



IP(83)306

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Brussels, 3 October 1983

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The Commission closes an anti-dumping investigation into imports of xanthan gum from the United States

The Commission has decided to close the anti-dumping investigation that it opened on 29 September 1982 following a complaint from CEFIC, the Council of the European Federation of Chemical Industries against the United States. The Commission took this decision after establishing, during the investigation, that imports of xanthan gum, a thickener and emulsifier used in the food and cosmetic industries, were not responsible for material injury to the Community industry. This underlines the requirement in Community law that material injury must be proved, as well as dumping, before relief can be granted to the industry concerned.

Background

CEFIC submitted a complaint of dumping in July 1982 on behalf of the sole Community producer. The complaint alleged substantial dumping as well as a large increase in market share in the EC for the American exporters.

During the injury investigation it was established that the market for xanthan gum, a product developed by American industry, was expanding and that the American imports were taking a large part of this new market because the Community producer was already working at full capacity. This situation has remained stable since 1980 with imports taking most of the new market possibilities. It was also established that the American imports were in fact more expensive than the comparable Community product and that the price depression suffered by the Community industry was more due to a lack of variety in its range of products and its limited production capacity than dumped imports.

In these circumstances, since no material injury could be proved, the investigation has been terminated without the Commission taking any position on the allegation of dumping.