

COMMISSION DECISION

of 6 August 1982

accepting an undertaking given in connection with the anti-dumping proceeding concerning paracetamol (INN) crystals or powder originating in China and terminating the proceeding

(82/543/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3017/79 of 20 December 1979 on protection against dumped or subsidized imports from countries not members of the European Economic Community⁽¹⁾, as amended by Regulation (EEC) No 1508/82⁽²⁾, and in particular Article 10 thereof,

Whereas in September 1981 the Commission received a complaint lodged by the European Council of Chemical Manufacturers Federations (CEFIC) on behalf of a majority of Community producers of paracetamol; whereas the complaint contained evidence of the existence of dumping in respect of the like product originating in China and of material injury resulting therefrom;

Whereas the said evidence was sufficient to justify initiating an investigation;

Whereas the Commission accordingly announced, by a notice published in the *Official Journal of the European Communities*⁽³⁾, the initiation of a proceeding concerning imports of paracetamol originating in China and commenced an investigation of the matter at Community level;

Whereas the Commission officially so advised the exporters and importers known to be concerned;

Whereas the Commission has given the parties directly concerned the opportunity to make known their views in writing and to be heard orally, and to meet so that opposing views might be presented and arguments put forward in rebuttal;

Whereas the majority of the parties concerned have taken this opportunity;

Whereas since China is not a market economy the normal value suggested in the complaint was based on the price at which the like product was sold on the

domestic market of the USA; whereas the Chinese exporter contested this basis for establishing the normal value claiming that market conditions in operation in the USA did not allow a proper comparison with the paracetamol exported by China;

Whereas the Commission decided that the normal value might be more suitably determined by reference to the constructed value of the like product in a more comparable market economy third country and therefore contacted two producers in India who agreed to cooperate in the examination of the facts; whereas allowances were made in the normal value established to take account of duties paid on imports of raw materials into India;

Whereas, in order to arrive at a preliminary determination of the existence of dumping the Commission compared the export prices of Sinochem, China National Chemicals Import and Export Corporation, Beijing, China, with the normal value as established above; whereas these comparisons were made at the ex-factory level for sales made during the period 1 January to 31 December 1981;

Whereas the investigation on dumping showed that there were varying dumping margins with the weighted average margin being 42 %;

Whereas in order to arrive at a preliminary determination of the existence of injury the Commission contacted a number of agents and importers and carried out investigations at the premises of Arnold Suhr Holding AG, Antwerp, Belgium, LPC Chemicals & Dyes Ltd, UK-London, Harbottle Ltd, Barking and Agripharm Ltd, UK-Benfleet; whereas the Commission also carried out investigations at the premises of the main complainant Community producers, namely, in the United Kingdom, Sterling Organics Ltd, Cramlington and Hartington Chemicals Ltd, Chesterfield;

Whereas, with regard to the injury caused to the Community industry, the evidence available to the Commission shows that total imports into the Community of paracetamol from China rose from approximately 82 tonnes in 1979 to 379 tonnes in 1981 and were likely to be even higher in 1982;

⁽¹⁾ OJ No L 339, 31. 12. 1979, p. 1.

⁽²⁾ OJ No L 178, 22. 6. 1982, p. 9.

⁽³⁾ OJ No C 337, 24. 12. 1981, p. 6.

Whereas, in the absence of separate production and import figures relating to paracetamol, it is difficult to gauge exactly the size of the Community market for this product; whereas, nevertheless, the best information available suggests that Chinese exports to the Community are very much concentrated on the United Kingdom and to a lesser extent on Germany and that from 1979 to 1981 the Chinese market share rose from less than 1 to 14 % in the United Kingdom and from 15 to 20 % in Germany;

Whereas the resale prices in the Community of paracetamol originating in China undercut those of the Community manufacturers by 10 to 20 %;

Whereas the consequent impact on the Community industry is characterized by depression of Community prices or prevention of price increases which otherwise would have occurred;

Whereas all of the complainant Community firms are consequently making considerably reduced profits or even losses on paracetamol and the profitability of this industry as a whole is, therefore, at risk; whereas the best information available suggests that since 1979 there has been a reduction of 19 % in the numbers employed in the manufacture of paracetamol;

Whereas the main paracetamol producer in Germany who had originally supported the complaint later withdrew as a complaining party;

Whereas, nevertheless, the Commission has determined that injury was suffered by the remaining Community producers who supported the complaint and who represented a major part of the Community production of paracetamol;

Whereas the Commission has considered the injury caused by other factors which, individually or in combination, may also be affecting the Community industry; whereas it was determined that the level of demand and consumption in the Community remained relatively stable over the last three years; whereas the information available suggests that imports from other countries have been at considerably lower volumes than those from China;

Whereas the preliminary examination of the facts shows that there is dumping of paracetamol exported by Sinochem, China National Chemicals Import and Export Corporation, and that these dumped imports have in themselves consequences which have to be

considered as material injury to the Community industry;

Whereas the exporter concerned was informed of the main findings of the preliminary investigation and commented on them; whereas an undertaking was subsequently offered by Sinochem, China National Chemicals Import and Export Corporation, concerning imports originating in China;

Whereas the effect of the said undertaking will be to increase import prices to the level necessary to eliminate injury; whereas these increases in no case exceed the dumping margin;

Whereas the Commission has, therefore, determined that it is not now necessary to take protective action in respect of imports of paracetamol (INN) crystals or powder originating in China;

Whereas, in these circumstances, the undertaking offered is considered acceptable and the proceeding may, therefore, be terminated without imposition of anti-dumping duties;

Whereas no objection to this course was raised in the Advisory Committee,

HAS DECIDED AS FOLLOWS:

Article 1

The Commission hereby accepts the undertaking given by Sinochem, China National Chemicals Import and Export Corporation, in connection with the anti-dumping proceeding concerning paracetamol (INN) crystals or powder falling within Common Customs Tariff subheading 29.25 III ex b) and corresponding to NIMEXE code 29.25-53, originating in China.

Article 2

The anti-dumping proceeding concerning imports of paracetamol (INN) crystals or powder originating in China is hereby terminated.

Done at Brussels, 6 August 1982.

For the Commission

Edgard PISANI

Member of the Commission