

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 226 final

Brussels, 23rd April 1982

## PROPOSAL FOR A COUNCIL REGULATION (EEC)

imposing a definitive anti-dumping duty on oxalic acid  
originating in China and definitively collecting the amounts  
secured by way of provisional duty on oxalic acid originating  
in China and Czechoslovakia

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(presented by the Commission to the Council)

COM(82) 226 final



EXPLANATORY MEMORANDUM

1. On 19 September 1981 the Commission initiated an anti-dumping procedure concerning imports of oxalic acid originating in China, Czechoslovakia, the German Democratic Republic and Hungary(1).
2. In its preliminary investigation the Commission established that imports of oxalic acid originating in the German Democratic Republic and Hungary accounted for a small percentage of Community consumption and that any injury sustained by the Community industry was not attributable to those imports.
3. The preliminary investigation also showed the existence of dumping margins of at least 29.2% in the case of Czechoslovakia and China. In calculating the dumping margins the Commission took as the basis of normal value the constructed value in Spain, making due allowance for a profit margin of 6% which was considered reasonable.
4. With regard to the injury sustained by the Community industry, the Commission had established that as a result of the considerable increase in imports of oxalic acid originating in China and Czechoslovakia, the increase in their share of the Community market, the pressure which these imports exerted on prices and the losses sustained by Community producers, imports of oxalic acid originating in these two countries were causing material injury.
5. Consequently, the Commission imposed a provisional anti-dumping duty of 29.2% on imports of oxalic acid originating in China and Czechoslovakia(2).
6. Since the provisional duty was imposed the Commission has continued its investigation and received information from exporters, importers and Community producers which has led it to revise its conclusions with regard to dumping as set out in Regulation (EEC) No 171/82(2).

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(1) OJ No C 241, 19.9.1981

(2) OJ No L 19, 27.1.1982

7. In its subsequent investigation the Commission established that there was an average dumping margin of 34.2% in the case of imports of oxalic acid originating in China and 23.9% in the case of imports of oxalic acid originating in Czechoslovakia. These margins were calculated on the same basis as that used for the provisional duty(1).
8. The exporter of oxalic acid originating in Czechoslovakia undertook voluntarily to increase his prices to a level which, after consultation, the Commission considers to be sufficient to eliminate the dumping margin or its injurious effects. Consequently, the Commission is closing the anti-dumping procedure in respect of imports of oxalic acid originating in Czechoslovakia and, for the reasons given under point 2, in the German Democratic Republic and Hungary.
9. In view of the injury being caused to the Community industry, it is proposed that a definitive anti-dumping duty of 34.2% should be imposed on imports of oxalic acid originating in China. It is also proposed that the securities deposited in connection with the provisional duty should be collected definitively, in their entirety in the case of imports from China and in an amount equivalent to the duty of 23.9% in the case of imports from Czechoslovakia.

PROPOSAL FOR A  
COUNCIL REGULATION (EEC)

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THE COUNCIL 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<sup>(1)</sup> on protection against dumped or subsidized imports from countries not members of the European Economic Community, and in particular Article 12 thereof,

Having regard to the proposal submitted by the Commission after consultation with the Advisory Committee set up under Article 6 of Regulation (EEC) No 3017/79,

Whereas in August 1981 the Commission received a complaint submitted by CEFIC, the European Council of Chemical Industry Federations, on behalf of all Community producers of oxalic acid, setting out evidence as to the existence of dumping of the like product originating in Czechoslovakia, the German Democratic Republic, Hungary and China and of material injury resulting therefrom;

Whereas, since there was sufficient evidence to justify initiating proceedings the Commission published in the Official Journal of the European Communities of 19 September 1981<sup>(2)</sup> a notice of the initiation of an anti-dumping procedure concerning imports of oxalic acid originating in Czechoslovakia, the German Democratic Republic, Hungary and China, so advised the exporters and importers known by the Commission to be concerned, as well as the complainants and commenced the investigation at Community level;

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(1) OJ No L 339, 31.12.1979, p. 1

(2) OJ No C 241, 19.9.1981

Whereas, since the preliminary examination of the matter showed that there was dumping, that there was sufficient evidence of injury and that the interests of the Community called for immediate intervention, the Commission, by Regulation (EEC) No 171/82<sup>(1)</sup>, imposed a provisional anti-dumping duty on oxalic acid originating in China and Czechoslovakia;

Whereas in its preliminary investigation the Commission established that imports to the EEC of oxalic acid from the German Democratic Republic and from Hungary accounted for a small percentage of EEC consumption during the reference period; whereas injury, if any, sustained by the EEC producers and attributable to these imports was considered minimal;

Whereas the Commission accordingly excluded imports of oxalic acid originating in the German Democratic Republic and Hungary from the application of the provisional duty;

Whereas during the subsequent examination regarding the German Democratic Republic and Hungary the Commission received no evidence to alter its preliminary findings regarding injury caused by imports from these countries and has accordingly terminated the proceedings regarding such imports;

Whereas in the course of the subsequent examination regarding exports from China and Czechoslovakia, completed after the imposition of the provisional anti-dumping duty, the interested parties had the opportunity to make known their views in writing, to be heard by the Commission and to orally develop their views, to inspect non-confidential information relevant to the defence of their interests and to be informed of the essential facts and considerations on the basis of which it was intended to make a final determination; whereas the Community producers, the exporters and some of the importers concerned availed themselves of these possibilities by making known their views in writing and orally;

Whereas the Czechoslovakian exporter also availed itself of the opportunity given to it by the Commission to meet with the EEC producers and exchange views;

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<sup>(1)</sup> OJ No L 19, 27.1.1982

Whereas the Commission has also carried out inspections at the premises of importers from whom no information was available during the preliminary investigation notably Arnold Suhr (Antwerp), and Metallurgie Hoboken-Overpelt (Hoboken) in Belgium and has obtained further information from importers who had made information available during the preliminary investigation;

Whereas as regards the subsequent investigation of dumping in respect of imports of the product concerned from China and Czechoslovakia no evidence was obtained to show that the price in Spain, on which the determination of normal value was based had decreased since the date of the preliminary determination of the dumping margin;

Whereas updated information was received from the Chinese and Czechoslovakian exporters regarding their export prices; whereas taking into account this information and that received from importers during the subsequent investigation the Commission revised its calculations of dumping margins for imports of oxalic acid to various Member States;

Whereas these margins were established by making the same comparison as set out in the said Regulation (EEC) No 171/82;

Whereas, on this basis the average current dumping margin is 34.2% for China and 23.9% for Czechoslovakia;

Whereas all such imports during the period under consideration were made at dumped prices;

Whereas, in the course of the subsequent examination of injury, the following new information was received :

- imports into the Community of the oxalic acid in question originating in China and Czechoslovakia rose from approximately 2.696 tonnes in 1978 to 11.464 tonnes in 1980 and are estimated to have reached 5.087 tonnes in 1981;
- the market share held by such imports in the Community was approximately 17% in 1978, rising to approximately 57% in 1980, and is estimated to have reached 46% in 1981;
- production of oxalic acid in the Community has fallen from 14 740 tonnes in 1979 to 7 670 tonnes in 1980 and to 6 025 tonnes in 1981;
- capacity utilization has fallen from 67% in 1979 to 34% in 1980 and to an estimated 26% in 1981;
- sales by Community producers have been reduced by more than 68% from 1979 to 1981;

Whereas as regards the other aspects of injury, caused by the dumped imports no new information has been received since the preliminary determination;

Whereas the Commission has considered the injury caused by other factors which individually or in combination may also be affecting the Community industry; whereas the apparent consumption of oxalic acid in the Community fell from approximately 16 000 tonnes in 1978 and 1979 to 11 100 tonnes in 1981, while during the same period, Chinese and Czechoslovakian exporters increased their market share;

whereas imports of oxalic acid originating in other third countries have been in small or insignificant quantities to which injury could not be attributed; whereas, although production methods and raw materials differ between the Community and Chinese producers, such differences were not considered to be of any significance; whereas under these circumstances the dumped imports originating in China<sup>and Czechoslovakia</sup> are definitively considered to have caused material injury to a Community industry;

Whereas two users of Chinese oxalic acid have argued that any price increase of this product would have a negative impact on their processing industries; whereas, however, given the extent of dumping<sup>and</sup> of injury resulting therefrom and given the importance of the Community industry affected, the Commission considers that the Community's interests calls for a definitive action;

Whereas the Czechoslovakian exporter has voluntarily undertaken to increase its prices to a level which eliminates the injurious effects of these exports to the Community;

Whereas the Commission considers this undertaking to be acceptable and that the proceedings concerning Czechoslovakia should be terminated without imposition of a definitive anti-dumping duty and

consequently, no definitive duty should be imposed on Czechoslovakian exports;

Whereas, however, the amounts secured by way of provisional duty should be collected up to the amount of the revised dumping margin determined;

Whereas, as regards imports of China, a definitive duty should be imposed, equal to the margin established in the subsequent investigation; whereas Community interests also call for the definitive collection in their entirety of the amounts secured by way of provisional duty;

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty<sup>is</sup> hereby imposed on oxalic acid falling within Common Customs Tariff subheading ex 29.15 A I and corresponding to NIMEXE Code ex 29.15-11 originating in China.

2. The rate of the duty shall be 34.2% on the basis of the customs value determined in accordance with Council Regulation (EEC) No 1224/80 of 28 May 1980 on the valuation of goods for customs purposes(1).

3. The provisions in force concerning customs duties shall apply for the application of this duty.

## Article 2

The amounts secured by way of provisional duty under Regulation (EEC) No 171/82 shall be definitively collected in their entirety as regards imports from China. In the case of imports originating in Czechoslovakia, the amounts secured by way of provisional duty shall be definitively collected up to an amount not exceeding 23.9% of the customs value determined in accordance with Council Regulation (EEC) No 1224/80 of 28 May 1980 on the valuation of goods for customs purposes (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.

Done at Brussels

For the Council

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(1) OJ No L 134, 31.5.1980, p. 1