COMMISSION DECISION No 962/98/ECSC
of 7 May 1998
repealing Decisions No 1751/94/ECSC and No 55/96/ECSC with respect to the imposition of definitive anti-dumping duties on imports of hematite pig iron originating in Brazil, the Czech Republic, Poland, Russia and the Ukraine

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community,

Having regard to Commission Decision No 2277/96/ECSC of 28 November 1996 on protection against dumped imports from countries not members of the European Coal and Steel Community (1), and in particular Article 9 thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE

(1) In July 1994, a definitive anti-dumping duty was imposed by Commission Decision No 1751/94/ECSC (2) on imports into the Community of hematite pig iron originating in Brazil, Poland, Russia and the Ukraine. The amount of the duty was the difference between the price of ECU 149/tonne and the free-at-Community-frontier value in all cases where this value was less than the above price.

(2) In January 1996, a definitive anti-dumping duty was imposed by Commission Decision No 55/96/ECSC (3), with regard to imports into the Community of hematite pig iron originating in the Czech Republic, and an undertaking was accepted from a specified exporter. The amount of the duty was set as mentioned above.

(3) In recital 14 of Decision No 1751/94/ECSC and recital 52 of Decision No 55/96/ECSC it was stated that in view of the evolutionary character of the market situation with regard to the product concerned, and of the Community interest in safeguarding the competitiveness of users of the product concerned, it appeared necessary to monitor further developments and possible negative effects on such users and to review the anti-

dumping measures if the market situation so warranted.

B. REVIEW INVESTIGATION

(4) In the light of an apparent increase in export prices which could have repercussions on the dumping margin and the Community market situation, the Commission, on 10 April 1996, announced by a notice published in the Official Journal of the European Communities (4) its decision to initiate, on its own initiative, an interim review pursuant to Article 11(3) of Decision No 2277/96/ECSC (hereinafter referred to as the 'Basic Decision').

(5) The Commission officially advised the Community industry, exporters/producers, importers and user industries known to be concerned and their representative associations, as well as the representatives of the exporting countries. All parties directly concerned were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the notice of initiation.

(6) In view of the large number of exporters/producers in Brazil, the Commission decided, in accordance with Article 17 of the Basic Decision, to apply sampling techniques for the determination of dumping in that country. The Commission contacted all Brazilian exporters/producers known from the previous anti-dumping proceeding, as well as their representative association. Those companies which declared the highest volume of exports to the Community during 1995 and expressed their willingness to cooperate were selected, that is to say a sample of six exporters/producers was initially considered from the 16 replies received. No comments were received from any interested party with regard to the proposed sample which was therefore selected as proposed. The companies eventually included in the sample represented a major proportion of the total volume of exports to the Community during 1995.

(7) The Commission sent questionnaires to the selected parties in Brazil and to all parties known to be concerned in the other exporting countries covered by the investigation, as well as in the

Community. Replies were received from selected Brazilian companies, one Czech and two Polish exporters/producers, two Community producers, three unrelated importers, six Community user companies, and two associations of Community user industries. No Russian or Ukrainian exporters/producers cooperated in the investigation.

(8) The Commission sought and verified all information it deemed necessary for the purpose of a determination of dumping and injury and carried out verification visits at the premises of the following companies:

(a) **Community producers:**
- DK Recycling und Rohreisen GmbH, Duisburg (Germany),
- Servola Spa, Trieste (Italy).

(b) **Exporters/producers:**
- Brazil:
  - Calsete, Sete Lagoas,
  - Plantar Siderúrgica SA, Sete Lagoas,
  - Sicafe, Sete Lagoas,
  - Siderúrgica Ita-Min Ltda, Sete Lagoas;
- Poland:
  - Zaklad Wielkopiecowy Szczecin SPZOO Szczecin,
  - Huta Szczecin S.A., Szczecin;
- Czech Republic:
  - Vitkovice as, Ostrava.

(c) **Unrelated importers:**
- Frank & Schulte GmbH, Essen (Germany).

(d) **User companies in the Community:**
- Compagnie Française des Fontes en Coquille, Rochefort (France),
- La Fonte Ardennaise, Vivier-au-Court (France),
- Starkey’s Technicast Ltd, Hull (United Kingdom).

(9) The investigation of dumping covered the period 1 January 1995 to 31 March 1996 (hereinafter referred to as 'the investigation period'). The examination of injury covered the period from 1992 up to the end of the investigation period.

C. **PRODUCT CONCERNED AND LIKE PRODUCT**

(10) The product concerned is the same as in the previous investigations, that is non-alloy pig iron containing by weight 0.5% or less of phosphorus and currently falling within CN code 7201 10 19 (containing by weight not less than 0.4% of manganese and more than 1% of silicon), and called hematite pig iron.

Hematite pig iron is used for the production of cast iron with flake graphite (grey cast iron), in particular for high quality machine and machine-tool castings as well as for castings with thermal and chemical uses.

(11) The Commission found that hematite pig iron produced and sold by the Community industry has the same essential physical, chemical, technical characteristics and uses as that imported from the countries concerned. Similarly, hematite pig iron sold on the domestic markets in Brazil, Poland and the Czech Republic and that exported to the Community from the five countries concerned have the same physical, chemical and technical characteristics and uses. It was therefore concluded that hematite pig iron produced and sold in the exporting countries concerned is, within the meaning of Article 1(4) of the Basic Decision, alike to that exported from those countries to the Community and that produced and sold in the Community.

D. **DUMPING**

1. **Normal value**

(a) **Brazil**

(12) As mentioned under recital 6, sampling was used for the determination of normal value. A company which was initially included in the sample comprising six companies failed to provide essential information. That company was therefore excluded from the sample and considered to be a non-cooperating company.

(13) In the course of the investigation it was found that one company included in the sample had a close relationship with another company which also produced and sold the product concerned and which was not included in the initial sample. In view of these corporate links and in order to avoid circumvention of any anti-dumping measures, that related company was therefore included in the final sample, which comprised six companies.
In order to establish normal value, the Commission analysed whether domestic sales of each selected exporter/producer in the sample were representative in accordance with Article 2(2) of the Basic Decision. For five Brazilian exporters/producers it was established that the total domestic sales volume of the product concerned represented at least 5% of the sales volume exported to the Community.

For those five exporters/producers, it was then examined whether their domestic sales were made in the ordinary course of trade as described in Article 2(4) of the Basic Decision. Where the weighted average selling price was equal to or higher than the weighted average unit production cost and where the volume of sales below unit production cost was less than 20% of sales being used to determine normal value, all sales were regarded as being made in the ordinary course of trade and normal value was established on the basis of the weighted average prices actually paid for all domestic sales. Where the weighted average selling price was lower than the weighted average unit production cost or where the volume of sales made at a loss was equal to or higher than 20% of sales being used to determine normal value, normal value was established on the basis of the weighted average prices actually paid for the remaining profitable domestic sales, which represented at least 10% of domestic sales of the product.

The remaining Brazilian exporter/producer in the sample did not sell the product concerned on the domestic market during the investigation period. Therefore, pursuant to Article 2(1) of the Basic Decision, its normal value was based on the weighted average of those domestic prices which were charged by the other five exporters/producers and which were used to establish normal value for them.

Since both Russia and the Ukraine are considered to be non-market economy countries, an analogue market economy country had to be selected for the establishment of normal value in accordance with Article 2(7) of the Basic Decision. Brazil was suggested as an appropriate choice, notably for reasons of similarity of access to raw materials and energy. Moreover, the Brazilian domestic market is sufficiently representative in terms of volume. The Brazilian market also appears to be sufficiently competitive given the high number of companies present. Finally, it should be noted that the fact that Brazil had already been used as the analogue country in the original anti-dumping investigation was also taken into consideration. No comments on the choice of Brazil as an analogue country were received from any interested party in Russia or the Ukraine.

The investigation established that there were sufficient domestic sales made in the ordinary course of trade of the product concerned by the cooperating companies in the analogue country within the meaning of Article 2(2) of the Basic Decision. The normal value for Russia and Ukraine was therefore calculated on the basis of the actual prices paid or payable for sales of the product concerned in the analogue country, that is Brazil, as described in recital 15.

In order to establish normal value, the Commission made the analysis set out in recital 14. For both Polish exporters/producers it was established that the total domestic sales volume of the product concerned represented at least 5% of the sales volume exported to the Community.

It was then examined whether their domestic sales were made in the ordinary course of trade pursuant to Article 2(4) of the Basic Decision. For one exporter/producer, profitable domestic sales represented less than 10% of its total domestic sales and they were therefore considered insufficient as a basis for normal value. In these circumstances, it was considered appropriate to construct normal value on the basis of Article 2(3) of the Basic Decision by adding to the manufacturing cost of the product concerned a reasonable amount for selling, general and administrative expenses and for profit (which was established on the basis of profitable sales).
(21) For the second exporter/producer, the information concerning its costs was considered unreliable, notably because the allocation of certain extraordinary costs was not duly justified and was therefore disregarded. The profitability analysis for this exporter/producer was made by comparing its domestic selling prices with the unit production cost established for the first exporter/producer since, in fact, both exporters/producers used the same production facilities. On this basis, it was established that there were sufficient domestic sales of the product concerned made in the ordinary course of trade and normal value was established on the basis of the weighted average prices actually paid for all domestic sales.

(d) Czech Republic

(22) In order to establish normal value, the Commission made the analysis set out in recitals 14 and 15. For the only Czech exporter/producer cooperating in the investigation, it was established that the total domestic sales volume of the product concerned represented more than 5% of the sales volume exported to the Community. It was then established that the volume of sales made at a loss by this exporter/producer was higher than 20% of sales being used to determine normal value. Consequently, normal value was established on the basis of the weighted average prices actually paid for the remaining profitable domestic sales, which represented more than 10% of domestic sales of the product concerned.

2. Export price

(a) Brazil, Poland, Czech Republic

(23) As all cooperating exporters/producers in Brazil, Poland and the Czech Republic made export sales in the Community directly to independent importers, export prices were established on the basis of the prices actually paid or payable by these independent importers, in accordance with Article 2(8) of the Basic Decision.

(b) Russia and the Ukraine

(24) As none of the companies concerned in Russia and the Ukraine cooperated in the proceeding (see recital 7) the export prices were established on the basis of the facts available, in accordance with Article 18 of the Basic Decision. In this context, in the absence of any other information, it was found that Eurostat data constituted an appropriate basis for the determination of export prices.

3. Comparison

(a) Brazil

(25) For the purpose of ensuring a fair comparison between normal value and the export prices of the companies in the sample, due allowance in the form of adjustments was made in accordance with Article 2(10) of the Basic Decision for differences affecting price comparability, whenever these were claimed and duly justified. In consequence, adjustments were made for differences in transport, insurance, handling, loading and ancillary costs, credit costs, and commissions.

(b) Russia and the Ukraine

(26) In accordance with Article 2(10) of the Basic Decision, adjustments were made to the Russian and Ukrainian export prices, which were provided at a cif at-Community-frontier level, in order to determine export prices at an fob national-frontier level. These adjustments duly reflect the average shipping and insurance costs incurred in transporting the product concerned from the border of the countries concerned to the Community border.

(c) Poland

(27) For the purpose of ensuring a fair comparison between normal value and the export prices of the cooperating companies, due allowance in the form of adjustments was made in accordance with Article 2(10) of the Basic Decision for differences affecting price comparability, whenever these were claimed and duly justified. In consequence, adjustments were made for differences in transport, insurance, handling, loading, ancillary costs and credit costs.

(d) Czech Republic

(28) For the purpose of ensuring a fair comparison between normal value and the export prices of the cooperating company, due allowance in the form of adjustments was made in accordance with Article 2(10) of the Basic Decision for differences affecting price comparability, whenever these were claimed and duly justified. In consequence, adjustments were made for differences in credit costs.
4. Dumping margin

(a) Brazil

(29) In general, the Commission made a comparison between weighted average normal values and the weighted average export prices of the exporters/producers. However, in accordance with Article 2(11) of the Basic Decision, with regard to three Brazilian companies, the weighted average normal value was compared to prices of all export transactions to the Community because it was found that there was a pattern of export prices which differed significantly between different time periods. Consequently, a comparison between weighted average normal values and the weighted average export prices would not have reflected the full degree of dumping being practised.

The definitive dumping margins established for the cooperating Brazilian exporters/producers included in the sample, expressed as a percentage of the cif price at Community-frontier level, are as follows:

- Calsete 3,3 %
- Sama 3,3 %
- Itasider 0 %
- Plantar Siderúrgica SA 0 %
- Sicafe 6,4 %
- Siderúrgica Ita-Min Ltda 0 %.

(30) As indicated in recital 13, during the investigation it was found that one company in the sample had a close relationship with another company which also produced and sold the product concerned. The first company owned almost half the shares of the second, and both companies have common directors and used the same sales channels. In view of the close relationship between these two companies there was a high risk that anti-dumping measures could be circumvented by channelling exports to the Community through the company with the lower dumping margin if two different margins were established. It was therefore concluded that only one dumping margin, based on the weighted average of the dumping margin found for both, should be established for the two companies.

(b) Russia and the Ukraine

(33) Pursuant to Article 2(11) of the Basic Decision, the weighted average normal value established for Brazil was compared with the weighted average export price for Russia and the Ukraine as determined above.

The dumping margins established for Russia and the Ukraine were determined to be 2,6 % and 4,0 % respectively, expressed as a percentage of the cif price at Community-frontier level.

(c) Poland

(34) The Commission made a comparison between weighted average normal values and the weighted average export prices of the exporters/producers in accordance with Article 2(11) of the Basic Decision.
The two Polish companies which cooperated with the present anti-dumping proceeding, Zakład Wielkopiecowy Szczecin SPZOO and Huta Szczecin SA, claimed that they were two independent entities. However, it was found that they were closely related since they shared managers and workers, production facilities, offices, and one of the companies holds almost half the shares of the other. In view of the close relationship between the two companies there was a high risk that anti-dumping measures could be circumvented by channelling exports to the Community through the company with the lower dumping margin if two different margins were established. It was therefore concluded that only one dumping margin, based on the weighted average of the dumping found for both, should be established for the two companies. The definitive dumping margin established for these companies, expressed as a percentage of the cif price at Community-frontier level, is as follows:

- Zakład Wielkopiecowy Szczecin SPZOO 12.8 %
- Huta Szczecin SA 12.8 %.

(35) For any Polish exporter which neither replied to the Commission’s questionnaire nor otherwise made itself known, the dumping margin was determined on the basis of the facts available in accordance with Article 18(1) of the Basic Decision. Given that a comparison of the data concerning exports to the Community provided by the cooperating Polish exporters/producers and the Eurostat statistics indicated a very high level of cooperation, the Commission considered, following the approach set out in recital 31, that the dumping margin determined for the cooperating company was the most appropriate to establish a dumping margin for non-cooperating companies. Thus, for non-cooperating exporters/producers in Poland the dumping margin was fixed at 12.8 % expressed as a percentage of the cif price at Community-frontier level.

E. COMMUNITY INDUSTRY

(38) The Commission requested and received information from all producers in the Community. The cooperating producers constitute, therefore, the Community industry within the meaning of Article 4(1) of the Basic Decision.

F. INJURY

1. Preliminary remarks

(39) For the purposes of analysing injury in the present review investigation, the Commission analysed data relating to the period from 1992 to 31 March 1996. Since the investigation period covered 15 months (1 January 1995 to 31 March 1996) the Commission adjusted the data for this period to 12 months, in order to ensure a proper comparison. The geographical scope of the investigation was the Community composed of 15 Member States. It should be noted, however, that prior to 1995, information relating to certain injury factors (for example, consumption and market share) was extrapolated for the three new Member States (Austria, Finland and Sweden).
2. Cumulation

(40) The Commission examined whether imports of hematite pig-iron imported from Brazil, Poland, Russia, Ukraine and the Czech Republic should be assessed cumulatively in accordance with Article 3(4) of the Basic Decision.

(41) The Commission considered that all conditions for the cumulation of imports from the five countries concerned set out in Article 3(4) of the Basic Decision were met, that is the margin of dumping from each exporting country was more than de minimis, the volume of imports from each country was not negligible, and a cumulative assessment of the volume of imports was appropriate in the light of the conditions of competition between the imported product and the like Community product. The Commission concluded that hematite pig-iron originating in the five countries concerned is alike in all respects, is interchangeable and is marketed in the Community through comparable sales channels and under similar commercial conditions as the product produced and sold in the Community. The imported hematite pig-iron is considered, therefore, to compete with the like product imported from each country concerned and with hematite pig-iron produced and sold in the Community.

The imports from the five countries concerned were therefore examined cumulatively.

3. Community consumption

(42) The apparent Community consumption was determined as the sum of sales by the Community industry on the Community market plus imports into the Community from all third countries. While consumption increased overall between 1992 and the investigation period, from 826 961 to 989 622 tonnes, the trend was somewhat erratic from year to year.

4. Volume and market shares of the dumped imports

(43) The volume of dumped imports from all the countries concerned increased substantially from 441 226 tonnes in 1992 to 746 251 tonnes in the investigation period.

(44) The Eurostat data on which these findings are based did not distinguish between the imports from the Czech Republic and those from the Slovak Republic until the beginning of 1993. However, available evidence indicates that there is no pig-iron exporter/producer in the Slovak Republic.

5. Prices of the dumped imports

(46) The weighted average cif prices of all imports increased from 1992 up to the investigation period. The cif prices of the Brazilian and Ukrainian imports were above the minimum price of ECU 149/tonnes from the time of the imposition of provisional measures (January 1994) onwards. The prices of the Polish imports were below the minimum price in 1994 and increased significantly thereafter. The prices of the Russian imports were below the level of the minimum price in 1994 but increased thereafter. As regards the Czech Republic, definitive anti-dumping measures were only imposed in January 1996 and an undertaking accepted from a specified exporter/producer at the level of the minimum price (ECU 149/tonne). Therefore, the measures concerning the Czech Republic had only been in force for less than three months at the end of the investigation period of the present review investigation (31 March 1996).

(47) In order to determine whether the exporters/producers were undercutting the prices of the Community producers, the Commission compared the weighted average prices of the Community producers on the Community market with the comparable weighted average prices of each exporting country, at a comparable level of trade, that is on an ex-warehouse importer/trader and ex-works Community industry level, customs duty paid, and an allowance in respect of post importation expenses and profit on the basis of the information available. The sales prices of the Community producers considered were those to independent customers and adjusted, where necessary, to ex-works level.

(48) The results of this comparison revealed the following undercutting margins during the investigation period for each country concerned:

- Brazil: 3 %
- Poland: 7 %
- Russia: 4 %
- Ukraine: 7 %
- Czech Republic: 21 %.

6. Situation of the Community industry

Preliminary remarks

(49) During the anti-dumping investigation which resulted in measures being imposed on imports of the product concerned originating in Brazil,
Poland, Russia and Ukraine, seven Community producers were active on the market. Five of those producers ceased production since 1993.

Four of those five companies are major Community steel producers, for which the production of hematite pig iron was very much ancillary to their main activity. In the framework of a rationalisation process, those companies decided to concentrate on their major product lines and ceased producing hematite pig iron. For the fifth company the product concerned represented 33 % of its total production and ferro-manganese 67 % (using the same blast furnace). The principle reason for ceasing production was the company’s decision to obtain ferro-manganese from other sources and thus discontinue the operation of the blast furnace.

Therefore, at the end of the investigation period of the current review investigation, only two Community producers remained, one of which was in protective administration throughout most of the period considered (from 1992 to September 1995) and was effectively bankrupt. The second company was in a better financial position but nonetheless was loss making.

Due to the situation described above, the injury factors are described separately for the Community producers as a whole and for the two remaining Community producers.

Production

Overall production levels of the product concerned decreased from 443 724 tonnes in 1992 to 297 527 in 1994 and to 238 154 tonnes in the investigation period, a decrease of 46 % over the period considered and a decrease of 20 % between 1994 and the investigation period. The closure of production facilities by five Community producers has to be taken into account when viewing the above data.

For the two remaining Community producers, production decreased from 273 187 tonnes in 1992 to 253 527 in 1994 and to 232 314 tonnes in the investigation period, a decrease of 15 % over the period considered and a decrease of 8 % between 1994 and the investigation period. It should be noted that the company operating under protective administration did not produce the product concerned for the first nine months of the investigation period.

Sales volume of the Community industry

The sales volume of all Community producers on the Community market decreased from 363 882 tonnes in 1992 to 269 867 in 1994 and to 219 693 tonnes in the investigation period, while the sales volume of the two remaining Community producers decreased from 246 476 tonnes in 1992 to 230 867 in 1994 and to 201 673 tonnes in the investigation period.

Market share

The development of sales volume compared to that of apparent Community consumption shows that the market share held by the Community producers decreased during the period considered, from 44 % in 1992 to 27 % in 1994 and to 22 % in the investigation period. The market share held by the two remaining producers decreased from 30 % in 1992 to 23 % in 1994 and to 20 % during the investigation period.

Capacity and capacity utilisation

Due to the closure of production facilities, total production capacity decreased from 1 817 000 tonnes to 991 334 tonnes over the period considered, a decrease of 45 %. The capacity of the two remaining producers remained constant at 890 000 tonnes.

Capacity utilisation rates are not particularly meaningful due to the closure of facilities and the special situation of the producer under protective administration.

Stocks

The level of stocks held by the Community producers decreased from 1 514 855 tonnes in 1992 to 33 207 tonnes in the investigation period. However, those figures are not considered meaningful due to the closure of production facilities and the subsequent sale of stocks held. The level of stocks held by the two remaining producers shows a decrease from 43 417 to 33 207 tonnes over the period considered. The producer under protective administration continued to sell from stock for a period of several months during the investigation period, while production had ceased.

Price evolution

The selling prices of the product concerned over the whole period considered are only available for the two remaining Community producers. The weighted average selling prices of the product concerned sold on the Community market
decreased from ECU 167/tonne in 1992 to ECU 144/tonne in 1993, increased to ECU 158/tonne in 1994, after the introduction of anti-dumping measures, and to ECU 174/tonne in the investigation period. Expressed in percentage terms, the price increase between 1992 and the investigation period is 4 % and the increase between 1993 and the investigation period is 21 %.

Profitability

(59) Profitability figures are only available for the two remaining companies. The available data shows that the two companies achieved negative, though improving, results throughout the period considered, with weighted average losses of 36 % of turnover in 1992, 19 % in 1994 and 7 % during the investigation period.

Employment

(60) Employment levels for the two remaining companies decreased from 444 in 1992 to 384 in the investigation period, a decrease of 14 %.

Conclusion on injury

(61) The investigation has shown that despite the introduction of anti-dumping measures the Community industry experienced the closure of production facilities (although this was mainly due to reasons other than the dumped imports), decreases in production and sales and loss of market share. The Community industry did not recover sufficiently to achieve profits.

G. CAUSATION

1. Preliminary remark

(62) The Commission had, in Decisions No 1751/94/ECSC and No 55/96/ECSC, established that the Community industry had suffered injury caused by dumped imports originating in Brazil, Poland, Russia, Ukraine and the Czech Republic. In the present review investigation it was necessary to examine whether the imports in question continued to cause material injury to the Community industry.

2. Effects of the dumped imports

(63) Although a significant increase in the volume of imports from the countries concerned and in their market share occurred between 1992 and the investigation period, the price levels of those imports show, in general, substantial increases after the imposition of measures in 1994, reaching levels above the minimum price.

(64) It should be noted that demand in the Community has always been far greater than the ability of the Community producers to supply. At best, before the closure of production facilities, Community producers could supply 45 to 50 % of demand. The Community industry’s main concern was about the price levels of the imports from the countries concerned rather than their volume or market share.

(65) The nature of the Community industry has changed during the period examined, with five producers having ceased producing the product concerned since 1993. While the price of imported hematite pig-iron may have had an influence, the decision of those companies to discontinue producing the product concerned was not primarily determined by the imports under consideration.

(66) The production of hematite pig-iron is the main source of revenue for the two remaining Community producers. The investigation has shown that, as previously stated, one company was in protective administration throughout most of the period considered and was effectively bankrupt. The company stopped producing the product concerned in January 1995 for a period of nine months.

The second company, although in a better financial position, was nevertheless loss making throughout the period considered, mainly because of very high social costs, due to previous restructuring. A recalculation of the profitability of this company with the elimination of these social costs revealed that, although losses were evident in both 1992 and 1993, the company achieved modest profits in 1994, 1995 and in the investigation period.

3. Conclusion

(67) In conclusion, during the present review, the Commission has established that the nature of the Community industry has substantially changed with only two producers of hematite pig-iron remaining. The investigation has further shown that the remaining producers were experiencing difficulties before, and throughout, the period considered and continued to have negative, though improving, financial results. However, the difficulties of the Community producers were of a structural nature and existed independently from the dumped imports. Despite a significant increase in the price of the imported product after the imposition of anti-dumping measures, the Community industry remained in difficulty.
(68) It is, therefore, concluded that the injury suffered by the Community industry is not caused by the dumped imports to any significant degree as it can be largely attributed to factors other than the imports from the countries concerned.

H. COMMUNITY INTEREST

1. Preliminary remarks

(69) The Commission examined whether or not it is in the Community interest to maintain the measures in force or whether it can be concluded that it is in the interest of the Community to alter or repeal the measures.

(70) To this end the Commission sent questionnaires to all known interested parties, including the Community industry, importers/traders and the user industry. The Commission received only limited replies from the users and from importers/traders of the product concerned.

2. Interests of the Community industry

(a) Nature and structure of the Community industry

(71) The Community industry essentially transforms raw material (normally iron ore and coke) into hematite pig-iron in a blast furnace at temperatures in excess of 1 000 °C. The liquid iron is then cast into ‘pigs’ and cooled before storage and subsequent sale. Hematite pig-iron is a basic, low technology, iron product and is itself a raw material used in the manufacture of grey iron castings.

(72) The Community industry consists of two companies, one located in the north-east of Italy and the second in the north west of Germany. Both companies are relatively small, employing a total of 393 people in the investigation period. Hematite pig-iron is the main product of these companies: it represented approximately 85 % of the turnover of each company in the investigation period.

(73) Total production of the product concerned in the investigation period was approximately 230 000 tonnes, which were sold almost exclusively on the Community market. At best, the Community industry can supply approximately 30 % of Community consumption.

(b) Effects of the maintenance or termination of the measures

(74) It has been determined that in view of the nature of the difficulties experienced by the Community producers, it is unlikely that the Community industry could benefit from these measures.

(75) It should be further stressed that in spite of the imposition of anti-dumping measures and the consequent substantial price increase, the companies which had formerly ceased the production of pig-iron have not resumed this production.

3. Interests of other parties

(76) In the light of the above conclusions it is not considered necessary to examine further the impact of the measures on other interested parties in this particular case.

I. CONCLUSION

(77) Given the above findings on injury, causation and Community interest, the anti-dumping proceeding concerning imports of hematite pig iron originating in Brazil, the Czech Republic, Poland, Russia and the Ukraine should be terminated and the measures should be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

The anti-dumping proceeding concerning imports of hematite pig iron originating in Brazil, the Czech Republic, Poland, Russia and the Ukraine is hereby terminated.

Article 2

Decisions No 1751/94/ECSC and No 55/96/ECSC are hereby repealed.

Article 3

This Decision shall enter into force on the day following its publication in the Official Journal of the European Communities.
This Decision shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 7 May 1998.

For the Commission
Leon BRITTTAN
Vice-President