

COMMISSION OF THE EUROPEAN COMMUNITIES

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COM(78) 397 final

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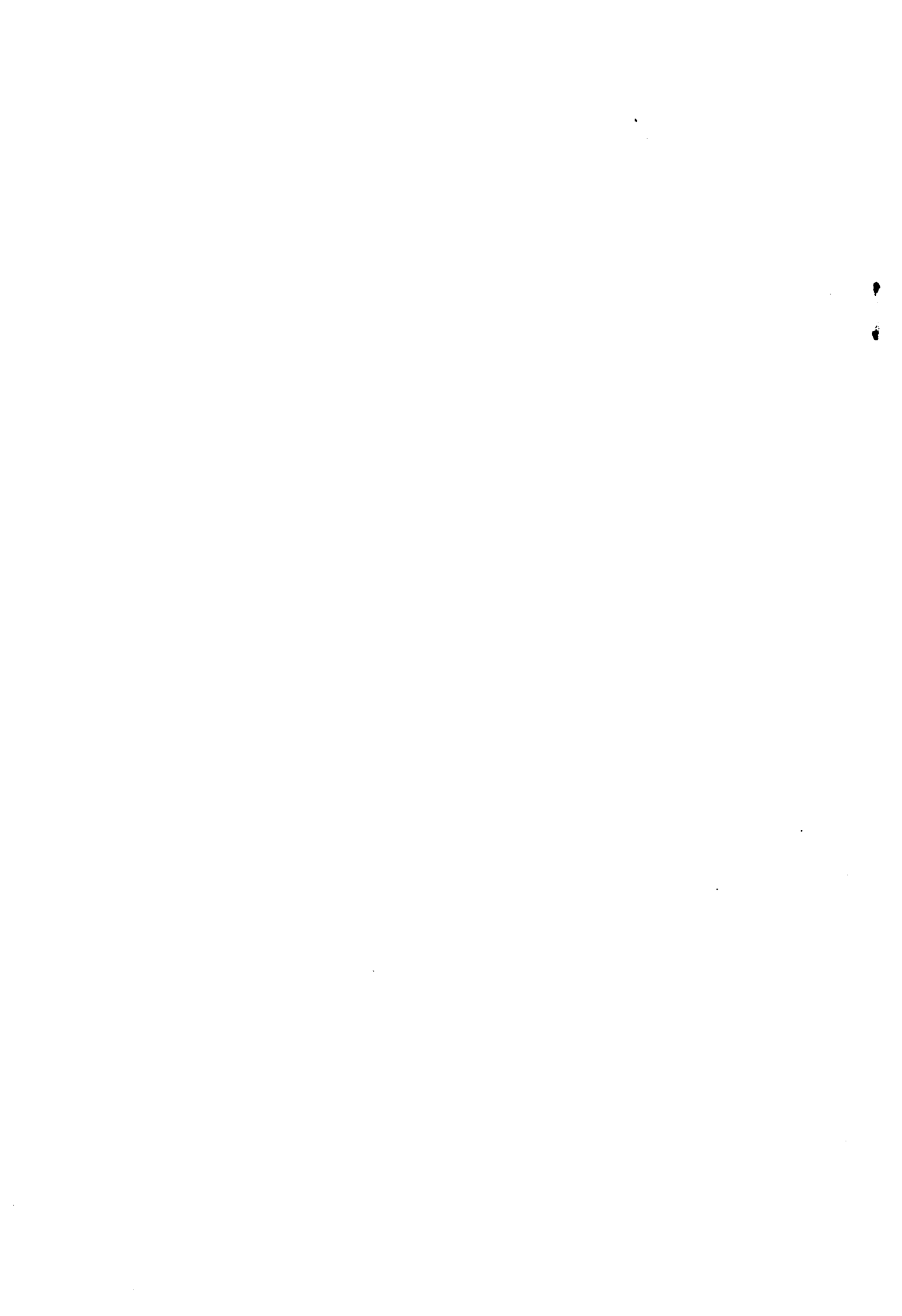
Proposal for a

COUNCIL REGULATION (EEC)

imposing a definitive anti-dumping duty on kraft liner
paper and board originating in the United States of
America

(submitted to the Council by the Commission)

COM(78) 397 final



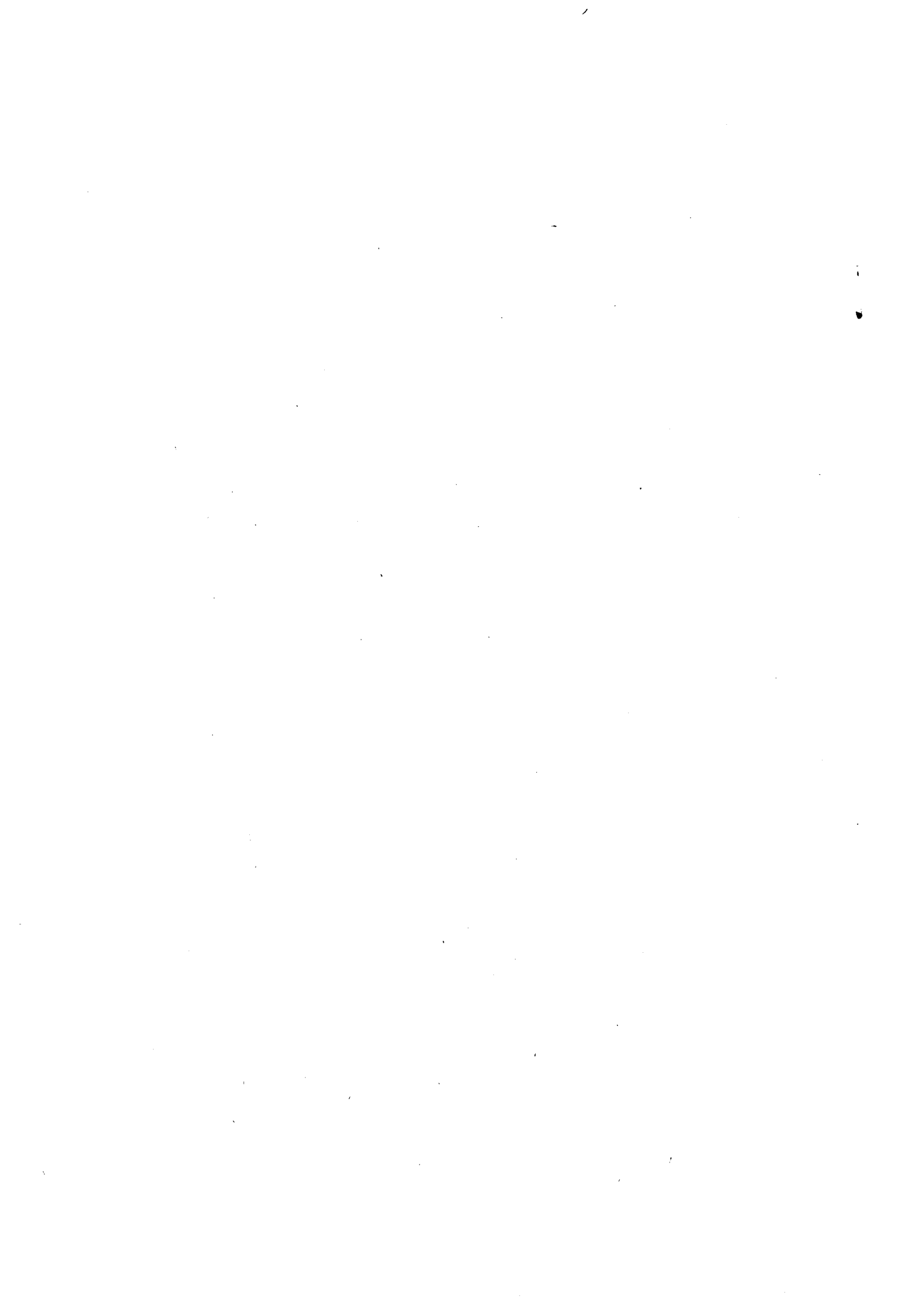
Explanatory Memorandum

By Regulation (EEC) N° 511/78 of 7 March 1978 the Commission imposed a provisional anti-dumping duty on kraft liner paper and board originating in the United States of America. This was extended with certain modifications by Council Regulation (EEC) N° 1226/78 of 9 June 1978 which applies until the entry into force of an Act of the Council adopting definitive measures or, at the latest, until the expiry of a period of three months beginning on 11 June 1978.

Since the imposition of the duty the Commission's services have continued their examination of this matter in collaboration with the Member States. This included an on-spot investigation of the two major American exporters plus two other American companies which had announced domestic price increases in the United States market.

The facts as finally established show that there is dumping and injury and that the amounts secured by way of provisional duty should be definitively collected. These facts also show that the fair market prices established by the provisional anti-dumping duty are currently justified and should be used as the basis for the definitive duty.

In these circumstances, the Commission submits the attached proposal for a Council Regulation imposing a definitive anti-dumping duty on kraft liner paper and board originating in the United States of America and providing for the definitive collection of the amounts secured by way of provisional duty.



PROPOSAL FOR A COUNCIL REGULATION (EEC)

imposing a definitive anti-dumping duty on kraft liner paper and board
originating in the United States of America

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 Council Regulation (EEC) N° 459/68 of 5 April 1968 on pro-
tection 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) N° 1411/77⁽²⁾, and in particular Article 17 thereof,

Having regard to the proposal made by the Commission after hearing the
opinions expressed in the Advisory Committee set up under Regulation (EEC)
N° 459/68,

Whereas the Commission has received a complaint submitted in the name of
the Community liner board industry setting out evidence as to the existence
of the dumping of like products originating in various countries, as well as
material injury resulting therefrom;

Whereas, since it appeared from the information received that the complaint was
admissible and that defensive measures against dumping might be necessary,
the Commission officially notified the representatives of the exporting
countries and the importers and exporters known to be concerned, published
in the Official Journal of the European Communities of 17 December 1977, of
3 March 1978 and of 3 May 1978 notices of the initiation of enquiries concern-
ing imports of kraft liner originating in the USA⁽³⁾, Sweden, Finland,
Austria, Portugal, Canada⁽⁴⁾ and the Soviet Union⁽⁵⁾ and commenced an
examination of the facts for all the above-mentioned countries;

Whereas, since preliminary examination of the matter showed that there was
dumping and since there was sufficient evidence of injury and the interests of
the Community called for immediate intervention, the Commission, by Regulation
(EEC) N° 511/78⁽⁶⁾ imposed a provisional anti-dumping duty on kraft liner
paper and board, originating in the United States of America, the period of
validity of which was extended by Regulation (EEC) No 1226/78⁽⁷⁾;

(1) OJ N° L 93, 17.04.1968, p. 1

(2) OJ N° L 160, 30.06.1977, p. 4

(3) OJ N° C 304, 17.12.1977, p. 3

(4) OJ N° C 54, 03.03.1978, p. 2

(5) OJ N° C 105, 03.05.1978, p. 5

(6) OJ N° L 69, 07.03.1978, p. 9

(7) OJ N° L 153, 09.06.1978, p. 1

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Whereas, in order to examine the existence of dumping, the Commission compared the export prices to the Community with those prevailing on the domestic markets concerned;

Whereas these comparisons were made at the ex-factory level, and in respect of sales made at the same time, due allowance having been made, on their merits, for differences in transport and ancillary costs, in the conditions and terms of sale, in duties and taxation and for other differences affecting price comparability;

Whereas this examination of the matter shows that dumping has taken place, the margin of which varies considerably depending on the exporting firm and the date of the transaction;

Whereas, with regard to injury to the industry concerned, the evidence available to the Commission shows that imports into the Community of kraft liner originating in the USA, Sweden, Finland, Austria, Portugal, Canada and the Soviet Union have increased from a level of approximately 1.1 million tonnes in 1975 to 1.6 million tonnes in 1977;

Whereas the imports concerned represent a market share in the Community of 70% in 1975 and 80% in 1977 and consequently have a very considerable influence on the market;

Whereas the prices of these imports on the Community market have fallen considerably, particularly in recent months, thus exercising a depressive effect on the Community producers' prices;

Whereas this development has taken place to the detriment of the Community industry, which is in a difficult situation, characterized by large unsold stocks, the complete cessation of production in one area of the Community with consequent loss of jobs, and short-time working for the personnel of the enterprises concerned, and by a reduction in profits or heavy losses for several of the firms concerned.

Whereas, therefore, the facts as finally established show that, due consideration having been given to the other factors having a bearing on the situation of this industry, as, for example, the rather limited imports from other sources and competition from substitutable products, the dumped imports are causing and threatening to cause material injury to the Community industry;

Whereas in the meantime voluntary undertakings to revise prices to levels considered satisfactory have been given on behalf of Swedish, Finnish, Austrian, Canadian, Portuguese and Soviet Union exporters; whereas those undertakings have been accepted by the Commission, which, as a consequence, has decided to terminate the procedures in question,

Whereas, in the circumstances, the interests of the Community render necessary the imposition of a definitive anti-dumping duty on imports of kraft liner paper and board originating in the United States of America and the definitive collection of the amounts secured by way of provisional duty in respect of kraft liner paper and board of American origin;

Whereas, in order to ensure fair treatment of imports at different prices, the amount of the duty should be the difference between the declared price of the goods and their fair market price in the United States of America brought up to a CIF Community frontier basis,

HAS ADOPTED THIS REGULATION:

Article 1

A definitive anti-dumping duty is hereby imposed on kraft liner paper and board, falling within Common Customs Tariff subheading ex 48.01 C II and corresponding to NIMEXE codes 48.01-15, 21, 27 and 31, originating in the United States of America.

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

Article 2

The amount of such duty shall correspond to the difference between the fair market price in the United States of America as set out below and the free-at-frontier Community price, duty unpaid, per tonne net to the first importer.

For the purposes of this Regulation, the fair market prices in the United States of America brought up to a CIF Community frontier basis, duty unpaid, are as follows:

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	<u>Per tonne</u>
Nominal weight 175 grams or more per square metre:	US\$ 258
Nominal weight 150 grams or more and less than 175 grams per square metre:	US\$ 268
Nominal weight less than 150 grams per square metre:	US\$ 278

The above fair market prices:

- shall be reduced by 1% if payment is made immediately on receipt of the goods by the first importer in the Community,
- shall be net if payment is made within 30 days of the receipt of the goods by the first importer in the Community,
- shall be increased by 1% for each subsequent 30 day period of credit.

Where prices are invoiced by reference to area, the fair market price per 100 square metres shall be calculated in accordance with the following formula:

Fair market price in US\$ per tonne X nominal gram weight
per square metre

10 000

The actual gram weight may vary by ± 5% from the nominal gram weight.

Article 3

The amounts secured by way of provisional duty under the provisions of Regulation (EEC) N° 511/78 extended by Regulation (EEC) N° 1226/78 shall be definitively collected to the extent that they do not exceed the rate of duty fixed in this Regulation.

Article 4

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

For the Council

