Proposal for a

COUNCIL REGULATION

imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cathode-ray colour television picture tubes originating in India and the Republic of Korea, and terminating the anti-dumping proceeding in respect of imports originating in Lithuania, Malaysia and the People’s Republic of China

(presented by the Commission)
EXPLANATORY MEMORANDUM

On 29 July 1999, the Commission opened an anti-dumping investigation with regard to imports into the Community of 14-inch cathode ray colour television picture tubes (CPTs) originating in India, Lithuania, Malaysia, the People’s Republic of China ("China") and the Republic of Korea ("Korea").

The Commission, by Regulation (EC) No 837/2000\(^2\), imposed provisional anti-dumping duties on imports of CPTs originating in India, Malaysia, China and Korea, falling within CN code ex 8540 11 11. In the same Regulation, it was provisionally concluded that no anti-dumping duty should be imposed on imports originating in Lithuania, because the dumping margin found in this case was below the 2% threshold set in Article 9(3) of Council Regulation (EC) No 384/96\(^3\).

After the imposition of provisional anti-dumping duties the Commission services deepened the dumping and injury analysis. The attached proposal for a Council Regulation imposing a definitive anti-dumping duty is based on the definitive findings on dumping, injury, causation and Community interest.

The measures proposed are *ad valorem* duties to be applied on imports of CPTs originating in India (20.5%) and Korea (19.7%). The proceeding with respect to Lithuania and Malaysia, for which the dumping was found to be below the “*de minimis*” level, and with respect to China, for which the market share held by the Chinese imports was found to be below the *de minimis* threshold, should be terminated.

It is therefore proposed that the Council adopt the attached proposal for a Regulation which should be published in the Official Journal no later than 27 October 2000.

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1. OJ C 216, 29.7.1999, p. 3.
2. OJ L 102, 27.4.2000, p. 15.
Proposal for a

COUNCIL REGULATION

imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cathode-ray colour television picture tubes originating in India and the Republic of Korea, and terminating the anti-dumping proceeding in respect of imports originating in Lithuania, Malaysia and the People’s Republic of China

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 Community¹, and in particular Article 9 thereof,

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

Whereas:

A. Procedure

1. Provisional measures

(1) By Commission Regulation (EC) No 837/2000² ("the provisional Regulation") provisional anti-dumping duties were imposed on imports into the Community of cathode-ray colour television picture tubes with a diagonal measurement of the screen (i.e. the active part of the picture tube measured in a straight line) exceeding 33 cm but not exceeding 38 cm, with a screen width/height ratio less than 1,5 and with a pitch (i.e. the gap between two lines of the same colour at the centre of the screen) of not less than 0,4 mm ("CPTs"), originating in India, Malaysia, the People's Republic of China ("China") and the Republic of Korea ("Korea"), falling within CN code ex 8540 11 11 (TARIC code 8540 11 11 * 94).

(2) Considering that the dumping margin found in the case of Lithuania was below the 2% threshold set in Article 9(3) of Council Regulation (EC) No 384/96 ("the Basic Regulation"), no provisional measures were imposed in respect of this country.

2. Subsequent procedure

² OJ L 102, 27.4.2000, p.15.
Following the imposition of provisional anti-dumping duties, parties received disclosure of facts and considerations on which the provisional Regulation was based. Some parties submitted comments in writing. All interested parties who so requested were granted an opportunity to be heard by the Commission. Parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of a definitive anti-dumping duty and the definitive collection, at the level of this duty, of amounts secured by way of the provisional duty. They were also granted a period within which to make representations subsequent to this disclosure.

The oral and written comments submitted by the interested parties were considered and, where appropriate, taken into account for the definitive findings.

The Commission continued to seek all information it deemed necessary for the purpose of its definitive findings.

B. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

As the only comment received under this heading following disclosure of the provisional findings concerned the product manufactured by the Chinese exporting producer, and as it is considered appropriate to terminate the proceeding with respect to this country (see recital 85 below), the contents and conclusions of recitals 7 to 10 of the provisional Regulation are hereby confirmed.

C. DUMPING

1. Lithuania

1.1 Normal value

The complainant alleged that the depreciation and R&D costs reported by the sole Lithuanian exporting producer were too low. However, it did not provide any evidence in support of this claim. The costs reported were nonetheless reviewed and found not to be understated. The argument raised by the complainant was therefore rejected and the findings set out in recital 35 of the provisional Regulation are therefore confirmed.

1.2 Export price and comparison

No comments were made under these headings. The findings set out in recitals 36 and 37 of the provisional Regulation are therefore confirmed.

1.3 Dumping margin

The dumping margin (1.3%) established in recital 38 of the provisional Regulation is therefore confirmed as \textit{de minimis}.

2. Malaysia

2.1 Normal value and export price

As no new information was submitted, the findings set out in recitals 11 to 13 of the provisional Regulation are confirmed.
2.2 Comparison

(11) One of the two Malaysian exporting producers claimed that an adjustment to normal value should be made with regard to after-sales costs. This claim was examined and it was found appropriate to grant an adjustment in this respect. Moreover, it was considered more appropriate to use, in respect of the comparison between the normal value and the export price of one exporting producer, the same methodology (i.e. monthly average exchange rates) already applied at the provisional stage in respect of the other exporting producer.

(12) With the exception of the above, the findings set out in recital 14 of the provisional Regulation are confirmed.

2.3 Dumping margin

(13) As a result of the changes referred to at recital 11 above, the dumping margins were definitively established as follows:

- Samsung Electron Devices (M) SDN.BHD: 0.7%,
- Chungwha Picture Tubes (M) SDN.BHD: 4.5%.

(14) With regard to imports originating in Malaysia, it should be noted that the two exporting producers above represent the entirety of exports originating in this country. In order to assess whether, on a country-wide basis, the dumping margin was de minimis, a weighted average country-wide dumping margin was established. It was found that this margin was de minimis because of the weight of Samsung's exports as compared to Chungwha's exports. In view of the country-wide de minimis dumping margin, Chungwha's low dumping margin and the overall low impact of imports from Malaysia, it has been concluded that the investigation should be terminated without the adoption of protective measures with regard to imports originating in Malaysia, in accordance with Article 9(3) of the Basic Regulation.

3. China

(15) After having examined the comments made by interested parties, it is confirmed that dumping in respect of China exists at significant levels. However, in view of the conclusions reached at recital 35 below on the de minimis import volume originating in China, and in view of the termination of the proceeding with respect to China (see recital 85 below) it was not deemed necessary to set out the determination concerning dumping.

4. India

(16) It is recalled that no exporting producer from India cooperated in the investigation and, therefore, the findings had to be made on the basis of facts available.

4.1 Normal value

(17) No comments were received under this heading. The calculation of normal value was revised, in order to reflect the modifications referred to at recital 11 above.

4.2 Export price and comparison
(18) No comments were received under these headings. The findings set out in recitals 18 and 19 of the provisional Regulation are therefore confirmed.

4.3 Dumping margin

(19) As a result of the changes to normal value referred to at recital 17 above, the dumping margin was definitively established as follows:

- All companies: 20.5%.

5. Korea

(20) It is recalled that no exporting producer from Korea cooperated in the investigation and, therefore, the findings had to be made on the basis of facts available.

5.1 Normal value

(21) No comments were received in this respect. The calculation of normal value was revised, in order to reflect the modifications referred to at recital 11 above.

5.2 Export price and comparison

(22) No comments were received under these headings. The findings set out in recitals 23 and 24 of the provisional Regulation are therefore confirmed.

5.3 Dumping margin

(23) As a result of the changes to normal value referred to at recital 21 above, the dumping margin was definitively established as follows:

- All companies: 19.7%.

D. DEFINITION OF THE COMMUNITY INDUSTRY

(24) Since no comments were received regarding the definition of the Community industry, the conclusions of recitals 39 and 40 of the provisional Regulation are hereby confirmed.

E. INJURY

1. Consumption of CPTs in the Community

(25) After the imposition of provisional measures the data on consumption as established in the provisional Regulation had to be amended to ensure in particular that the available data for companies located in the Community and related to exporting producers in the countries concerned were included. The new findings confirmed the decline in consumption of CPTs in the Community (see recital 45 of the provisional Regulation) as follows:
Table 1 Consumption of CPTs in the Community

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</thead>
<tbody>
<tr>
<td>Index 1995 =100</td>
<td>100</td>
<td>88</td>
<td>74</td>
<td>74</td>
<td>70</td>
</tr>
<tr>
<td>Index 1997= 100</td>
<td>100</td>
<td>99</td>
<td>94</td>
<td></td>
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</tbody>
</table>

Source: Data submitted by the Community industry and by Community operators related to exporting producers; EUROSTAT

(26) Overall, the Community market decreased by 30% in terms of volume during the period considered. It should be noted that the main decrease took place in the period 1995 to 1997 (-26%). However, as it can likewise be seen from the above table, consumption in the Community gained stability as from 1997. Indeed, consumption remained at the same level in 1997 and 1998 followed by a slight decrease of 5% during the IP.

(27) It is recalled that the main decrease of Community consumption is attributable to the fact, that in the first part of the period considered, part of the production of 14-inch colour television sets ("CTVs") in the Community has been transferred to certain Central and Eastern European Countries (CEEC) (see recital 46 of the provisional Regulation). The effects of the relocation process are examined in recitals 63 to 65 below.

2. Imports of CPTs into the Community from the countries concerned

2.1 Lithuania and Malaysia: de minimis dumping margin

(28) The investigation confirmed that the margin of dumping established for Lithuania was de minimis. In addition, as explained in recital 14 above, the weighted average margin of dumping established for Malaysia, at the definitive stage was also found to be below the de minimis threshold.

2.2 China: negligible imports

(29) One producer located in China claimed to be the only producer in the country and to have sold a negligible volume of CPTs for export to the Community during the investigation period. In addition, it claimed that the discrepancy between its sales volume for export to the Community and the EUROSTAT import statistics was due to the fact that the CN code used for CPTs in these statistics also included other CPTs with dimensions above and below 14-inch, i.e. these not covered by this proceeding. In this context, it pointed out that the Community industry had a joint venture with a company located in China and that this might also explain the above discrepancy.

(30) It also claimed that its actual sales volume for export to the Community was below the de minimis threshold, on the basis that the level of consumption established by the Commission at provisional stage (see recitals 41 to 44 of the provisional Regulation) was highly imprecise, and requested that the investigation should be terminated with respect to China.
In order to examine the above claims, the Commission examined the Chinese export statistics, requested information from the European Union Delegation in China and investigated data submitted by the Community industry.

According to the Chinese statistics the export volume to the Community was even higher than that reported in the EUROSTAT statistics. However, this was explained by the fact that the relevant statistics covered different types of CPTs including those not covered by this proceeding.

The Community industry provided information on the joint venture it had in China. On this basis, it was found that this joint venture did not produce products covered by the CN code concerned but other display components. As regards the discrepancy between the EUROSTAT import statistics and the import figures declared by the Chinese exporting producer, it should be noted that, as mentioned above, the facts available do not exclude that CPTs other than the product concerned were exported from China to the Community.

Furthermore, the investigation did not identify any other Chinese exporter of the product concerned than the abovementioned company.

Based on these considerations, and taking into account the fact (a) that the volume of imports from China has significantly decreased during the period considered (83%), (b) that the CN code for the product concerned also includes products not covered by the present investigation and that therefore the EUROSTAT import statistics may not necessarily accurately reflect the imports of the product concerned from China, (c) that the volume of imports declared by the Chinese producer in its questionnaire response was below the de minimis threshold in Article 5(7) of the Basic Regulation and (d) that there was no information to suggest that the above Chinese producer was not the only Chinese manufacturer to sell the product concerned for export to the Community, it was found appropriate to consider that the market share held by Chinese imports was below the de minimis threshold.

Consequently, given the conclusions reached in recital 28 above concerning Lithuania and Malaysia, and recital 35 concerning China, only the imports from the remaining two countries, India and Korea, were analysed in the remaining injury assessment and are referred to as imports from the "countries concerned" hereafter.

The import volumes originating in the countries concerned developed as follows:

<table>
<thead>
<tr>
<th>Table 2 Import volumes from the countries concerned in the Community</th>
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<tr>
<td>Index 1995 = 100</td>
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<tr>
<td>Index 1997 = 100</td>
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Overall, the volume of imports from the countries concerned decreased by 39% during the period considered. The above table shows that dumped imports, while decreasing between 1995 and 1997 (-84%), rose again significantly as from 1997 towards the IP (+291%).

2.4.2 Market share of imports

In view of the revised consumption figures the market share held by dumped imports from the countries concerned in the Community developed as shown below:

Table 3 Market share of imports from the countries concerned in the Community

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<tbody>
<tr>
<td>Index</td>
<td>100</td>
<td>45</td>
<td>21</td>
<td>81</td>
<td>88</td>
</tr>
<tr>
<td>Index 1995 = 100</td>
<td>100</td>
<td>385</td>
<td>414</td>
<td></td>
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</tbody>
</table>

Source: Questionnaire replies of Community industry and EUROSTAT

The above table shows that while the market share decreased during the period 1995 to 1997 by 9.5 percentage points, it increased by 8 percentage points in the period 1997 to the IP.

2.4.3 Average price of imports

It is recalled that according to the conclusions reached in recital 55 of the provisional Regulation the average import price for CPT's originating in India, Malaysia, China and Korea already showed a declining trend (-11% in the period considered and -19% in the period 1997 to the IP). After the exclusion of Malaysia and China it was found that the price developments were more pronounced:
Table 4 Average import prices from the countries concerned in the Community

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<tbody>
<tr>
<td>ECU/unit</td>
<td>39,36</td>
<td>42,15</td>
<td>45,27</td>
<td>34,85</td>
<td>31,85</td>
</tr>
<tr>
<td>Index 1995=100</td>
<td>100</td>
<td>107</td>
<td>115</td>
<td>89</td>
<td>81</td>
</tr>
<tr>
<td>Index 1997=100</td>
<td>100</td>
<td>77</td>
<td>70</td>
<td></td>
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</tr>
</tbody>
</table>

Source: EUROSTAT

From 1995 up to the IP, the sales prices charged by the exporting producers concerned on the Community market decreased by 19%. The decreasing trend is even more severe looking at the development between 1997 and the IP when the average import price fell by 30%. This situation occurred together with the 291% increase in import volume.

In addition, between 1997 and the IP the average import price decreased much more (-30%) than the average Community industry price (-19%).

2.5 Price undercutting

(42) Since the above analysis of the imports concerned has no impact on price undercutting, the conclusions in recital 59 of the provisional Regulation are confirmed in respect of India and Korea. The results of the comparison showed that the average price undercutting margins, expressed as a percentage of the Community industry's average selling prices, were 14,7% for India and 10,8% for Korea.

2.6 Conclusion

(43) Based on the above facts and considerations, it was found that the volume of dumped imports originating in the countries concerned developed in two steps. Between 1995 and 1997, imports significantly decreased. However, during the period 1997 to the IP they recovered and increased by 291%. As regards market share a similar trend was established. The market share of imports from the countries concerned decreased during the period 1995 to 1997 by 9.5 percentage points, but it increased by 8 percentage points in the period 1997 to the IP. Similarly, import prices, which increased by 15% until 1997 subsequently decreased by 30%.

3. Economic situation of the Community industry

(44) No comments were received regarding the provisional injury analysis which indicated that most of the economic indicators pertaining to the Community industry followed a significant decreasing trend (recitals 60 to 69 and 72 to 79 of the provisional Regulation). However, in particular in view of the change in the Community consumption, the findings with respect to the situation of the Community industry are outlined below.

It should be noted that the decreasing trend of the economic indicators pertaining to the Community industry was particularly significant in the period 1997 to the IP.
As stated in recital 60 of the provisional Regulation, given that only one producer constitutes the Community industry, the data relating to the Community industry has been indexed in order to preserve the confidentiality of the data submitted in accordance with Article 19 of the Basic Regulation. It should also be noted that all indicators explicitly listed in Article 3 (5) of the Basic Regulation were examined. Those which were found relevant are set out below.

3.1 Production

(45) It is recalled that the Community industry CPTs production increased by 9% during the period considered (see recital 64 of the provisional Regulation). It should also be pointed out that in a time when CTVs production was relocated to certain CEEC, the Community industry maintained its CPT production in the Community.

3.2 Sales volume, average sales prices and profitability in the Community

(46) It is recalled that the Community industry lost 55% of sales volume during the period considered and 26% during the period from 1997 to the IP (see recital 66 of the provisional Regulation). During the same period, consumption decreased by 30% and 6% respectively. It is stressed that the main decrease in consumption took place in the period 1995 to 1997 (-26%), at the time when part of the production of CTVs in the Community has been partly transferred to CEEC, whereas from 1997 to IP consumption remained by and large stable. Consequently the fall in the Community industry’s sales was much higher than the decrease in consumption.

(47) As indicated in recital 68 of the provisional Regulation, the investigation showed that prices charged by the Community industry to unrelated customers decreased by 21% during the period considered but the main decrease occurred between 1997 and the IP (-19%), as prices were stable in the period 1995 to 1997. Thus the main price decrease of the Community industry occurred at a time when consumption was relatively stable (decrease of 6% in the period 1997 to the IP) while prices of the Community industry were stable when consumption significantly decreased (-26% in the period 1995 to 1997).

(48) In addition profitability of the Community industry was negative. As indicated in recital 75 of the provisional Regulation around 4 percentage points of profit were lost during the period considered.

3.3 Market share in the Community

(49) On the basis of the revised consumption figures the market share held by the Community industry developed as follows:

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<tbody>
<tr>
<td>1995</td>
<td>100</td>
<td>107</td>
<td>83</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>1997</td>
<td>100</td>
<td>77</td>
<td>78</td>
<td></td>
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</tbody>
</table>

Source: Questionnaire reply of the Community industry and EUROSTAT
(50) The Community industry lost 15.5 percentage points of market share during the period considered instead of 6 percentage points as provisionally established (see recital 71 of the provisional Regulation). The main decrease in market share (-7.9 percentage points) occurred in the period 1997 to the IP when dumped imports surged (+291%) and gained considerable market share (+8 percentages points).

4. Conclusion on injury

(51) It is recalled that during the period considered sales prices of the Community industry decreased by 21%, profitability was negative (loss of around 4 percentage points of profit), sales volume decreased by 55% (see recital 81 of the provisional Regulation) and the loss of its market share was 15.5 percentage points. The average price of dumped imports, which has been consistently lower than that of the Community industry during the period considered, was around 12% lower than the Community industry's average price during the IP.

(52) The volume of dumped imports decreased significantly in the period 1995 to 1997, it then significantly increased by 291% in the period 1997 to the IP. This increase coincided with a 6% drop in consumption between 1997 and the IP. With regard to the average import price it should be noted that in the period 1995 to 1997 an increase of 15% was established whereas between 1997 and the IP average import prices decreased by 30%.

(53) The more detailed investigation confirmed that the economic situation of the Community industry deteriorated especially in the period between 1997 and the IP when the surge of dumped imports took place, and over which time the Community industry's production decreased by 15% (see recital 64 of the provisional Regulation), its sales prices by 19% and profitability was likewise significantly reduced, employment decreased by 13%.

(54) In the light of the foregoing, in particular the decrease in sales prices and profitability, the conclusion that the Community industry has suffered material injury within the meaning of Article 3 of the Basic Regulation is confirmed.

F. CAUSATION

1. Introduction

(55) In accordance with Article 3(6), (7) of the Basic Regulation, it was examined whether the material injury suffered by the Community industry had been caused by the dumped imports from the countries concerned.

(56) The effect of known factors other than the dumped imports was also examined in order to ensure that injury caused by these other factors is not wrongly attributed to the dumped imports from the countries concerned.

2. Effect of the dumped imports

(57) After the exclusion of Malaysia and China it was found that the volume of dumped imports increased considerably during the period 1997 to the IP (+291%). Their market share increased by 8 percentage points. The recovery of imports coincided with a time of stable consumption. At the same time a decrease in the Community industry’s sales (-26%) and market share (-7.9 percentage points) took place.
The prices charged by the countries concerned in the Community market had decreased by 19% during the period considered. The most significant decrease took place between 1997 and the IP (-30%). The Community industry’s prices decreased by 21% during the period considered, the main decrease taking place in the period 1997 to IP (-19%). The price undercutting found during the IP was around 12% on average. This led to a deterioration of the profitability of the Community industry reaching losses as high as 4% of turnover.

Based on the above, there is a clear coincidence in time, in particular as from 1997, between the deterioration of the situation of the Community industry and the surge of low-priced dumped imports from the countries concerned. Indeed, when faced with high volumes of dumped imports originating in the countries concerned, the Community industry lost sales volume and market share and had thus no choice but to follow the fall in prices caused by the dumped imports.

The above facts and considerations demonstrate that low-priced dumped imports had a significant negative impact on the economic situation of the Community industry, in particular on market share, sales volume, sales prices and profitability and have caused material injury.

3. Development of consumption

It has been argued that injury to the Community industry was mainly caused by a dramatic decrease of consumption as a result of a generally declining market. Indeed, the investigation showed that consumption decreased during the period considered. The Community market decreased by 30% in terms of volume during the period considered and by 6% from 1997 up to the IP.

However, the deepened investigation has revealed that the injury suffered by the Community industry is not the result of a generally declining market. It was found that what appeared to show a declining market was the result of relocation of the production of CTVs to certain CEEC (see recitals 63 to 65 below). As the Community consumption of CTVs, the downstream product incorporating CPTs, even increased during the period considered (see recitals 66 and 67), such a development of consumption should not be associated with the decline of prices. Finally it should be noted that most of the economic indicators pertaining to the Community industry started to follow a significant decreasing trend at a time when consumption had stabilised (see recitals 69 to 71), i.e. since 1997.

3.1 Effects of relocation

According to the information available, the relocation process for the production of CTVs to certain CEEC took place in the first part of the period considered. The effect of this relocation was that less CPT's were used in the Community and more CPTs were exported to accommodate the needs of these new production sites.

From the above it can be concluded that the decrease in Community consumption of CPTs did not actually point to a general decrease in demand for the product concerned with the resulting negative effect on sales prices but merely a shift in the geographical location of the users concerned. Whereas the relocation of CTV manufacturers to the CEEC may explain to a large extent the decrease in CPTs consumption in the Community, its effect has not been a general decrease in the demand for the product.
(65) Therefore, it was concluded that the deterioration in sales prices observed in the investigation on the Community market, in particular as from 1997, and the deterioration in the economic situation of the Community industry cannot be explained by a general weakness in the overall market for the product concerned.

3.2 Consumption of CTVs in the Community

(66) In view of the above, and in order to have a complete view and understanding of the decrease in the Community consumption for CPTs during the period considered, it was examined how the consumption for CTVs developed during the period from 1995 to 1998. In fact, since CPTs are used in the production of CTVs, the analysis of Community consumption for CTVs makes the analysis of the Community CPT market more complete.

Table 6 Consumption of CTVs in the Community

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<tbody>
<tr>
<td>Units</td>
<td>8,292,391</td>
<td>8,070,930</td>
<td>8,342,555</td>
<td>9,276,425</td>
<td>Not available</td>
</tr>
<tr>
<td>Index</td>
<td>100</td>
<td>97</td>
<td>101</td>
<td>111</td>
<td></td>
</tr>
</tbody>
</table>

Source: Market research data for CTVs and EUROSTAT

(67) The table clearly shows that Community demand for CTVs increased during the period considered and in particular in 1997 and 1998.

(68) From the above the conclusion is drawn that the negative development in Community CPT consumption is not the result of a general declining demand for CTVs, since demand increased by around 11% from 1995 up to 1998. Therefore, the relocation cannot hide the fact that the demand for CTVs continued to grow in the Community indicating that the product concerned is not obsolete.

3.3 Development of consumption as from 1997

(69) As shown in Table 1 and as explained in recital 26 above the most significant decrease in Community CPT consumption took place in the period 1995 to 1997 (-26%). However, a rather stable trend of consumption was observed thereafter.

(70) The deepened analysis has revealed that prices of the Community industry were stable when consumption significantly decreased (-26% in the period 1995 to 1997) and that the main price decrease of the Community industry occurred at a time when consumption was relatively stable (decrease of 6% in the period 1997 to the IP). Furthermore the economic situation of the Community particularly deteriorated in the period 1997 to the IP, when the surge of dumped imports took place (+291% in import volume and 8 percentage points in market share) and sales by the Community industry fell by 26% and it lost 7.9 percentage points of its market share. As already shown above, in this period the average unit price of CPTs sold by the Community industry to unrelated customers decreased by 19%, production by 15% and profitability by around 4 percentage points. Finally it should be noted that the cost of production of the Community industry did not increase during the period of decreasing sales. On the
contrary, there was a reduction of cost of production by more than 10% between 1997 and the IP.

(71) From the above it is concluded that the development in Community CPT consumption cannot explain the deterioration of the economic situation of the Community industry and the significant increase in both volume of imports and market share of CPT imports from the countries concerned, in particular in the period from 1997 up to the IP.

4. Imports into the Community from other third countries

(72) The total in the table below includes the imports from all countries other than India and Korea:

Table 7 Imports from other third countries

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<tr>
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</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>438.051</td>
<td>549.112</td>
<td>357.202</td>
<td>408.607</td>
<td>373.510</td>
</tr>
<tr>
<td>Malaysia</td>
<td>742.235</td>
<td>500.531</td>
<td>271.838</td>
<td>525.015</td>
<td>544.397</td>
</tr>
<tr>
<td>Singapore</td>
<td>678.752</td>
<td>814.216</td>
<td>984.267</td>
<td>729.387</td>
<td>480.032</td>
</tr>
<tr>
<td>Other</td>
<td>1.096.695</td>
<td>802.426</td>
<td>997.232</td>
<td>676.018</td>
<td>467.133</td>
</tr>
<tr>
<td>Total other third countries</td>
<td>2.955.733</td>
<td>2.666.285</td>
<td>2.610.539</td>
<td>2.339.027</td>
<td>1.865.072</td>
</tr>
<tr>
<td>Index 1995 =100</td>
<td>100</td>
<td>90</td>
<td>88</td>
<td>79</td>
<td>63</td>
</tr>
<tr>
<td>Index 1997 = 100</td>
<td>100</td>
<td>90</td>
<td>71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: EUROSTAT

During the IP, Lithuania, Malaysia and Singapore were the largest exporters to the Community within this group. As indicated in recital 35 above, the imports from China were below the de minimis threshold.

(73) The total volume of imports from other third countries decreased by 37% during the period considered whereas consumption decreased by 30%. In the period from 1997 to the IP, these imports decreased by 29% whereas consumption only decreased by 6%.

(74) The investigation has shown that during the IP prices charged by most of the operators located in other third countries on the Community were higher than those charged by the countries concerned on the Community market. The development of these prices, according to EUROSTAT, was the following:
Table 8 - Import prices

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>34.97</td>
<td>36.96</td>
<td>38.88</td>
<td>35.40</td>
<td>27.36</td>
</tr>
<tr>
<td>Malaysia</td>
<td>44.59</td>
<td>41.68</td>
<td>45.65</td>
<td>43.92</td>
<td>35.53</td>
</tr>
<tr>
<td>Singapore</td>
<td>43.61</td>
<td>41.18</td>
<td>42.63</td>
<td>41.78</td>
<td>40.35</td>
</tr>
<tr>
<td>Average import prices</td>
<td>41.46</td>
<td>42.32</td>
<td>42.98</td>
<td>39.94</td>
<td>37.54</td>
</tr>
<tr>
<td>Index 1995 =100</td>
<td>100</td>
<td>102</td>
<td>104</td>
<td>96</td>
<td>91</td>
</tr>
<tr>
<td>Index 1997= 100</td>
<td>100</td>
<td></td>
<td>93</td>
<td></td>
<td>87</td>
</tr>
</tbody>
</table>

Source: EUROSTAT

(75) The above table shows that import prices from Singapore were above the level of those of the Community industry during the IP and that CPT's prices varied significantly among other third countries. Import prices from Malaysia were comparable to those charged by the Community industry but those charged by exporting producers in Lithuania were lower. On this basis, it cannot completely be excluded that imports from certain third countries have had a negative impact on the economic situation of the Community.

5. Conclusion on causation

(76) In conclusion, it cannot be excluded that factors other than the dumped imports from the countries concerned, in particular imports from Lithuania, may have contributed to the injury suffered by the Community industry. However, these factors are not such as to break the causal link between the injury established and the effects of the dumped imports concerned, in particular in light of their market share.

(77) This is clearly shown by the substantial negative developments in the economic situation of the Community industry in particular from 1997 up to the IP. At that time the surge of imports from the countries concerned took place (+291%) and the Community industry sales volume fell by 26%. In this period the Community industry lost 7.9 percentage points of its market share (the countries concerned gained 8 percentage points), its average price decreased by 19%, production by 15% and profitability by around 4 percentage points. Furthermore, significant price undercutting was found during the IP.

(78) The behaviour of the exporting producers from the countries concerned had material negative consequences on the situation of the Community industry. It is therefore confirmed that these imports, taken in isolation, have caused material injury to the Community industry.

G. COMMUNITY INTEREST

1. Interest of the Community industry
It should be noted that despite the abovementioned relocation of CTV production, there is still a significant production of CPTs in the Community. Indeed, the increase of CTV demand points to the fact that the product concerned is not an obsolete product. It should be noted that the Community industry is viable as can be seen from its rationalisation processes. The Community industry rationalised and improved its productivity in recent years, in a successful attempt to lower its cost of production and to enhance its competitiveness on the market. It is considered that in the absence of anti-dumping measures the Community industry's prices will continue to decrease further. This could entail a closure of the CPT activity in the Community and thus reduce employment in the Community.

2. Impact on importers and users

Since no comments were received after publication of the provisional Regulation concerning any potential disadvantage that the anti-dumping measures could bring to the business of importers and users, the conclusions of recitals 108 to 110 of the provisional Regulation are confirmed.

3. Conclusion

On the basis of the above facts it was concluded, that there were no compelling reasons against the imposition of anti-dumping measures concerning imports of the product concerned from India and Korea.

H. DEFINITIVE MEASURES

In view of the conclusions reached regarding dumping, injury, causation and Community interest, it is considered that definitive anti-dumping measures should be imposed in order to prevent further injury being caused to the Community industry by dumped imports from India and Korea.

1. Injury elimination level

The injury elimination level was calculated using the same methodology as explained in recital 116 of the provisional Regulation. A non-injurious level of prices was determined which would cover the Community industry's cost of production and allow a reasonable profit to be obtained in the absence of dumped imports from the countries concerned.

2. Form and level of the definitive duty

In accordance with Article 9(4) of the Basic Regulation, as the injury margins were higher than the dumping margins found for all the exporting producers concerned, the definitive duty should be set at the level of the latter margins.

3. Termination of the proceeding

In view of the findings on imports originating in Lithuania, Malaysia (de minimis margins of dumping) and China (de minimis market share) the proceeding with respect to these countries should be terminated.
I. COLLECTION AND RELEASE OF THE PROVISIONAL DUTY

(86) In view of the magnitude of the dumping margins found for the exporting producers in India and Korea, and in light of the seriousness of the injury caused to the Community industry, it is considered necessary that the amounts secured by way of provisional anti-dumping duty under Regulation (EC) No 837/2000 shall be definitively collected to the extent of the amount of definitive duties imposed.

(87) In view of the termination of the proceeding with respect to imports originating in Malaysia and China the amounts secured by way of the provisional anti-dumping duty on imports originating in these countries under Commission Regulation (EC) No 837/2000 shall be released.

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of cathode-ray colour-television picture tubes with a diagonal measurement of the screen (i.e. the active part of the picture tube measured in a straight line) exceeding 33 cm but not exceeding 38 cm, with a screen width/height ratio less than 1,5, and with a pitch (i.e. the gap between two lines of the same colour at the centre of the screen) of not less than 0,4 mm, originating in India and the Republic of Korea, falling within CN code ex 8540 11 11 (TARIC code 8540 11 11 * 94).

2. The rate of the definitive anti-dumping duty applicable to the net free-at-Community-frontier price, before duty shall be as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate of duty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>20,5</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>19,7</td>
</tr>
</tbody>
</table>

3. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

The proceeding concerning imports of cathode-ray colour-television picture tubes as defined under Article 1 paragraph 1, originating in Lithuania, Malaysia and the People’s Republic of China shall be terminated.
Article 3

1. The amounts secured by way of the provisional anti-dumping duty on imports originating in India and the Republic of Korea under Commission Regulation (EC) No 837/2000 shall be collected at the rate of the duty definitively imposed by this Regulation. Amounts secured in excess of the rate of the definitive anti-dumping duty shall be released.


Article 4

This Regulation shall enter into force on the day following that 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
The President