



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 15.02.1996  
COM(96) 52 final

Proposal for a

COUNCIL REGULATION (EC)

**EXTENDING THE SUSPENSION OF THE DEFINITIVE ANTI-DUMPING DUTIES IMPOSED ON IMPORTS OF CERTAIN TYPES OF ELECTRONIC MICROCIRCUITS KNOWN AS DRAMS  
(dynamic random access memories)  
ORIGINATING IN JAPAN AND IN THE REPUBLIC OF KOREA**

(presented by the Commission)



## Explanatory Memorandum

- (1) The Commission, by Decision (95/197/EC) of 8 June 1995<sup>(1)</sup>, suspended the definitive anti-dumping duties imposed on DRAMs originating in Japan and the Republic of Korea for a period of nine months, i.e. until 9 March 1996. This decision was adopted on the grounds that the market situation for the product in question had temporarily changed to the extent that injurious dumping no longer prevailed and that, therefore, the measures could be suspended.
- (2) The Commission has examined the data available concerning the conditions on the Community market and found that, towards the end of the initial period of suspension of the measures, the DRAM market in the Community is still stable with demand outstripping supply. Sales prices are high and the financial performance of the Community industry is still favourable. Market forecasts indicate that such market situation would be further sustained at least for 1996 and the first part of 1997.

It appears reasonable, therefore, to assume that injurious dumping on the Community market would not recur if the suspension of the measures would be extended for a period of one year, i. e. until March 1997.

- (3) The Commission has informed the complainant of its intention to propose to the Council the extension of the suspension the above anti-dumping measures and has provided it with an opportunity to comment. The complainant has raised no objections with regard to such proposal.

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(1) OJ N°L 126,9.6.1995, p.58

- (4) The attached draft Council Regulation contains more detailed information showing that the requirements contained in Article 14 (4) of Council Regulation (EC) No 3283/94 for the extension of the suspension of these anti-dumping duties are met.
- (5) Therefore, it is proposed that the Council decides to extend, for a period of one year, the suspension of the anti-dumping duties imposed on imports of DRAMs originating in Japan and Korea.

**COUNCIL REGULATION (EC) No .... /96  
of ..... /1996**

**EXTENDING THE SUSPENSION OF THE DEFINITIVE ANTI-  
DUMPING DUTIES IMPOSED ON IMPORTS OF CERTAIN TYPES  
OF ELECTRONIC MICROCIRCUITS KNOWN AS DRAMS  
(dynamic random access memories)  
ORIGINATING IN JAPAN AND IN THE REPUBLIC OF KOREA**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No. 3283/94 of 22 December 1994 on protection against dumped imports from countries not members of the European Community<sup>(1)</sup>, as last amended by Council Regulation of (EC) No.1251/95<sup>(2)</sup>, and in particular Article 14 (4) thereof,

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

Whereas:

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(1) OJ N<sup>o</sup> L 349, 31.12.94, p. 1  
(2) OJ N<sup>o</sup> L 122, 2.6.95, p.1

- (1) The Council, by Regulation (EEC) 2112/90<sup>(3)</sup>, imposed a definitive anti-dumping duty on imports into the Community of certain types of electronic microcircuits known as DRAMs (dynamic random access memories) originating in Japan, and falling under
- CN codes 8542 11 12, 8542 11 14, 8542 11 16, 8542 11 18 for finished DRAMs
  - ex 8542 11 01 for DRAM wafers, ex 8542 11 05 for DRAM-dice or -chips and
  - ex 8473 30 10 or ex 8548 00 00 for DRAM modules.
- (2) By Regulation (EEC) No 611/93<sup>(4)</sup>, the Council imposed a definitive anti-dumping duty on imports into the Community of the same products originating in the Republic of Korea.
- (3) The Commission, by Decision (95/197/EC) of 8 June 1995<sup>(5)</sup>, suspended the definitive anti-dumping duties imposed on DRAMs originating in Japan and the Republic of Korea for a period of nine months on the grounds that the market situation for the product in question had temporarily changed to the extent that injurious dumping no longer prevailed and that, therefore, the measures could be suspended for this period.

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(3) OJ N°L 193, 25.7.90, p.1, as last amended by Regulation (EEC) No 2967/92, Oj L 299 of 15.10.92, p.4

(4) OJ N° L 66, 18.3.93, p.1

(5) OJ N° L 126, 9.6.1995, p.58

- (4) On 15 July 1995 the Commission initiated a review<sup>(6)</sup> of the anti-dumping measures concerning DRAMs originating in Japan and the Republic of Korea, pursuant to Article 11 (3) and (7) of Regulation (EC) 3283/94, in order to investigate the need for the continued imposition of the measures. This review is at present pending.
- (5) Based on the information available on the market situation, in particular the sales reports of the exporters concerned, the Commission has examined whether the conditions for extending the suspension of the anti-dumping duties are met. In particular, the statistical information available and the sales data which the Commission has obtained from the Community producers and all known Japanese and Korean exporters, shows that, as the end of the initial period of suspension of the measures approaches, the DRAM market in the Community is still stable, with demand outstripping supply. Sales prices are high and the financial performance of the Community industry is still favourable. It was found that, in general, the market conditions described in recital (3) of Commission Decision (95/197/EC) have prevailed. Market forecasts indicate that such a market situation will be sustained at least for 1996 and the first part of 1997.

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<sup>(6)</sup> OJN\_ C 181, 15.7.95, p. 13

- (6) However, it is also considered that, in view of the cyclical nature of the DRAM market in the past, the current market situation might be followed by a market down-turn. This could result in a recurrence of injurious dumping and would again necessitate the application of anti-dumping measures. This consideration appears to be supported by the fact that significant additional production capacities have recently been established worldwide and in particular in Japan and the Republic of Korea, and that, in addition, further capacities will be established in the near future. It is reasonable to assume that this increase in worldwide production capacity might aggravate a possible future market down-turn.
- (7) In the light of the foregoing, it is considered appropriate to extend the suspension of the measures in question beyond the initial period of nine months, by a further period of one year, and it is considered unlikely that injurious dumping of DRAMs would recur on the Community market as a result of such extension.
- (8) Therefore, in accordance with the provisions of Article 14 (4) of the Regulation (EC) 3283/94 the Commission informed the complainant of its intention to propose to the Council to extend the suspension of the above anti-dumping duties for a period of one year and has provided it with an opportunity to comment. The complainant raised no objections in this regard.



- (9) In conclusion, it is considered that the requirements to extend the suspension of the duties concerned, pursuant to Article 14 (4) of Regulation (EC) N° 3283/94, are met and that the suspension should therefore be extended for a period of one year.
- (10) The Commission will continue to monitor closely the development of the DRAM-market and the behaviour of individual market participants, as it has done so during the initial period of suspension. Should a situation arise in which injury to the Community industry would recur, the Commission will propose that the Council reinstate the above anti-dumping duties without delay.
- (11) To this end, the obligation to submit reports on sales and prices pursuant to the undertakings will continue in order to enable the Commission to monitor the DRAM market. However, as previously stated, during the period of the extended suspension of the anti-dumping duties, the obligation to adhere to the minimum price provisions of these undertakings will be waived. The quarterly calculation and communication of such prices to these companies by the Commission will therefore be discontinued during this period.
- (12) The Advisory Committee was consulted on the suspension of the anti-dumping measures and raised no objections.

HAS ADOPTED THIS REGULATION:

**Sole Article**

The suspension of the definitive anti-dumping duties imposed on imports of certain types of electronic microcircuits known as DRAMs (dynamic random access memories) originating in Japan and the Republic of Korea by Council Regulations (EEC) 2112/90 and (EEC) No 611/93 respectively is hereby extended for a period of one year.

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

**Done at Brussels,**



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