

COMMISSION OF THE EUROPEAN COMMUNITIES

GIFT AND EXCHANGE

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Proposal for a

COUNCIL REGULATION (EEC)

adopting special measures in respect of imports of certain steel nuts from Taiwan

(submitted to the Council by the Commission)

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Explanatory Memorandum

On 7 August 1976, the Commission published in the Official Journal of the European Communities a Notice of the initiation of an enquiry, based on Regulation (EEC) n°s 459/68 and 1439/74, into imports of threaded or tapped steel nuts originating in Taiwan.

During the course of this enquiry the Taiwanese exporters of such nuts gave Undertakings to increase their export prices to the Community. The Commission accepted these Undertakings but decided not to terminate the enquiry until it could be established that the Undertakings were being respected. It, therefore, established a retrospective monitoring of imports of these products from Taiwan.

The details communicated to the Commission by the Member States in inplementation of this monitoring system indicate that there has been widespread evasion and violation of the Undertakings. Imports are effected at prices which are lower than those provided for in the Undertakings. The difference varies from transaction to transaction but is generally in the region of 15%.

The Commission, therefore, submits to the Council the attached Proposal for a Regulation imposing a special duty of 15% on imports of certain nuts of iron or steel, originating in Taiwan, as provided for in Article 1 (2) of Regulation (EEC) N° 459/68.

Proposal for Council Regulation (EEC)

adopting special measures in respect of imports of certain steel nuts from Taiwan

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas Article 1(2) of Council Regulation (EEC) N° 459/68 of 5
April 1968 on protection against dumping or the granting of bounties or subsidies by countries which are not members of the European Economic Community (1), as last amended by Regulation (EEC) No 1411/77(2), provides that special measures may be adopted if such action does not run counter to obligations under the GATT;

Whereas imports into the Community of threaded or tapped nuts, of iron or steel, originating in Taiwan, increased from 200 tonnes in 1974 to over 9000 tonnes in 1976 and whereas these imports were effected at prices which were considerably lower than those prevailing among Community producers of like or directly competing products; whereas these imports are concentrated mainly on nuts of a hole diameter not exceeding 10 millimetres; Whereas these factors allowed the Taiwanese exporters of such nuts to obtain a market share of over 18% in the Community in 1976;

Whereas these developments took place to the detriment of the of similar nuts Community industry whose production/decreased from 38000 tonnes in 1974 to 20000 tonnes in 1976, where employment was reduced by 30% between 1974 and 1975 and where numerous firms have had to cease production;

Whereas, in order to ascertain the extent and the source of the critical situation in which this Community industry found itself, the Commission initiated an enquiry covering dumping, subsidies and the terms and conditions on which imports were effected;

⁽¹⁾ O.J. Nº L 93, 17.4.1968, p.1.

⁽²⁾ O.J. Nº L160, 30.6.1977; p.4.

Whereas the Commission officially notified the importers and exporters known to be concerned and published in the Official Journal of the European Communities of 7 August 1976 a notice of the initiation of the said enquiry (1);

Whereas, in the course of the examination of the matter, carried out in collaboration with the Member States, the Commission gave interested parties the opportunity to make known their views in writing and gave to the parties directly concerned the opportunity to meet and to present opposing views and rebuttal arguments;

Whereas, in the course of the said investigation, the Taiwanese exporters undertook to increase their export prices to the Community to a level which satisfied the Commission that, if such undertakings were respected, the introduction of protective measures was not, for the moment, necessary;

Whereas, however, the Commission considered that it was not opportune to terminate its enquiry on dumping, subsidies and the terms and conditions on which imports were effected until it could be established that the undertakings given were being respected;

Whereas, therefore, the Commission, by Decision 77/280/EEC (2), established a retrospective monitoring of imports into the Community of certain nuts from Taiwan;

Whereas the information communicated to the Commission by Member States in application of the said Decision shows that the undertakings given have been evaded and violated and that the import prices to the Community of these products vary at levels around 15% below the prices contained in the Undertakings;

Whereas, in order to safeguard the Community industry which is already in a critical situation, it is necessary and in the interests of the Community to adopt special measures, as provided for in Article 1 (2) of Regulation 459/68, in respect of imports of these products from Taiwan, these measures to take the form of a duty additional to the normal customs duty on the said products,

^{(1) 0.}J. N° C183, 7.8.1976, p.4.

⁽²⁾ O.J. N° L 93,15.4.1977, p.18.

HAS ADOPTED THIS REGULATION:

Article 1

- 1. A special duty, additional to the normal custom duties, taxes and other charges normally imposed on imports, is hereby imposed on the following products, originating in Taiwan:
 - threaded or tapped nuts, of iron or steel, turned from bars, rods, angles, shapes, sections or wire, of solid section, of a hole diameter not exceeding 6 millimetres, falling within subheading ex 73.32 BI of the Common Customs Tariff;
 - threaded or tapped nuts, of iron or steel, separately consigned, of a hole diameter not exceeding 10 millimetres, falling within subheading ex 73.32 B II of the Common Gustoms Tariff.
- 2. The said duty shall be at a rate of 15% on the basis of the value declared in conformity with Commission Regulation (EEC) No:375/69 of 27 February 1969 on the declaration of particulars relating to the value of goods for customs purposes.
- 3. The provisions in force for the collection of customs duties shall apply for the collection of this duty.

Article 2

Article 18 of Regulation 459/68 shall apply by analogy to the special measures adopted in this Regulation.

Article 3

This Regulation shall enter into force on the day following 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

The President

^{(1) 0.}J. N° L 52, 3.3.1969, p.1.