Notice of initiation of an antisubsidy proceeding concerning imports of polyethylene terephthalate originating in India, Indonesia, the Republic of Korea, Malaysia, Taiwan and Thailand and rejection of an antisubsidy complaint concerning imports of polyethylene terephthalate from Saudi Arabia

(1999/C 319/02)

The Commission has received a complaint pursuant to Article 10 of Council Regulation (EC) No 2026/97 (1) (hereinafter referred to as 'the basic regulation'), alleging that imports of polyethylene terephthalate originating in India, Indonesia, the Republic of Korea, Malaysia, Taiwan, Thailand and Saudi Arabia are being subsidised and are thereby causing material injury to the Community industry.

1. Complaint

The complaint was lodged on 22 September 1999 by the Polyethylene Terephthalate (PET) Committee of the Association of Plastic Manufacturers in Europe (hereinafter referred to as 'the complainant') on behalf of producers representing a major proportion, i.e. 85 %, of the total Community production of polyethylene terephthalate (hereinafter referred to as 'the product concerned').

2. Product

The product allegedly being subsidised is polyethylene terephthalate (PET) having a coefficient of viscosity of 173 or higher, currently classifiable within CN code ex 3907 60 00. This CN code is only given for information.

3. Allegation of subsidisation

(a) India

It is alleged that the producers of the product concerned from India have benefited from a number of subsidies granted by the Government of India. These subsidies are income tax exemption, imports of raw materials and capital goods without the payment of import duties and benefits for export-oriented companies and companies located in export-processing zones.

The total subsidy is estimated to amount to 42,9 %.

It is alleged that the above schemes are subsidies since they involve a financial contribution from the Government of India and confer a benefit on the recipients, i.e. on exporting producers of polyethylene terephthalate. They are alleged to be contingent upon export performance and therefore specific and countervailable.

(b) Indonesia

It is alleged that the producers of the product concerned from Indonesia have benefited from a number of subsidies granted by the Government of Indonesia. These subsidies are corporate income tax exemption, import duty exemptions, exemption from withholding taxes, additional periods for the carry-forward of losses, accelerated depreciation, reductions on regional levies and benefits for companies located in export processing zones.

The total subsidy is estimated to amount to 10 %.

It is alleged that the above schemes are subsidies since they involve a financial contribution from the Government of Indonesia and confer a benefit on the recipients, i.e. on exporting producers of polyethylene terephthalate. They are alleged to be contingent upon export performance, or otherwise limited to the chemical sector in general or to individual companies and therefore specific and countervailable.

(c) Republic of Korea

It is alleged that the producers of the product concerned from the Republic of Korea have benefited from a number of subsidies granted by the Government of the Republic of Korea. These subsidies are tax reductions and exemptions, loans at preferential interest rates, debt forgiveness and equity infusions.

The total subsidy is estimated to amount to 10 %.

It is alleged that the above schemes are subsidies since they involve a financial contribution from the Government of the Republic of Korea and confer a benefit on the recipients, i.e. on exporting producers of polyethylene terephthalate. They are alleged to be either contingent upon export performance, contingent on the use of domestic over imported goods, or otherwise limited to the chemical sector and therefore specific and countervailable.

(d) Malaysia

It is alleged that the producers of the product concerned from Malaysia have benefited from a number of subsidies granted by the Government of Malaysia. These subsidies are income tax exemptions/reductions, short-term credit at preferential interest rates and exemption from payment of import duties and sales taxes on imports of raw materials and machinery.

The total subsidy is estimated to amount to 20 %.

It is alleged that the above schemes are subsidies since they involve a financial contribution from the Government of Malaysia and confer a benefit on the recipients, i.e. on exporting producers of polyethylene terephthalate. They are alleged to be contingent upon export performance, or otherwise limited to certain sectors of industry and therefore specific and countervailable.

(e) Taiwan

It is alleged that the producers of the product concerned from Taiwan have benefited from a number of subsidies granted by the Government of Taiwan. These subsidies are tax credits, loans at preferential interest rates, research and development incentives, import duty exemption on imports of raw materials, machinery and equipment and incentives for companies located in industrial parks.

The total subsidy is estimated to amount to 10% to 15%.

It is alleged that the above schemes are subsidies since they involve a financial contribution from the Government of Thailand and confer a benefit on the recipients, i.e., on exporting producers of polyethylene terephthalate. They are alleged to be limited to certain key sectors or to specific regions within the territory and therefore specific countervailable.

(f) Thailand

It is alleged that the producers of the product concerned from Thailand have benefited from a number of subsidies granted by the Government of Thailand. These subsidies are corporate tax exemption, imports of machinery and raw materials at reduced rates of import duties or free of duties, carry-forward of losses for certain enterprises, pre-shipment finance facilities, packing credits, investment inducements and benefits for companies located in special investment production zones.

The total subsidy is estimated to amount to 20%.

It is alleged that the above schemes are subsidies since they involve a financial contribution from the Government of Thailand and confer a benefit on the recipients, i.e., on exporting producers of polyethylene terephthalate. They are alleged to be contingent upon export performance, or otherwise limited to certain sectors of industry and therefore specific and countervailable.

(g) Saudi Arabia

On the basis of the information provided by the complainants, Saudi Arabian imports account for less than 4% of the total imports of the product concerned in the Community. Article 14(4) of the Basic Regulation provides that, with regard to investigations concerning imports from developing countries, the volume of subsidised imports shall be considered negligible if it represents less than 4% of the total imports of the like product in the Community. In these circumstances, the Commission has decided to reject the complaint insofar as it concerns imports from Saudi Arabia.

4. Allegation of injury

The complainant has provided evidence that imports of the product concerned from India, Indonesia, the Republic of Korea, Malaysia, Taiwan and Thailand have increased overall in absolute terms and in terms of market share.

It is alleged that the volumes and the prices of the imported product concerned have, among other consequences, had a negative impact on the market share and the level of prices charged by the Community producers, resulting in substantial adverse effects on the overall performance and the financial situation of the Community industry.

5. Procedure for the determination of subsidisation and injury

Having determined, after consulting the Advisory Committee, that the complaint has been lodged by or on behalf of the Community industry and that there is sufficient evidence to justify the initiation of a proceeding, the Commission hereby initiates an investigation pursuant to Article 10 of the basic regulation.

(a) Questionnaires

In order to obtain the information it deems necessary for its investigation, the Commission will send questionnaires to the Community industry and to any association of producers in the Community, to the exporting producers and importers, to any association of exporting producers and importers named in the complaint and to the authorities of India, Indonesia, the Republic of Korea, Malaysia, Taiwan and Thailand.

Exporting producers and importers are invited to contact the Commission forthwith in order to find out whether or not they are listed in the complaint. In the latter case, they should as soon as possible, but not later than 15 days after publication of this notice in the Official Journal of the European Communities, request a copy of the questionnaire, as all questionnaires have to be completed within the time limit set in paragraph 7(a) of this notice. Any request for questionnaires must be made in writing to the address mentioned below and should indicate the name, address, telephone, fax, e-mail and/or telex numbers of the interested party.

(b) Collection of information and holding of hearings

All interested parties are hereby invited to make their views known in writing and to provide supporting evidence.

Furthermore, the Commission may hear interested parties, provided that they make a request in writing and show that there are particular reasons why they should be heard.

6. Community interest

In accordance with Article 31 of the basic regulation and in order that a decision may be reached as to whether, in the event that the allegations of subsidisation and injury caused thereby are substantiated, the adoption of antisubsidy measures would be in the Community interest, the Community industry, importers, their representative associations and representative users may, within the general time limit set in paragraph 7(a) of this notice, make themselves known and provide the Commission with information. It should be noted that any information submitted pursuant to this Article will only be taken into account if supported by factual evidence at the time of submission.

7. Time limits

(a) General time limit

Interested parties, if their representations are to be taken into account during the investigation, must make themselves known, present their views in writing and submit information, unless otherwise specified, within 40 days of the date of the publication of this notice in the Official Journal of the European Communities. Interested parties may also apply to be heard by the Commission within the same time limit. This time limit applies to all interested parties, including parties not named in the complaint, and it is consequently in the interest of these parties to contact the Commission without delay.
Notice of initiation of an anti-dumping proceeding concerning imports of certain polyethylene terephthalate (PET) originating in India, Indonesia, Malaysia, the Republic of Korea, Taiwan and Thailand

(1999/C 319/03)

The Commission has received a complaint pursuant to Article 5 of Council Regulation (EC) No 384/96 (1), as last amended by Council Regulation (EC) No 905/98 (2) (hereinafter referred to as ‘the basic regulation’), alleging that imports of certain polyethylene terephthalate (PET), originating in India, Indonesia, Malaysia, the Republic of Korea, Taiwan and Thailand, are being dumped and are thereby causing material injury to the Community industry.

1. Complaint

The complaint was lodged on 22 September 1999 by Polyethylene Terephthalate (PET) Committee of the Association of Plastic Manufacturers in Europe (APME) (hereinafter referred to as ‘the complainant’) on behalf of producers representing a major proportion, i.e. more than 85 %, of the total Community production of certain polyethylene terephthalate (PET) (hereinafter referred to as ‘the product concerned’).

2. Product

The product allegedly being dumped is polyethylene terephthalate (PET) with a coefficient of viscosity of 173 or higher currently classifiable within CN code ex 3907 60 00. This CN code is only given for information.

3. Allegation of dumping

The allegation of dumping for India, Indonesia, Malaysia, the Republic of Korea, Taiwan and Thailand is based, in absence of sufficient information on prices in the domestic market, on a comparison of a constructed normal value with the export prices of the product concerned to the Community.

On this basis, the dumping margins calculated are significant for all exporting countries concerned.

4. Allegation of injury

The complainant has provided evidence that imports of the product concerned from India, Indonesia, Malaysia, the Republic of Korea, Taiwan and Thailand have increased overall in absolute terms and in terms of market share.

It is alleged that the volumes and the prices of the imported product concerned have, among other consequences, had a negative impact on the market share and the level of prices charged by the Community producers, resulting in substantial adverse effects on the overall performance and the financial situation of the Community industry.

5. Procedure for the determination of dumping and injury

Having determined, after consulting the Advisory Committee, that the complaint has been lodged by or on behalf of the Community industry and that there is sufficient evidence to justify the initiation of a proceeding, the Commission hereby initiates an investigation pursuant to Article 5 of the basic regulation.

In view of the apparent size and complexity of this proceeding, the Commission may apply sampling techniques, in accordance with Article 17 of the basic regulation.

8. Non-cooperation

In cases in which any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, provisional or final findings, affirmative or negative, may be made in accordance with Article 28 of the basic regulation, on the basis of the facts available.

Where it is found that any interested party has supplied false or misleading information, the information shall be disregarded and use may be made of the facts available.