



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.07.1999  
COM(1999)406 final

Proposal for a

**COUNCIL REGULATION (EC)**

**amending Regulation (EEC) No 2717/93 imposing a definitive anti-dumping duty on imports of ferro-chrome with a carbon content by weight of maximum 0,5% (low carbon ferro-chrome), originating in Kazakhstan, Russia and Ukraine**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

The purpose of the proposal is to clarify the product coverage of the existing anti-dumping measures on imports of ferro-chrome with a carbon content by weight of maximum 0,5% (low carbon ferro-chrome) originating in Kazakhstan, Russia and Ukraine.

1. On 2 October 1998, the Commission initiated on its own initiative an interim review investigation limited to the clarification of the product coverage of the measures.
2. In the course of the present investigation, it was established that low carbon ferro-chrome obtained from alloy steel scrap with a chromium content up to 30% differs significantly from the product subject to measures under Council Regulation (EEC) No 2717/93 and should therefore be excluded from the scope of such measures.
3. In this respect, it is concluded that imports of ferro-chrome with a carbon content by weight of maximum 0,5% with a chromium content lower than 30% should not be included in the product covered by the measures.
4. In these circumstances, it is appropriate to apply the findings of this investigation from the date of the entry into force of the definitive Regulation.
5. The consultation of the Member States in the Advisory Committee has shown that no Member State is opposed to the proposed amendment of the definitive Regulation.
6. It is therefore proposed that the Council adopts the attached Regulation.

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## COUNCIL REGULATION (EC)

**amending Regulation (EEC) No 2717/93 imposing a definitive anti-dumping duty on imports of ferro-chrome with a carbon content by weight of maximum 0,5% (low carbon ferro-chrome), originating in Kazakhstan, Russia and Ukraine**

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<sup>1</sup>, and in particular Article 11(3) thereof,

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

Whereas :

### I. PREVIOUS PROCEDURE

- (1) By Regulation (EEC) No 2717/93<sup>2</sup> (hereafter 'the definitive Regulation'), the Council imposed a definitive anti-dumping duty on imports of ferro-chrome with a carbon content of maximum 0,5% falling within CN codes 7202 49 10 and 7202 49 50, originating in Kazakhstan, Russia and Ukraine. The measures consist of a specific duty of 0,31 ECU per kilogram net of low carbon ferro-chrome.

### II. REVIEW

- (2) On 2 October 1998, by a notice published in the *Official Journal of the European Communities*<sup>3</sup>, the Commission, after consulting the Advisory Committee, initiated on its own initiative a review pursuant to Article 11(3) of Council Regulation (EC) No 384/96 (hereafter 'the Basic Regulation') together with an expiry review following a request of the Community industry and

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<sup>1</sup> OJ L 56, 6.3.1996, p.1 (as last amended by Regulation (EC) No 905/98 (OJ L 128, 30.4.1998, p.18)).

<sup>2</sup> OJ L 246, 2.10.1993, p. 1.

<sup>3</sup> OJ C 303, 2.10.1998, p. 4.

commenced an investigation. This interim review was limited to the clarification of the product coverage of the measures.

- (3) The Commission gave the parties known to be concerned the opportunity to make their views known in writing and to request a hearing.
- (4) The Community producer made its views known in writing. In addition, information was received from Thyssen Aktiengesellschaft, Germany, an unrelated importer of the product covered by the measures in the Community.
- (5) The Commission sought and verified all information it deemed necessary for its investigation concerning the product coverage of the measures and carried out on-spot verifications at the premises of the following companies :
  - Elektrowerk Weisweiler GmbH, Weisweiler, Germany ;
  - Zimbabwe Alloys Limited, Gweru, Zimbabwe.

### **III. DETERMINATION OF THE PRODUCT SCOPE OF COUNCIL REGULATION (EEC) N° 2717/93**

- (6) In accordance with Article 1 of the definitive Regulation, the product concerned is defined as 'ferro-chrome with a carbon content by weight of maximum 0,5% falling within CN codes 7202 49 10 and 7202 49 50'(hereafter the 'product investigated').
- (7) The measures imposed by the definitive Regulation did not specify the minimum chromium content of the product investigated.
- (8) In application of notes 1(c) and 1(g) of chapter 72 of the Combined Nomenclature (Annex I to Council Regulation (EEC) N° 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff) certain products having a chromium content of more than 10% are also classifiable in CN codes 7202 49 10 and 7202 49 50 and are, hence, subject to the above mentioned anti-dumping duty.
- (9) However, in the course of the interim review investigation, it was established that low carbon ferro-chrome obtained from alloy steel scrap with a chromium content up to 30% (hereafter 'low chromium product') differs significantly from the product investigated in several respects. These differences are, in particular, that the low chromium product is obtained from different ingredients, that its chromium content as well as its price is considerably lower than that of the product investigated, and that it can only be used in the first stage of stainless steel production, i.e. for the preparation of a primary crude alloy steel melt.

- (10) In the light of the above differences between the low chromium product and the product investigated, it is concluded that imports of ferro-chrome with a carbon content by weight of maximum 0,5% with a chromium content lower than 30% should not be included in the product covered by the measures.
- (11) Given the fact that the present review investigation is limited to the clarification of the product that was intended to be covered by the original measures, to prevent any consequent prejudice to importers of the product, it is appropriate that the findings are applied from the date of the entry into force of the definitive Regulation.
- (12) The interested parties were informed of the facts and considerations on the basis of which it was intended to amend the definitive Regulation, were given an opportunity to comment, and did not express any objection.
- (13) Given the above, the Council concludes that the definitive Regulation should be amended as to the product coverage of the measures.
- (14) This review does not affect the date on which Regulation (EEC) No 2717/93 will expire, pursuant to Article 11(2) of the Basic Regulation,

HAS ADOPTED THIS REGULATION:

*Article 1*

Article 1(1) of Regulation (EEC) No 2717/93 is hereby replaced by the following:

« A definitive anti-dumping duty is hereby imposed on imports of ferro-chrome with a carbon content of maximum 0,5% and a chromium content by weight of 30% and more falling within CN codes 7202 49 10 and 7202 49 50 [Taric Codes: 7202 49 10 11, 7202 49 10 19, 7202 49 50 11 and 7202 49 50 19], originating in Kazakhstan, Russia and Ukraine. »

*Article 2*

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities* and shall apply to all imports of ferrochrome with a carbon content by weight of maximum 0,5% originating in Kazakhstan, Russia and Ukraine entered into free circulation in the Community as from 2 October 1993.

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

Done at Brussels,

*For the Council*  
*The President*