COMMISSION REGULATION (EC) No 124/2000
of 20 January 2000
imposing a provisional anti-dumping duty on imports of polyester staple fibres (PSF) originating in
Australia, Indonesia and Thailand

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

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 Community (1), as last amended by Regulation (EC) No 905/98 (2), and in particular Article 7 thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE

(1) On 22 April 1999, the Commission announced, by a notice published in the Official Journal of the European Communities (3), the initiation of an anti-dumping proceeding with regard to imports into the Community of polyester staple fibres (hereinafter ‘PSF’) originating in Australia, Indonesia and Thailand and commenced an investigation.

(2) The proceeding was initiated as a result of a complaint lodged in March 1999 by the International Rayon and Synthetic Fibres Committee (CIRFS) on behalf of producers representing a major proportion of the Community production of PSF. The complaint contained evidence of dumping of the product concerned and of material injury resulting therefrom, which was considered sufficient to justify the initiation of a proceeding.

(3) A parallel anti-subsidy proceeding concerning imports into the Community of the same product originating in, inter alia, Australia, Indonesia and Thailand was announced by a notice published in the Official Journal of the European Communities (4) on the same date.

(4) There are anti-dumping measures currently in force on imports of PSF originating in Belarus (Council Regulation (EC) No 1490/96 (5)) and Taiwan (Council Regulation (EC) No 1728/1999 (6)). Measures against the Republic of Korea were repealed in August 1999 (Regulation (EC) No 1728/1999).

(5) The Commission officially advised the complainant Community producers, exporting producers and importers known to be concerned, the representatives of the exporting countries as well as Community users and suppliers of the initiation of the proceeding. The 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) A number of exporting producers in the countries concerned, as well as complainant Community producers, Community users and importers made their views known in writing. All parties, who so requested within the above time limit and indicated that there were particular reasons why they should be heard, were granted a hearing.

(7) In view of the large number of exporting producers in Indonesia, the Commission applied sampling techniques in accordance with Article 17 of Regulation (EC) No 384/96 (hereinafter ‘the basic Regulation’). The Commission received detailed information from a representative sample of exporting producers in Indonesia, as set out in recitals 18 and 19.

The Commission also received replies to its questionnaire from one exporting producer in Australia and four exporting producers in Thailand.

They also received replies from seven complaining Community producers and from two users in the Community which were considered to be meaningful and complete.

(8) The Commission sought and verified all the information it deemed necessary for the purpose of a preliminary determination of dumping, resulting injury and Community interest, and carried out verifications at the premises of the following companies:

(a) Complainant Community producers

Germany
— DuPont De Nemours GmbH, Frankfurt
— Trevira GmbH & Co KG, Frankfurt

Ireland
— Wellman International Ltd, Mullagh, Kells, Co. Meath

Spain
— Catalana de Polimers, Barcelona

Italy
— Montefibre SpA, Milan

(4) OJ C 111, 22.4.1999, p. 3.
(6) OJ L 204, 4.8.1999, p. 3.
Exporting producers in the exporting countries

Australia
— Leading Synthetics Pty Ltd, Campbellfield, Melbourne

Indonesia
— PT. Indorama Synthetics Tbk, Jakarta
— PT. Panasia Indosyntec, Bandung

Thailand
— Indo Poly (Thailand) Ltd, Nakornpathom
— Teijin Polyester (Thailand) Ltd, Bangkok
— Teijin (Thailand) Ltd, Bangkok
— Tuntex (Thailand) Public Co., Ltd, Bangkok.

The investigation of dumping covered the period 1 April 1998 to 31 March 1999 (hereinafter 'the investigation period' or 'IP'). The examination of injury covered the period from 1996 up to the end of the investigation period.

B. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

1. Product under consideration

The product under consideration is synthetic staple fibres of polyesters, not carded, combed or otherwise processed for spinning, which is currently classifiable under CN code 5503 20 00. It is commonly referred to as polyester staple fibres (PSF).

This product is a basic material used at various stages of the manufacturing process of textile products, depending on the nature of textiles concerned. Around 60 % of the Community consumption of PSF is used for spinning, that is to say manufacturing filaments for the production of textiles, after mixing or not with other fibres such as cotton or wool. Approximately 25 % is used for filling, that is to say the stuffing or padding of certain textile goods (for example cushions, car seats, jackets) while the remaining 15 % is used for other non-woven applications, in particular the production of carpets. The product in question is sold in different product types which can be identified through different specifications (e.g. denier or decitex, lustre, silicon treatment). It is also sold as either first quality or as sub-standard qualities. Although the potential specific range of uses and the quality of the various types of PSF sold may differ, this does not entail any significant differences in the basic physical characteristics of the different types. They are therefore considered as one product for the purpose of this investigation.

2. Like product

The Commission found that there were no differences in the basic physical characteristics and uses of the PSF imported into the Community originating in Australia, Indonesia and Thailand and the PSF produced by the complainant Community producers and sold on the Community market. It was also found that there was no difference between the PSF produced in Australia, Indonesia and Thailand and sold on the domestic markets of those countries. It was therefore concluded that both the PSF produced and sold by the Community industry on the Community market and the PSF produced and sold on the domestic markets of Australia, Indonesia and Thailand were, within the meaning of Article 1(4) of the basic Regulation, alike to the PSF imported into the Community from the three countries subject to investigation.

C. SAMPLING IN INDONESIA

(a) Sampling

In order to enable the Commission to select a sample, pursuant to Article 17(2) of the basic Regulation, exporting producers were requested to make themselves known within three weeks of the initiation of the proceeding and to provide basic information on their export and domestic sales, their precise activities with regard to the production of the product concerned and the names and activities of all their related companies in the PSF sector. The Indonesian authorities and the Indonesian association of exporting producers were also contacted in this regard by the Commission and raised no objection against the use of sampling.

(b) Pre-selection of cooperating companies

Seven companies in Indonesia came forward and provided the requested information within the three-week period. These companies were initially considered as cooperating and were taken into account in the selection of the sample.

The companies, which made themselves known within the three-week period, represented up to 100 % of total imports from Indonesia into the Community.

The cooperating companies which were not finally retained in the sample, were informed that any anti-dumping duty on their exports would be calculated in accordance with the provisions of Article 9(6) of the basic Regulation.

Companies, if any, which did not make themselves known within the three-week period, were considered as non cooperating companies.
(c) Selection of the sample

(17) Initially, three Indonesian companies were chosen to constitute the sample in consultation with the Indonesian association of exporting producers. The Indonesian association proposed the replacement of two initially chosen companies by two others which, however, could not be considered more representative than those initially chosen. The Indonesian authorities were informed accordingly.

(18) Questionnaires were sent for completion to all three initially sampled companies. One of these companies provided an unsatisfactory response, which was not in accordance with the basic information it had previously provided for the sampling exercise and a second did not provide a completed response within a twice-extended deadline. In consequence, these two companies were informed that they were no longer considered to be cooperating with the investigation and that the result of the investigation may be less favourable to them than if they had cooperated.

(19) Given the degree of non-cooperation by companies initially selected in the sample, the only other Indonesian cooperating company, which had provided a satisfactory questionnaire response, with a view to being granted individual examination, was added to the sample (see recital 21 below). The Indonesian association of exporting producers and the Indonesian authorities were informed and raised no objection.

(20) The two companies which finally constituted the sample and which fully cooperated with the investigation were attributed their own dumping margin and individual duty rate.

(d) Individual examination within the context of sampling

(21) The Commission received two requests for individual examination within the deadline set for this purpose, as required by Article 17(3) of the basic Regulation.

This section first explains the general methodology used to establish whether the imports into the Community of the product under consideration have been dumped (recitals 24 to 35). Specific issues raised by the investigation for each country concerned are then described in recitals 36 to 63.

1. Normal value

(24) In accordance with Article 2(2) of the basic Regulation, the Commission first examined whether the domestic sales of PSF to independent customers by each exporting producer were representative, i.e. whether the total volume of such sales was equal to or greater than 5% of the total volume of the corresponding export sales to the Community.

This assessment revealed that all investigated exporting producers had representative sales of PSF on their domestic markets during the investigation period.

(25) With regard to the examination on a product type basis, and as indicated in recital 12, the Commission considered domestically sold and exported product types, which had similar quality, denier, lustre, silicon treatment and use, as being directly comparable.

Certain exporting producers claimed that PSF of substandard quality should be further distinguished in different sub-qualities. However, these claims were not supported by any generally recognised criteria on how to differentiate between substandard qualities and therefore, these claims were provisionally rejected.

(26) Domestic sales of a particular product type were considered as sufficiently representative when the volume of that product type sold on the domestic market to independent customers during the investigation period represented 5% or more of the total volume of the comparable product type sold for export to the Community.

(27) The Commission subsequently examined whether the domestic sales of each company could be considered as being made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation.

This was done by establishing the proportion of domestic sales to independent customers, of each exported product type, not sold at a loss on the domestic market during the investigation period:

(a) for those product types where more than 80% of sales on the domestic market (by volume) were not below unit costs and where the weighted average sales price was equal to or higher than the weighted average production cost, normal value, by product type, was calculated as the weighted average of all domestic sales prices of the type in question;
(b) for those product types where at least 10 %, but no more than 80 % of sales on the domestic market (by volume) were not below unit costs, normal value, by product type, was calculated as the weighted average of domestic sales prices which were made at prices equal to or above unit costs only, of the type in question;

(c) for those product types where less than 10 %, by volume, was sold on the domestic market at a price not below unit costs, it was considered that the product type concerned was not sold in the ordinary course of trade and therefore, normal value was constructed.

(28) When the requirements set out in recitals 26 and 27(a) and (b) above were met, normal value was based for the corresponding product type on the actual prices paid or payable, by independent customers in the domestic market of the exporting country, during the investigation period, as set out in Article 2(1) of the basic Regulation.

(29) For product types falling under (c) above, as well as for the product types which were not sold in representative quantities on the domestic market, as mentioned in recital 26, normal value had to be constructed.

To construct normal value pursuant to Article 2(6) of the basic Regulation, the selling, general and administrative (SG & A) expenses incurred and weighted average profit realised by the cooperating exporting producers concerned on domestic sales of the like product, in the ordinary course of trade, during the investigation period, was added to their own average cost of manufacturing during the investigation period.

2. Export price

(30) As all exports of the product under consideration by all exporting producers were made directly to independent customers in the Community, the export price was established in accordance with Article 2(8) of the basic Regulation, on the basis of export prices actually paid or payable.

3. Comparison

(31) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting price comparability in accordance with Article 2(10) of the basic Regulation.

Accordingly, allowances for differences in transport costs, insurance costs, handling, loading and ancillary costs, import charges and indirect taxes, packing costs, credit costs, after-sales costs, commissions, discounts and rebates have been granted where applicable and justified.

The comparison between normal value and export price was made on an ex-factory basis.

(a) Dumping margin for companies investigated

(32) According to Article 2(11) of the basic Regulation, the weighted average normal value by product type, as determined in recital 27, was compared with the weighted average export price, as determined under recital 30.

(b) Dumping margin for cooperating companies not in the sample

(33) In the case of Indonesia, the dumping margin for exporting producers, which made themselves known in accordance with Article 17 of the basic Regulation but were not examined individually, has been established on the basis of the weighed average of the dumping margins of the companies in the sample pursuant to Article 9(6) of the basic Regulation.

(c) Dumping margin for non-cooperating companies

(34) For those exporting producers which neither replied to the Commission’s questionnaire (see recital 19) nor otherwise made themselves known, the dumping margin was established on the basis of the facts available, in accordance with Article 18(1) of the basic Regulation.

(35) For each country subject to investigation, the volume of exports to the Community reported by the cooperating exporting producers was compared with the equivalent Eurostat import statistics in order to establish the overall level of cooperation:

(a) for each of those countries concerned for which it was found that the overall level of cooperation was high, it was considered appropriate to set a residual dumping margin for the non-cooperating companies at the level of the highest dumping margin established for a cooperating company in the country in question or at the level of the sole cooperating company. This approach was taken as there is no reason to believe that any non-cooperating exporting producer in any country concerned would have dumped at a lower level than a cooperating exporting producer in the same country;
(b) for each of those countries concerned for which it was found that the overall level of cooperation was low, it was considered appropriate to set a residual dumping margin for the non-cooperating companies at a level higher than the highest dumping margin established for a cooperating company. Indeed, there is reason to believe that the high level of non-cooperation results from the non-cooperating exporting producers in the country concerned generally having dumped at a higher level than any cooperating exporting producer in the same country.

The above approach with regard to non-cooperating companies was also considered necessary in order to prevent non-cooperating companies benefitting from their non-cooperation.

4. Specific issues raised by the investigation with regard to the establishment of dumping for each of the countries concerned

(a) Australia

(i) Normal value

The cooperating Australian exporting producer made substantial sales of the product concerned to a related user on the domestic market. Pursuant to Article 2(1) of the basic Regulation, these sales were not considered to be in the ordinary course of trade and were not used to establish normal value.

Where necessary, the manufacturing costs and SG & A expenses reported were corrected, before being used in the ordinary course of trade test and in constructing normal value.

In all other aspects, normal value was established according to the general methodology outlined in recitals 24 to 29. On this basis, normal value was established by reference to domestic sales prices or constructed values, depending on the product types.

(ii) Export price

All sales of the product concerned made to the Community market, by the exporting Australian producer were made to independent customers. The export prices for the company were established according to the general methodology outlined in recital 30, i.e. on the basis of the prices actually paid or payable.

(iii) Comparison

(38) According to the general methodology outlined in recital 31, allowances for differences in transport costs, insurance costs, handling, loading and ancillary costs, credit costs and commissions have been granted where applicable and justified.

(39) The Australian exporting producer claimed an adjustment for differences in packing costs because for some domestic clients the goods are delivered on pallets. This request was however rejected as the pallets were invoiced separately to the customer.

(40) The Australian exporting producer claimed allowances on its normal value for differences in the costs for providing warranties and guarantees as well as for technical assistance and services. The company did not give a satisfactory explanation with regard to the nature of its claims and also did not provide satisfactory explanations or documentary evidence to support the amounts of the adjustments claimed. Furthermore, the company was not able to demonstrate that the factors concerned led to different prices being charged to customers on the domestic and export markets. The claim was consequently rejected.

(iv) Dumping margin

(41) The provisional dumping margin was established as described in recitals 32 to 35.

(42) It was found that the sole cooperating Australian exporting producer accounted for the totality of exports to the Community from Australia. The residual dumping margin for Australia was therefore established as described in recital (35)(a) at the level of the dumping margin determined for the sole cooperating company, Leading Synthetics Pty Ltd.

(43) The provisional dumping margin expressed as a percentage of the cif import price at the Community border duty unpaid is 19.6 %.

(b) Indonesia

(i) Normal value

(44) One of the two investigated Indonesian exporting producers made some sales of the product concerned to a related user on the domestic market. Pursuant to Article 2(1) of the basic Regulation, these sales were not considered to be in the ordinary course of trade and were not used to establish normal value.
Where necessary, the manufacturing costs and SG & A expenses reported were corrected, before being used in the ordinary course of trade test and in constructing normal value.

In all other aspects, normal value was established according to the general methodology outlined in recitals 24 to 29. For both exporting producers, depending on the product types, normal value based on domestic sales prices and constructed values have been determined.

(ii) Export price

(45) All sales of the product concerned made to the Community market, by the two investigated Indonesian exporting producers, were made to independent customers. The export prices for the companies were established according to the general methodology outlined in recital 30, i.e. on the basis of the prices actually paid or payable.

(iii) Comparison

(46) According to the general methodology outlined in recital 31, allowances for differences in discounts, transport costs, insurance costs, handling, loading and ancillary costs, credit costs and commissions have been granted where applicable and justified.

(iv) Dumping margin

(47) The provisional dumping margins for the two investigated exporting producers were established as described in recital 32.

(48) For cooperating exporting producers not included in the sample (see recitals 13 to 22) a dumping margin was established on the basis of the weighted average by volume of the dumping margins of the two sampled companies.

(49) Furthermore, as indicated in recital 18, two Indonesian exporting producers, selected in the initial sample, failed to cooperate, with the investigation after the selection of the sample was completed. These companies represent around 30% of the exports of the product under consideration to the Community. Therefore, it was considered appropriate to establish a residual dumping margin as described in recital 35(b) at a level higher than the highest dumping margin determined for a cooperating company in the sample. Accordingly, the residual dumping margin for Indonesia was established on the basis of the weighted average by volume of the two product types with the highest specific dumping margin established and accounting for a representative export volume to the Community.

(50) The provisional dumping margins expressed as a percentage of the cif import price at the Community border duty unpaid are the following:

Sampled exporting producers investigated:

— PT. Indorama Synthetics Tbk: 5.2 %
— PT. Panasia Indoysyntec: 14.8 %

Cooperating exporting producers not included in the sample:

— PT. GT Petrochem Industries Tbk: 13.7 %
— PT. Susilia Indah Synthetic Fiber Industries: 13.7 %
— PT. Teijin Indonesia Fiber Corporation Tbk: 13.7 %

Non-cooperating exporting producers: 20.8 %.

(c) Thailand

(51) In total, four exporting producers made themselves known and cooperated in the investigation. Two of these exporting producers were related.

(i) Normal value

(52) Normal value was established according to the general methodology outlined in recitals 24 to 29. For product types falling under recital 27(c), as well as for one product type, sold by one company, where the volume of domestic sales was not representative when compared with the volume of that type sold for export to the European Community, normal value had to be constructed. In all other cases, normal value was based on domestic sales prices.

Where necessary, the manufacturing costs and SG & A expenses reported were corrected, before being used in the ordinary course of trade test and in constructing normal values.

(53) One cooperating company requested that a certain product type should be excluded from the dumping margin calculation on the grounds that its costs and prices were affected by a start-up phase, or if that was not accepted, that a suitable adjustment should be granted. However, the company did not suggest any appropriate adjustment. As the value of these sales represented more than 59% of total export sales of the product concerned to the European Community during the investigation period, it is not considered appropriate to exclude them from the dumping margin calculation.
In these circumstances, in accordance with Article 2(5) of the basic Regulation, as the start-up phase extended beyond the investigation period, the average costs of production taken into account, for this type of production, for the investigation period, were those applicable at the end of the start-up phase, where the appropriate information had been submitted prior to the verification visit and within three months of the initiation of the investigation.

(ii) Export price

All sales of the product under consideration made to the Community market, by the four cooperating Thai exporting producers, were made to independent customers. The export prices for the companies were established according to the general methodology outlined in recital 30, i.e. on the basis of the prices actually paid or payable.

(iii) Comparison

According to the general methodology outlined in recital 31, allowances for differences in transport costs, insurance costs, handling, loading and ancillary costs, import charges and indirect taxes, packing costs, credit costs, after-sales costs, commissions, discounts and rebates have been granted where applicable and justified.

All four cooperating exporting producers requested a level of trade adjustment. However, for one producer, the basis of the claim was considered inappropriate, for a second, the company did not demonstrate consistent and distinct differences in functions and prices for the different levels of trade in the domestic market, which were not already included in other allowances claimed. Moreover, no exporting producer provided a satisfactory justification for the amount of the level of trade adjustment claimed. In these circumstances, no level of trade adjustment was granted at this stage.

A currency conversion allowance was claimed by two exporting producers on the grounds that there had been a sustained downward movement in the export invoice currency against the accounting currency during the investigation period. However, it was found that there was a fluctuating exchange rate during the investigation period rather than a sustained movement and therefore, the claim was rejected.

One company made a late claim for a duty drawback allowance, i.e. almost two months after the deadline for submissions of completed questionnaires. In addition, the company did not provide the detailed legislative documentation requested in the questionnaire and did not demonstrate that the duties had actually been refunded. In these circumstances, no allowance was granted.

Three companies claimed allowances for technical assistance provided by in-house staff. However, these claims were rejected on the grounds that the technical assistance was not provided for by law or in the sales contracts reviewed, evidence was not provided that the cost was an after-sales cost and the technical assistance provided was not demonstrated to affect prices.

(iv) Dumping margin

The provisional dumping margins for the four investigated exporting producers were established as described in recital 32.

It is the consistent practice of the Commission to establish one single weighted average dumping margin for related companies. This is because determining individual dumping margins might encourage circumvention of anti-dumping measures, thus rendering them ineffective, by enabling related producers to channel their exports to the Community through the company with the lowest individual dumping margin. In accordance with this practice, the two related exporting producers belonging to the same group were attributed one single dumping margin by first calculating a dumping margin per company and then establishing a weighted average of these dumping margins.

It was found that the overall cooperation in Thailand was very high (up to 100%). The residual dumping margin for Thailand, expressed as a percentage of the cif duty unpaid Community border import price, was therefore established on the basis of recital 33(a) above at the level of the highest dumping margin determined for a cooperating company.

The provisional dumping margins as established, expressed as a percentage of the cif import price at the Community border duty unpaid are the following:

- Indo Poly (Thailand) Ltd: 15.5 %
- Teijin Polyester (Thailand) Ltd: 36.6 %
- Teijin (Thailand) Ltd: 36.6 %
- Tuntex (Thailand) Public Co., Ltd: 35.3 %

Non-cooperating exporting producers: 36.6 %.

E. INJURY

1. Definition of the Community industry

Fourteen producers are known to produce PSF in the Community. Nine of them are complainants in the present case, but only eight initially replied to the questionnaire. In addition, one producer of these eight did not reply to the deficiency letters sent by the Commission. Consequently it was considered that two complainant Community producers did not cooperate in the investigation. On this basis, the investigation showed that the share of the total Community production held by the seven cooperating complainant Community producers, during the IP represented around 85 % of total Community production of PSF.
Therefore, the seven producers constitute the Community industry within the meaning of Article 4(1) of the basic Regulation. Hereinafter, the cooperating Community producers are referred to as the 'Community industry'.

2. Analysis of the situation in the Community PSF market

(a) Consumption in the Community.

(65) Given that no cooperation could be obtained with respect to information on the sales volume of the non-complaining Community producers, the Community consumption indicated in the table below, was based on the combined volume of sales made by the Community industry, the import volume from the countries concerned by the present investigation, the Eurostat information on imports from other third countries and estimates of the volume of sales of the non cooperating Community producers.

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption</td>
<td>454 470 t</td>
<td>518 328 t</td>
<td>585 164 t</td>
<td>578 967 t</td>
</tr>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>114</td>
<td>129</td>
<td>127</td>
</tr>
</tbody>
</table>

(b) Imports of PSF into the Community from the countries concerned

(i) Cumulative assessment of imports

(66) The Commission considered whether imports of PSF originating in the countries concerned should be assessed cumulatively in accordance with Article 3(4) of the basic Regulation. The examination showed that:

(a) the margin of dumping relating to each country, as shown above, was above de minimis;
(b) the volume of imports from each country was not negligible when compared to Community consumption;
(c) the analysis of the conditions of competition between imported PSF and the Community product and the conditions of competition between imported PSF indicated that,
   — as indicated in recital imported PSF from all exporting countries and Community produced PSF are like products,
   — imported PSF from all exporting countries was sold through similar sales channels to the same customers
   — imported PSF from all exporting countries was sold at similar prices;
(d) the investigation showed that the exporting countries concerned sold PSF directly to unrelated customers, such as textile manufacturers, cushion and quilt manufacturers, and to PSF merchants. The investigation showed that the Community industry was selling the like product through the same sales channels and to the same categories of customers, although most of their sales were made to end-users.

Accordingly, there were sufficient grounds for cumulating the imports from the abovementioned countries.

(ii) Volume of imports

(67) Between 1996 and the IP imports originating from the countries concerned developed as set out below:
Imports

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>62 t</td>
<td>1 248 t</td>
<td>11 254 t</td>
<td>11 799 t</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>2 007</td>
<td>18 093</td>
<td>18 969</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4 696 t</td>
<td>12 238 t</td>
<td>25 276 t</td>
<td>22 871 t</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>261</td>
<td>538</td>
<td>487</td>
</tr>
<tr>
<td>Thailand</td>
<td>2 790 t</td>
<td>3 093 t</td>
<td>13 359 t</td>
<td>17 241 t</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>111</td>
<td>479</td>
<td>618</td>
</tr>
<tr>
<td>Total</td>
<td>7 549 t</td>
<td>16 579 t</td>
<td>49 888 t</td>
<td>51 911 t</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>220</td>
<td>661</td>
<td>688</td>
</tr>
</tbody>
</table>

Source: Comext 2.

(iii) Market share of imports concerned

The market share by volume held by imports from the countries concerned increased considerably during the period considered.

<table>
<thead>
<tr>
<th>Market share</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>0,01 %</td>
<td>0,24 %</td>
<td>1,92 %</td>
<td>2,04 %</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>1 760</td>
<td>14 052</td>
<td>14 903</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1,03 %</td>
<td>2,36 %</td>
<td>4,32 %</td>
<td>3,95 %</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>228</td>
<td>418</td>
<td>383</td>
</tr>
<tr>
<td>Thailand</td>
<td>0,61 %</td>
<td>0,60 %</td>
<td>2,28 %</td>
<td>2,98 %</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>97</td>
<td>372</td>
<td>485</td>
</tr>
<tr>
<td>Total</td>
<td>1,66 %</td>
<td>3,20 %</td>
<td>8,53 %</td>
<td>8,97 %</td>
</tr>
<tr>
<td>Index (1996 – 100)</td>
<td>100</td>
<td>193</td>
<td>513</td>
<td>540</td>
</tr>
</tbody>
</table>

The trend shown in the tables above confirms the sharp increase of the imports from the countries concerned in the Community market, both in absolute terms and in terms of market share.

(iv) Average price of imports

From 1996 to the IP, sales prices in the Community market of PSF imported from the countries concerned followed a continuously decreasing tendency throughout the period considered, as indicated in the following table:

<table>
<thead>
<tr>
<th>Average import price evolution</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>100</td>
<td>56</td>
<td>52</td>
<td>50</td>
</tr>
<tr>
<td>Indonesia</td>
<td>100</td>
<td>92</td>
<td>85</td>
<td>80</td>
</tr>
<tr>
<td>Thailand</td>
<td>100</td>
<td>92</td>
<td>75</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>89</td>
<td>82</td>
<td>78</td>
</tr>
</tbody>
</table>
(v) Price undercutting

(70) For the determination of price undercutting, the Commission analysed data referring to the IP. Price undercutting was established on the basis of a comparison of the export price with prices charged by the Community industry.

The sales prices of the Community industry considered were those to independent customers, adjusted where necessary to an ex-works level, i.e. excluding transport costs. As the Community industry was selling mainly to end-users whereas the exporting producers were selling to both end-users as well as distributors/wholesalers, adjustments were made to the exporting producers’ selling prices (cif Community frontier) to take account these differences in the level of trade as well as of customs duties paid. All prices were compared after excluding discounts and rebates.

Weighted average prices were compared for similar product types of PSF, as defined in the Commission’s questionnaires. The weighted average price undercutting margins, expressed as a percentage of the Community industry’s average selling prices, were 34.7 % for Indonesia, 21 % for Australia and 32.7 % for Thailand.

3. Economic situation of the Community industry

(a) Preliminary remarks

(71) The examination of the injury trends covered the period from 1996 up to the end of the IP. It should be noted that during this period anti-dumping measures were in force against the Republic of Korea, Taiwan and Belarus with a resulting effect on the Community industry.

(b) Production, capacity and capacity utilisation

(72)

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>312 917 t</td>
<td>330 577 t</td>
<td>322 403 t</td>
<td>315 917 t</td>
</tr>
<tr>
<td>Index (1996 - 100)</td>
<td>100</td>
<td>106</td>
<td>103</td>
<td>101</td>
</tr>
<tr>
<td>Capacity</td>
<td>384 500 t</td>
<td>376 800 t</td>
<td>358 300 t</td>
<td>359 400 t</td>
</tr>
<tr>
<td>Index (1996 - 100)</td>
<td>100</td>
<td>98</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Capacity utilisation</td>
<td>81.38 %</td>
<td>87.73 %</td>
<td>89.98 %</td>
<td>87.90 %</td>
</tr>
<tr>
<td>Index (1996 - 100)</td>
<td>100</td>
<td>108</td>
<td>111</td>
<td>108</td>
</tr>
</tbody>
</table>

As illustrated in the table above, production of the Community industry was by and large stable.

(73) As regards capacity, it should be noted that the production facilities for PSF are also used in the production of other products not concerned by the present proceedings, e.g. tow and tops. As a consequence, the capacity attributed to the production of PSF was determined on the basis of the actual production of the various products including PSF. On this basis, capacity decreased by 7 %.

The decrease in the capacity of production can be attributed to the fact that the Community industry closed certain production lines and factories or converted them to the production of other products not covered by this investigation with the aim of obtaining a more efficient capacity utilisation.

(74) The rate of utilisation of the production capacity, as shown in the above table, increased by 8 % during the period considered. This increase, however, is the direct result of the reduction of the capacity of production.
(c) Sales volume of the Community industry

The volume of PSF sold by the Community industry on the Community market decreased by 6 % during the period considered, as shown in the table below.

<table>
<thead>
<tr>
<th>Sales</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index (1996 — 100)</td>
<td>308 851 t</td>
<td>319 235 t</td>
<td>294 718 t</td>
<td>291 013 t</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>103</td>
<td>95</td>
<td>94</td>
</tr>
</tbody>
</table>

This trend indicates that the sales made by the Community industry did not follow the trend in consumption, which increased by 27 % during that period, as mentioned in recital 65. In fact, sales volume only roughly followed the trend of consumption between 1996 and 1997 when it increased by 3 % whereas consumption by 14 %. Since then, the trend in sales volume fell continuously up to the IP.

(d) Average sales price and price evolution

The weighted average prices of the product concerned sold by the Community industry on the Community market showed a considerable decrease over the period considered. As reported in the table below, the average price fell by 11 % during that period.

<table>
<thead>
<tr>
<th>Average Community industry price evolution</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>93</td>
<td>93</td>
<td>89</td>
</tr>
</tbody>
</table>

The investigation has shown that PSF prices are also influenced by the evolution of the prices of the basic raw materials, e.g. pure terephthalic acid (PTA), Dimethylterephthalate (DMT) and Glycol which represent between 60 and 70 % of the cost of production of the finished PSF.

(e) Market share

The development of sales volume compared to that of Community consumption shows that the market share held by the Community industry decreased significantly during the period considered. The table below indicates the development.

<table>
<thead>
<tr>
<th>Market share</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index (1996 — 100)</td>
<td>67,96 %</td>
<td>61,59 %</td>
<td>50,37 %</td>
<td>50,31 %</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>91</td>
<td>74</td>
<td>74</td>
</tr>
</tbody>
</table>

The above table indicates that the decreasing trend was continuous during the period examined. However, the loss in market share was relatively limited between 1996 and 1997, where 6,4 percentage points were lost. In contrast, the decline between 1996 and the IP was spectacular with 18 percentage points lost.

(f) Stocks

<table>
<thead>
<tr>
<th>Stocks</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index (1996 — 100)</td>
<td>30 084 t</td>
<td>28 033 t</td>
<td>36 801 t</td>
<td>36 780 t</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>93</td>
<td>122</td>
<td>122</td>
</tr>
</tbody>
</table>
As shown in the table above, stocks significantly increased by 22% between 1996 and the IP.

\(\text{(g) Profitability}\)

(79) In 1996, the Community industry incurred a weighted average loss of 4%, expressed as a percentage of net sales.

<table>
<thead>
<tr>
<th>Year</th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability (%)</td>
<td>– 4.04</td>
<td>– 0.41</td>
<td>6.34</td>
<td>6.73</td>
</tr>
</tbody>
</table>

Subsequently, as shown in the table above, its financial situation improved, especially during 1998 (profit of 6.34%). This improvement was in fact the result of the restructuring processes undertaken by the Community industry, aiming at more efficient production processes and using certain product lines for more specialised products with higher profit margin. Nevertheless, the above profit margin should be seen in the light of a profit rate of 10% which is considered to be the minimum profit rate that would ensure the viability of this type of industry in the long term.

It should also be mentioned that the profit achieved during the IP was mainly influenced by the performance of the specialities sector (18.85%). In the non-woven regular and hollow fibres, where imports are particularly present, the profit only reached 0.86% and 1.37% respectively.

Furthermore, the investigation showed that the restructuring of the Community industry resulted in a decrease in SG & A costs by 15.3% from 1996 to the IP. It is also important to note that the prices of the raw materials decreased significantly over the period considered: according to information made available during the verification, PTA prices decreased by 35.6% and Glycol prices by 14.3% over the period considered. The combined effect of the price reductions of these raw materials was estimated to have led to a 31% decrease of the cost of manufacturing of PSF.

Both of the abovementioned factors, i.e. the SG & A reduction and the decrease of the raw materials prices, suggest that the cost of production was reduced faster than the decrease of the sales prices, allowing thus the Community industry to return to profits from 1998 onwards. In fact, it is considered that the current profit is the maximum that can be achieved given the price pressure from imports. The increased efficiency of the industry cannot be improved upon in the short term.

\(\text{(h) Investments}\)

(80) Yearly investments made by the Community industry were important during the period examined, as indicated in the table above. It should be noted that this significant effort represents, for the most part, investments in replacement machinery as part of an overall restructuring programme.
Employment

(81) Due to a certain degree of reduction in production capacity and restructuring, employment of the sector of the product concerned decreased by 20 %, as shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>91</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

(j) Conclusion on the situation of the Community industry

(82) The above analysis has revealed that during the period considered some economic indicators such as capacity (- 7 %), sales volume (- 6 %), sales prices (- 11 %), market share (- 26 %), stocks (+ 22 %), investments (- 9 %) and employment (- 20 %) showed negative trends, in particular between 1997 and the IP.

(83) In the meantime, production increased marginally by 1 %. Following a reduction in the capacity of production, capacity utilisation increased by 8 %. Profitability which was negative in 1996 and 1997 became positive in 1998 and in the IP without reaching a level that was considered satisfactory.

(84) The investigation has also shown that the Community industry has suffered significant price pressure. Indeed, substantial price undercutting (40 % on average) has been established for imports originating from the countries concerned.

(85) In the light of the foregoing analysis, in particular the high loss in market share, the decrease in sales price, the Commission has concluded that the Community industry has suffered injury which is classified as material.

F. CAUSATION

1. Introduction

(86) The Commission examined whether the material injury suffered by the Community industry had been caused by the dumped imports from Indonesia, Thailand and Australia. In accordance with Article 3(7) of the basic Regulation, the Commission also examined other factors in order to ensure that injury caused by other factors was not wrongly attributed to the dumped imports subject to investigation.

2. General

(87) In the recent past, the Community Institutions have found that the Community industry suffered injury and that this injury was caused by dumped imports from a number of countries among which Taiwan and Belarus. This industry has therefore been weakened since the beginning of the present investigation and was seen to be still vulnerable during the period under examination.

3. Effect of the dumped imports

(88) The present investigation has shown that imports from the countries concerned onto the Community market significantly increased during the period examined, namely by almost seven times. In 1996, 7,549 tonnes of PSF were imported from the countries concerned whereas the volume imported during the IP was 51,911 tonnes. As a consequence of the above import development the market share held by the countries concerned increased from 1,66 % in 1996 up to 8,97 % during the IP. During the same period, the average sales prices of these imports decreased by 22 %. They undercut those of the Community industry by 40 %.

(89) These developments took place at a moment when the Community industry was particularly vulnerable recovering after a long period of dumped imports from other third countries.
(90) This resulted in a situation in which the Community industry, instead of benefiting from the re-establishment of fair trading conditions following the imposition of antidumping measures with respect to imports from other third countries, faced further deterioration. The injury investigation concluded, as indicated above, that an overall worsening of the situation in that industry existed with major decreases in market share (−26%), sales volume (−6%) and sales prices (−11%).

(91) It should also be mentioned that the major losses suffered by the Community industry occurred for those product types of PSF mainly imported from the said countries. Indeed, imports of woven PSF products represent around 50% and of regular nonwoven products about 29% of all imports of PSF from the countries concerned. For these particular product types, the profits realised by the Community industry was 3.1% and 0.86% respectively, whereas the average profits for more specialised products, which are imported to a lesser degree, was about 18.85%.

(92) The above appears to be particularly relevant as imported PSF and PSF produced in the Community are like products, offered through similar sales channels in the Community market. Therefore the increasing presence of high volumes of dumped PSF imported from the countries concerned has had a significant impact on that market overall. Furthermore, the market being transparent, the effect of the low prices offered for PSF imported from the countries concerned and well known to all potential customers in the Community market, had a major impact on the level of prices of the Community industry.

(93) Based on the above, it was concluded that the low-priced dumped imports had a significant negative impact on the situation of the Community industry.

4. Impact of other factors

(a) Development of consumption

(94) As mentioned in recital 65, from 1996 to the IP, consumption in the Community market increased by 27% indicating a fast growing PSF market. Therefore, consumption cannot be held responsible for the injurious situation suffered by the Community industry.

(b) Imports of PSF from other third countries

(95) Total imports of PSF onto the Community market from countries other than Indonesia, Thailand and Australia developed as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan, South Korea (1)</td>
<td>38 541 t</td>
<td>58 198 t</td>
<td>102 636 t</td>
<td>103 441 t</td>
</tr>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>153</td>
<td>268</td>
<td>271</td>
</tr>
<tr>
<td>Belarus (2)</td>
<td>4 463 t</td>
<td>243 t</td>
<td>35 t</td>
<td>35 t</td>
</tr>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Other countries</td>
<td>60 084 t</td>
<td>78 100 t</td>
<td>81 109 t</td>
<td>76 155 t</td>
</tr>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>130</td>
<td>135</td>
<td>127</td>
</tr>
<tr>
<td>Total other imports</td>
<td>103 088 t</td>
<td>136 541 t</td>
<td>183 780 t</td>
<td>179 615 t</td>
</tr>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>132</td>
<td>178</td>
<td>174</td>
</tr>
<tr>
<td>y/y difference</td>
<td>+32%</td>
<td>+35%</td>
<td>−2%</td>
<td></td>
</tr>
</tbody>
</table>

(1) PSF imported from Taiwan is subject to a 13.0% definitive anti-dumping duty since September 1993.

PSF imported from Korea was subject to a 4.8% definitive anti-dumping duty until August 1999.

(2) PSF imported from Belarus is subject to a 43.5% definitive anti-dumping duty since July 1996.
Average import price evolution
Index (1996 — 100)

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan, South Korea</td>
<td>100</td>
<td>95</td>
<td>83</td>
<td>77</td>
</tr>
<tr>
<td>Belarus</td>
<td>100</td>
<td>84</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Other countries</td>
<td>100</td>
<td>90</td>
<td>88</td>
<td>86</td>
</tr>
<tr>
<td>Total (other imports)</td>
<td>100</td>
<td>91</td>
<td>83</td>
<td>79</td>
</tr>
</tbody>
</table>

(96) It should be underlined that the two major exporting countries, namely Taiwan and South Korea, are subject to an anti-subsidy investigation which was initiated in parallel to the present investigation. The anti-subsidy investigation concluded that imports from South Korea were not subsidised. However, it showed that the subsidised imports from Taiwan combined with the imports from the countries concerned by the present anti-dumping investigation contributed to the injury suffered by the Community industry.

An analysis of the development of import prices of South Korea and Taiwan reveals that they also contributed to the pressure exerted on prices in the Community. The information available shows that the average prices of imports from these countries fluctuated between those practised by the countries concerned by this proceeding and those of the Community industry. As far as imports from other third countries, their limited volume and their prices which were at the level of those of the Community industry, indicate that such imports did not contribute to the price deterioration noticed in the market.

On the basis of the above, it cannot be excluded that imports from South Korea and Taiwan onto the Community market did have an impact on the economic situation of the Community industry. However, taking into account the level and prices of these imports these cannot break the causal link between the imports from the countries concerned and the injurious situation suffered by the Community industry.

(c) Export activity and other activities of the Community industry

(97) Exports to third countries have always represented a minor activity for the Community industry. From a level of around 9 % of total sales in 1996, exports decreased to a level of 5 % during the IP. The table below shows the volumes exported:

<table>
<thead>
<tr>
<th></th>
<th>1996</th>
<th>1997</th>
<th>1998</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>27 649 t</td>
<td>29 200 t</td>
<td>16 300 t</td>
<td>14 854 t</td>
</tr>
<tr>
<td>Index (1996 — 100)</td>
<td>100</td>
<td>106</td>
<td>59</td>
<td>54</td>
</tr>
</tbody>
</table>

Exports sales made by the Community industry nearly halved during the period considered. However, it is considered that these sales are limited as compared to total production of the Community industry. Consequently, any injury in terms of reduced production caused by a reduced export sales volume is thus very limited.
(98) It has been argued that imports have increased at a time when the Community industry has reduced its production capacity by 7%, which corresponds to a significant share of the import volume, making an increase in imports inevitable in order to satisfy demand. In this respect, it should be noted that the Community industry has still spare capacity. In addition, the decrease in capacity reflects only roughly half of the increase in imports from the countries concerned.

Furthermore, the investigation has shown that the capacity reduction was the result of the closure or conversion to other products of certain production sites, which could not operate economically in view of the low priced imports. Should measures in the present case not be imposed, further production site closures could occur. On the contrary, if fair trading conditions are restored, the Community industry would be able in the future to supply a bigger share of the Community market, considering its past record and the fact that certain production lines can be converted back to PSF products.

5. Conclusion on causation

(99) It cannot be excluded that factors other than dumped imports from the countries concerned, in particular the imports from other third countries which are subject to a parallel anti-subsidy investigation, contributed to the difficult state of the Community industry. However, the substantial increase in import volume from the countries concerned, the considerable degree of price decreases and price undercutting had material negative consequences on the situation of the Community industry. It was therefore concluded that these imports, taken in isolation, have caused material injury to the Community industry.

G. COMMUNITY INTEREST

1. Introduction

(100) In order to reach its final conclusions the Commission examined, whether, despite the conclusions on injurious dumping, compelling reasons existed which would lead to the conclusion that it is not in the Community interest to adopt measures in this particular case. For this purpose, and pursuant to Article 21 (1) of the basic Regulation, the Commission considered the impact of measures for all parties involved in the proceedings.

2. Interest of the Community industry

(101) The Community industry has for almost a decade been suffering from low-priced imports of PSF. The objective of the eventual adoption of anti-dumping measures is to re-establish fair competition in the Community market between the Community producers and their exporting counterparts in third countries.

The Community industry has been making considerable efforts to improve its productivity in recent years, in an attempt to lower its cost of production and to enhance its competitiveness in this price sensitive market. It has deployed particular efforts of rationalisation during the period examined. By way of example, one Community producer shut down two of his production facilities in an effort to reduce costs and to improve its productivity.

In view of the nature of the injury suffered by the Community industry, in particular the fact that it was prevented from recovering from the injurious situation caused by other dumped imports, the Commission considers that, in the absence of the imposition of anti-dumping measures, the further deterioration of the situation of the Community industry is quite probable. This could entail a further reduction in numbers employed and may ultimately lead to a reduction of the number of producers in the Community.

Furthermore, the ongoing restructuring efforts made by the Community industry show that it is not ready to abandon this segment of production, particularly as the market is rapidly growing. The adoption of anti-dumping measures would therefore be in the interest of the Community industry.
3. Impact on importers and users

(102) The Commission sent questionnaires to 11 known importers unrelated to the exporting producers in the countries concerned, as well as to users of PSF in the Community. None of the importers answered the questionnaire sent by the Commission during the current investigation, whereas three users submitted their replies. Furthermore, two users' associations made submissions concerning this proceeding.

(103) The analysis of the data submitted by the three user companies revealed that only one of them imported PSF from the countries concerned by this proceeding. This user argued that the particular type of PSF used in the production of its finished product is not produced by the Community industry and consequently any imposition of antidumping measures would jeopardise its profitability. The Commission however, based on the description of the PSF type imported by this user, established that at least three complaining Community producers offer this product in the market. In any event, the imposition of anti-dumping measures will not foreclose the Community to imports it will merely re-establish fair trading conditions. It was therefore considered that the argument put forward by this user could not be accepted.

Since no further evidence was provided by users concerning any potential disadvantage that the anti-dumping measures could bring to their business, any subsequent analysis was not performed.

(104) One Community user association requested the exclusion of certain types of PSF allegedly not produced by the Community industry. This allegation was however not further substantiated by sufficient technical information. It was therefore not possible for the Commission to conclude on the validity of this argument.

(105) On the basis of the above it can be concluded that the eventual imposition of antidumping measures against imports of PSF from the countries concerned would not imply a significant deterioration, if any, of the situation of the users.

4. Conclusion

(106) On the basis of the above facts and considerations in particular, and having examined the arguments submitted by the Community industry and Community users of the product concerned, it was concluded, that there were no compelling reasons not to impose measures concerning imports from Indonesia, Australia and Thailand, in order to ensure competitive conditions of fair pricing and to revert the continuation of injury in the Community industry.

H. PROVISIONAL ANTI-DUMPING MEASURES

(107) In order to prevent further injury being caused by the dumped imports concerned before the end of the investigation, provisional anti-dumping measures should be adopted. These measures should take the form of ad valorem duties.

1. Injury elimination level

(108) For the purpose of establishing the level of the provisional duties, account has been taken both of the dumping margins found and of the amount of duty necessary to eliminate the injury sustained by the Community industry. In this respect it should be noted that the price undercutting margins calculated for all types of the like product were significantly higher than the relevant dumping margins. It follows that also the injury elimination level expressed as a percentage of the free-at-Community-frontier price would be higher than the respective dumping margins established for exporting producers. In this context, it is recalled that the injury elimination level is established on the basis of the difference between the export price and the cost of production of the Community producers increased by an amount of profit which could be expected in the absence of dumped imports, whereas the undercutting margin is established using the same export prices but a lower actual sales price of the Community industry.

2. Provisional measures

(109) Since in all cases the dumping margin has been found to be lower than the price undercutting margins and therefore, in the present case, also lower than the injury elimination level, the provisional duties to be imposed should correspond to the dumping margins established, in conformity with Article 7(2) of the basic Regulation.
However, with regard to the parallel anti-subsidy proceeding, in accordance with Article 24(1) of Council Regulation (EC) No 2026/97 (1) (hereinafter 'the basic anti-subsidy Regulation') and Article 14(1) of the basic Regulation, no product shall be subject to both anti-dumping and countervailing duties for the purposes of dealing with one and the same situation arising from dumping and from export subsidisation. In the present investigation, it was found that an anti-dumping duty should provisionally be imposed on imports of the product concerned originating in Australia, Indonesia and Thailand and therefore, it is necessary to determine whether, and to what extent, the subsidy and the dumping margins arise from the same situation.

In the parallel anti-subsidy proceeding it was found that in, inter alia, Indonesia and Thailand, the level of subsidisation was below the de minimis level and therefore, no countervailing duty should be imposed.

With regard to Australia, a provisional countervailing duty corresponding to the amount of subsidy, which was found to be lower than the injury margin, was proposed in accordance with Article 12(1) of the basic anti-subsidy Regulation. All of the subsidy schemes investigated in Australia constituted export subsidies within the meaning of Article 3(4)(a) of the basic anti-subsidy Regulation. As such, the subsidies could only affect the export price of the Australian exporting producer, thus leading to an increased margin of dumping. In other words, the provisional dumping margin established for the sole cooperating Australian producer is partly due to the existence of export subsidies. In these circumstances it is not considered appropriate to impose both countervailing and anti-dumping duties to the full extent of the relevant subsidy and dumping margins provisionally established. Therefore, the provisional anti-dumping duty should be adjusted to reflect the actual dumping margin remaining after the imposition of the provisional countervailing duty offsetting the effect of the export subsidies.

On the basis of the above, the provisional duty rates, expressed as a percentage of the CIF Community border price, customs duty unpaid are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Rate of duty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>All companies</td>
<td>13,6</td>
</tr>
<tr>
<td>Indonesia</td>
<td>P.T. Indorama Synthetics Tbk</td>
<td>5,2</td>
</tr>
<tr>
<td></td>
<td>P.T. Panasia Indosyntec</td>
<td>14,8</td>
</tr>
<tr>
<td></td>
<td>P.T. GT Petrochem Industries Tbk</td>
<td>13,7</td>
</tr>
<tr>
<td></td>
<td>P.T. Susilia Indah Synthetic Fiber Industries</td>
<td>13,7</td>
</tr>
<tr>
<td></td>
<td>P.T. Teijin Indonesia Fiber Corporation Tbk</td>
<td>13,7</td>
</tr>
<tr>
<td></td>
<td>All other companies</td>
<td>20,8</td>
</tr>
<tr>
<td>Thailand</td>
<td>Indo Poly (Thailand) Ltd</td>
<td>15,5</td>
</tr>
<tr>
<td></td>
<td>Tuntex (Thailand) Public Co., Ltd</td>
<td>35,3</td>
</tr>
<tr>
<td></td>
<td>All other companies</td>
<td>36,6</td>
</tr>
</tbody>
</table>

The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of the present investigation. Therefore, they reflect the situation found during that investigation with respect to these companies. These duty rates (as opposed to the country-wide duty applicable to 'all other companies') are thus exclusively applicable to imports of products originating in the country concerned and produced by the companies and thus by the specific legal entities mentioned. Imported products produced by any other company not specifically mentioned in the operative part of this Regulation with its name and address, including entities related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to 'all other companies'.

(115) Any claim requesting the application of these individual company anti-dumping duty rates (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission (1) forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for example, that name change or that change in the production and sales entities. The Commission, if appropriate, will, after consultation of the Advisory Committee, amend the Regulation accordingly by updating the list of companies benefiting from individual duty rates.

1. FINAL PROVISION

(116) In the interests of sound administration, a period should be fixed within which the interested parties may make their views known in writing and request a hearing. Furthermore, it should be stated that the findings made for the purposes of this Regulation are provisional and may have to be reconsidered for the purposes of any definitive duty,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is hereby imposed on imports of synthetic fibres of polyesters, not carded, combed or otherwise processed for spinning, currently classifiable within CN code 5503 20 00, originating in Australia, Indonesia and Thailand.

2. The rate of the provisional anti-dumping duty for Australia has been adjusted to reflect the actual dumping margin remaining after the imposition of the countervailing duty as provisionally determined in Commission Regulation (EC) No 123/2000 (2).

3. The rate of the provisional duty applicable to the net free-at-Community-frontier price, before duty, for products produced by the following companies shall be as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Rate of (%)</th>
<th>TARIC additional code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>All companies</td>
<td>13,6</td>
<td>—</td>
</tr>
<tr>
<td>Indonesia</td>
<td>P.T. Indorama Synthetics Tbk</td>
<td>5,2</td>
<td>A051</td>
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<tr>
<td></td>
<td>Graha Irama, 17th floor</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Jl. H.R. Rasuna Said Blok X-1 Kav. 1-2</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PO Box 3375</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jakarta 12950</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P.T. Panasia Indosyntec</td>
<td>14,8</td>
<td>A052</td>
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<tr>
<td></td>
<td>Jl. Garuda 153/74</td>
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<td></td>
<td>Bandung 40184</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>P.T. GT Petrochem Industries Tbk</td>
<td>13,7</td>
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</tr>
<tr>
<td></td>
<td>Exim Melati Building, 9th floor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jl. M.H. Thamrin Kav. 8-9</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Jakarta 10230</td>
<td></td>
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</tr>
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<td></td>
<td>P.T. Susilia Indah Synthetic Fiber Industries</td>
<td>13,7</td>
<td>A054</td>
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<td>Jl. Kh. Zainul Arifin Kompleks</td>
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<td>Ketapang Indah</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Blok B l No 23</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jakarta 11140</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) European Commission
Trade Directorate-General
Directorate C
DM 24 — 8/38
Rue de la Loi/Wetstraat 200
B-1049 Brussels
(2) See page 3 of this Official Journal.
Country | Company | Rate of (%) | TARIC additional code
--- | --- | --- | ---
P.T. Teijin Indonesia Fiber Corporation Tbk 5th floor Mid Plaza 1 Jl. Jend. Sudirman Kav. 10-11 Jakarta 10220 | 13.7 | A055
All other companies | 20.8 | A999

Thailand

Indo Poly (Thailand) Ltd 35/8 MOO 4, Tambol Khunkeaw Amphur Nakhonchaisri Nakornpathom 73120 | 15.5 | A056
Tuntex (Thailand) Public Co., Ltd Room 1812, 18th floor 54 Sukhumvit 21 Road (Soi Asoke) Klongtoey, Wattana Bangkok 10110 | 35.3 | A057
All other companies | 36.6 | A999

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

5. The release for free circulation in the Community of the product referred to in paragraph 1 shall be subject to the provision of a security, equivalent to the amount of the provisional duty.

**Article 2**

Without prejudice to Article 20 of Regulation (EC) No 384/96, the interested parties may make known their views in writing and apply to be heard by the Commission within one month of the date of entry into force of this Regulation.

Pursuant to Article 21(4) of Regulation (EC) No 384/96, the parties concerned may comment on the application of this Regulation within one month of its entry into force.

**Article 3**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

Article 1 of this Regulation shall apply for a period of six months.

This Regulation shall be binding in its entirety and directly applicable in all Member States.


*For the Commission*

Pascal LAMY

*Member of the Commission*