales volume, value, market share and price developments as set out in recitals 82 to 88 of the provisional Regulation refer, unless otherwise indicated, to the sampled Community producers. They are herewith confirmed.

(35) During the period considered, sales by the Community industry slightly increased from 36 205 tonnes to 36 553 tonnes, an increase of 1 %. In that period, their market share also increased slightly, from 18,1 % to 19,7 % because of more sales of higher value niche products.

Community industry	1992	1993	1994	1995	IP
Sales volume — tonnes	36 205	34 505	37 726	37 555	36 553
Index	100	95	104	104	101

4.4.6. Profitability, cash flow and return on investments

(36) The findings made in recital 89 of the provisional Regulation concerning profitability are confirmed. Profitability of the Community industry decreased from 3,6 % to 1,6 % of turnover during the period considered, namely a fall by over 50 %. In other

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words Community industry's profits shrunk from ECU 10 million in 1992 to ECU 4,6 million during the IP, namely a reduction by around ECU 5,4 million during the period considered.

(37) The cash flow generated by the Community industry developed as follows:

Community industry	1992	1993	1994	1995	IP
Cash flow (1 000 ECU)	25 566	16 663	20 446	17 475	18 432
Index	100	65	80	68	72

(38) Between 1992 and the IP cash flow remained positive but declined by 28 % or by around ECU 7 million. Thus, cash flow and profitability of the Community industry followed a similar decreasing trend during the period considered.

(39) As to return on investment, the investigation showed that the maintenance of the production tools was the main purpose of the Community industry's investments during the period considered:

Community industry	1992	1993	1994	1995	IP
Profit/investments	16 %	7 %	14 %	8 %	7 %
Index	100	45	87	50	45

(40) The overall trend followed by the return on investments is similar to that of profitability.

4.4.7. Ability to raise capital

(41) During the period considered, the capital raised via bank credits by the Community industry increased by 3 %.

Community industry	1992	1993	1994	1995	IP
Credits raised (1 000 ECU)	141 400	118 700	117 000	133 800	145 100
Index	100	84	83	95	103

(42) During the investigation there was no claim from the Community industry nor any indication that the Community industry encountered problems to raise the capital needed for its activity. Given that no major investments were made by the Community industry it can reasonably be assumed that most of the credits were used to finance the daily activity in the bed linen sector. This additional need in credits during the IP is likely to be justified by the decrease in cash flow.

4.4.8. Growth and factors affecting domestic prices

(43) It is noted that the growth of the Community industry was particularly negative between 1994 and the IP in term of sales volume (– 1 173 tonnes). The growth in market share was very limited in the same period (+ 0,2 %) and was even negative between 1995 and the IP. At the same time, the growth of market share of low-priced dumped imports remained always positive and was significant. Between 1994 and the IP, dumped imports increased by 35 % (+ 10 315 tonnes) and the growth in market share was as high as 6,2 percentage points.

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(44) When evaluating factors affecting domestic prices the analysis focussed primarily on the contraction of demand and raw cotton prices.

The investigation clearly showed that the gap left by Community factory closures and the fall in imports from certain other third countries during the period considered was filled by imports from the countries concerned, of which most of them were found to be dumped. Given that the prices of the dumped imports were the lowest of all the operators selling bed linen on the Community market it is concluded that the contraction of demand in itself did not have an overriding impact on prices, notably those of the Community industry.

(45) The price of raw cotton, which can represent up to 15 % of the total cost of bed linen, increased significantly during the period considered. Normally, in fair market conditions, producers should have been able to pass on this cost increase to customers. The investigation has shown that the Community industry was not able to do so in this case.

(46) It is also noted that there was significant price undercutting as described in recital 24.

4.4.9. Magnitude of the dumping margin

(47) As concerns the impact on the Community industry of the magnitude of the actual margin of dumping, given the volume and the prices of the imports from the countries concerned, this impact cannot be considered to be negligible.

4.5. *Conclusion on injury*

(48) The investigation clearly established that imports from the countries concerned significantly increased during the period considered. In terms of volume, the increase was as high as 38 % or 12 800 tonnes and their market share increased by 8,2 percentage points.

(49) The investigation also established that prices of the imports concerned decreased considerably and that there was significant price undercutting by all three countries. Prices declined by up to 18 % and undercutting margins ranging from 11,9 % to 53,7 % were found to exist.

(50) While the Community industry, as defined above, managed to increase production and to slightly increase its sales volume and market share by concentrating on more sales of higher value niche products, it nevertheless suffered declining and inadequate profitability, which is basically the result of prices which had not been able to reflect the increases in the costs of raw cotton or to keep pace with inflation in prices of consumer goods. The injury indicators related to profitability such as cash flow and return on investments also showed declining trends. The same holds true for employment.

(51) On this basis, and in particular because of the declining and inadequate profitability and price suppression suffered by the Community industry, the finding of the definitive Regulation that the Community industry had suffered material injury is confirmed.

5. **Causation**

5.1. *Introduction*

(52) Based on the above findings on dumping and injury, the causal link analysis set out in the provisional and the definitive Regulation was likewise re-examined.

(53) In compliance with the Panel's and the Appellate Body's recommendations, a causal link had to be demonstrated between the dumped imports and the situation of the Community industry,

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i.e. the abovementioned 35 producers. Thus, the references found for existing producers which were not part of the Community industry or producers which previously closed down their bed linen operations (see recitals 105, 109 and 110 of the provisional Regulation) were not considered relevant for the causal link analysis.

5.2. *Effect of the dumped imports*

(54) It is recalled that dumped imports from the three countries concerned increased by 12 800 tonnes in absolute terms and by 38 % in percentage terms (9 200 tonnes or 30 % if the imports from exporters found not to have dumped are excluded). The market share held by the dumped imports increased during the period considered from 16,9 % to 25,1 %, namely by 8,2 percentage points (15,3 % to 21,4 %, namely 6,1 percentage points if the imports from the Indian exporters found not to have dumped are excluded). During the IP, their weighted average undercutting margin was at around 29 %.

(55) Sales by the Community industry increased by 348 tonnes and its market share increased from 18,1 % to 19,7 %, namely by 1,6 percentage point. The Community industry's weighted average sales price remained by and large stable.

(56) It is also recalled (recital 97 of the provisional Regulation) that the market for bed linen is characterised by product substitutability and transparency. Large Community purchasers of bed linen, which can ensure a high level of production capacity and therefore some economy of scale, are very sensitive to prices. On this basis, it can be concluded that the low prices offered by the exporting producers concerned, coupled with their substantial and increasing market share, have exercised continuous downward pressure on prices on the Community market.

(57) Indeed, despite the fact that the Community industry managed to shift production and sales to higher value products in order to maintain production and sales' levels, average sales prices did not increase.

(58) As stated in recital 99 of the provisional Regulation, price suppression and consequent decreasing profitability were the main indicators to conclude that the Community industry suffered material injury. In view of the coincidence in time between the deterioration of the state of the Community industry and the significant increase of the low-priced dumped imports, it is confirmed that there was a direct link between these imports and the material injury found. Thus, the conclusions set out in recitals 96 to 99 of the provisional Regulation can be confirmed.

5.3. *Effects of other factors*

(59) The effect of other factors on the situation of the Community industry was likewise examined.

5.3.1. Increase in raw cotton prices

(60) The findings set out in recitals 102 and 103 of the provisional Regulation can be confirmed.

5.3.2. Development of Community consumption

(61) It is recalled that certain exporters suggested that any injury being suffered by the Community industry should be ascribed to the steady decrease in total consumption of the product concerned, by 7 % between 1992 and the IP.

The investigation showed that sales by the Community industry increased slightly by 348 tonnes, imports from other third countries undercutting the prices of the Community industry increased by over 5 000 tonnes, and dumped imports from the three countries concerned increased by around 12 800 tonnes. The

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impact of the decrease in consumption was felt notably by Community producers not forming part of the Community industry.

(62) In addition, it should be recalled that the Community industry managed to increase its sales of niche products by adapting and expanding its existing range of products to certain segments of the market. Thus, it is clear that the Community industry was hardly affected, if at all, by the developments in Community consumption.

5.3.3. Imports from other third countries

(63) The findings in recitals 100 and 101 of the provisional Regulation remain unaffected.

5.3.4. Competition from non-complainant producers in the Community

(64) The findings in recitals 107 and 108 of the provisional Regulation remain unaffected.

5.4. *Conclusion on causation*

(65) The above analysis shows that there is a clear and direct link between the increase in volume and the price effect of dumped imports, and the material injury suffered by the Community industry.

(66) The investigation has shown that the countries concerned increased their exports by 38 % or by 12 800 tonnes. This corresponds to an increase in market share of 8,2 percentage points. It is clear that the presence of increasing volumes of low-priced imports had a considerable impact on the market overall.

(67) Although the Community industry managed to slightly increase its sales volume because of higher sales of niche products, it is clear that the imports from the countries concerned prevented that industry of taking any significant share of the market left by other third country and Community operators during the period considered.

(68) The direct link between the effect of the dumped imports and the injury suffered by the Community industry is further demonstrated by the existence of high undercutting margins which can explain the gain in market share of the countries concerned. It is also evidenced by the impact which the fall in import price had on the Community industry. Prices were suppressed and profitability fell from 3,6 % in 1992 to 1,6 % during the IP.

(69) The analysis of the effects of other factors than dumped imports on the state of the Community industry has likewise confirmed the above direct causal link.

(70) Consequently, the conclusion reached in recital 43 of the definitive Regulation that the dumped imports from Egypt, India and Pakistan have caused the material injury suffered by the Community industry is confirmed.

6. **Community interest**

(71) The contents and conclusions reached in recitals 44 to 46 of the definitive Regulation remain unaffected by the Reports.

E. **GROUNDS FOR THE SUSPENSION OF THE MEASURES**

(72) As shown above, a full examination of the facts established in the original investigation taking account of the recommendations set out in the Reports demonstrates that imports from Egypt, India and Pakistan were still injuriously dumped. Notwithstanding this, the Council does not consider it appropriate to continue to collect duties for exports from India for the reasons given below.

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(73) It is recalled that the findings are based on information which was collected in 1996/97.

(74) A wider examination of the impact of the recommendations set out in the Reports would have necessitated consideration being given to the application of the various other alternatives (e.g. other methods of calculating SG&A and profit provided for in Article 2(6)(b)(c) of the basic Regulation) excluding those found inconsistent in the Reports. However, this has not proved possible in this case since the necessary information was not collected in the original investigation. Indeed, prior to the Reports it was not considered relevant either to collect such information or to program it into the verification process. The determination of the profit margin when constructing normal value for exporters without sufficient sales in the ordinary course of trade is based on a methodology which the Appellate Body report advocated. However, the Council considers that the methodology as specified by the Appellate Body is not appropriate in this particular case, not least because it implies a discriminatory treatment between exporters, whose own profit margin is used, and exporters which fall under Article 2(6)(a) of the basic Regulation (i.e. for which the weighted average SG&A and profit margins of other exporters are used). It is also in contradiction with the principle to base in general the normal value on data relating to sales made in the ordinary course of trade.

(75) In these exceptional circumstances it was considered that the best course of action is to amend the definitive Regulation on the basis of the dumping margins established in recitals 12 to 14 which are in all cases lower than the injury margins and to suspend the collection of duties at the rates established above while providing all interested parties concerned with an opportunity to submit information/observations and, if appropriate, a review request.

(76) The Indian authorities, the Indian exporters and their association, all interested parties in the Community, in particular the Community industry, importers, users' and traders' associations, received disclosure of the reassessed findings and were given an opportunity to comment and to be heard. The oral and written comments submitted by these parties were considered but have not altered the conclusions reached in this Regulation.

(77) Any requests for a review and any observation/submission of information must be made in writing and be sent to the following address:

European Commission
Directorate General for Trade
Directorates B and C
TERV — 0/13
Rue de la Loi/Wetstraat 200
B-1049 Brussels
Fax (32-2) 295 65 05
Telex COMEU B 21877.

(78) If no review is initiated within six months from the entry into force of this Regulation on the basis of a review request by any interested parties, the anti-dumping measure should automatically expire with regard to imports originating in India. If such review is initiated within the aforementioned six months period, suspension should continue during the review investigation,

HAS ADOPTED THIS REGULATION:

Article 1

Article 1 of Regulation (EC) No 2398/97, is hereby amended as follows:

1. In paragraph 2 the rate of duty for India shall be 9,8 % (TARIC additional code 8900).

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2. In paragraph 3 the rate of duty for India shall be 5,7 % (TARIC additional code 8042).

3. In paragraph 4 the rates of duty for the Indian companies listed shall be as follows:

Country	Manufacturer	Rate of duty	TARIC additional code
India	Anglo French Textiles	9,8 %	8044
	The Bombay Dyeing & Manufacturing Co. Ltd	5,5 %	8045
	Nowrosjee Wadia & Sons Ltd	5,5 %	8045
	Madhu Industries Ltd	3,0 %	8046
	Madhu International	3,0 %	8046
	Omkar Exports	0,0 %	8047
	Prakash Cotton Mills Ltd	0,0 %	8048

Article 2

1. The application of the anti-dumping duties specified in Article 1 is hereby suspended with regard to imports originating in India.

2. The anti-dumping duties specified in Article 1 shall expire six months after the entry into force of this Regulation with regard to India unless a review has been initiated before that date. During such a review, if any, the application of the anti-dumping duty shall remain suspended pursuant to paragraph 1.

Article 3

This Regulation shall enter into force on the day 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.