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*(Acts whose publication is not obligatory)*

## COMMISSION

### COMMISSION DECISION

of 29 April 1980

accepting undertakings given in connection with the anti-dumping proceedings concerning certain car tyres originating in Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia and terminating those proceedings

(80/462/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3017/79 of 20 December 1979 on protection against dumped or subsidized imports from countries not members of the European Economic Community<sup>(1)</sup>, and in particular Article 10 thereof,

After hearing the opinions expressed by the Advisory Committee set up under that Regulation,

Whereas in March 1979 the Commission received a complaint lodged by the British Rubber Manufacturers Association (BRMA) on behalf of the UK manufacturers representing the greater part of Community production, and of other Community manufacturers, of cross ply and fabric-braced radial car tyres; whereas the complaint contained evidence of the existence of dumping in respect of like products originating in Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia and of material injury resulting therefrom;

Whereas the said evidence was sufficient to justify initiating an investigation;

Whereas the Commission accordingly announced, by a notice published in the *Official Journal of the European Communities*<sup>(2)</sup>, the initiation of proceedings

concerning imports of certain new tyre cases and tubeless tyres of the kind used on motor cars originating in Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia, and commenced an investigation of the matter at Community level;

Whereas the Commission officially so advised the exporters and importers known to be concerned;

Whereas the Commission has given the parties directly concerned the opportunity to make known their views in writing and to be heard orally, and to meet, so that opposing views might be presented and rebuttal arguments put forward;

Whereas the majority of the parties concerned have taken this opportunity;

Whereas, in order to arrive at a preliminary determination of the dumping margin and injury, the Commission carried out investigations at the premises of the Yugoslav producers and exporters and the UK importers, including: in Yugoslavia, IGP Tigar (Pirot), Miloje Zakić (Krusevac), Autocentar Merkur (Belgrade); in the United Kingdom, Arcode Ltd (London), ETC Ltd (Leicester), Wogau Intersceptre Ltd (London); whereas the Commission also carried out investigations at the premises of the main complainant UK producers, viz. Pirelli Ltd (Burton-on-Trent), the Goodyear Tyre and Rubber Co. (Wolverhampton), Dunlop Ltd (Birmingham) and Avon Tyres Ltd (Melksham);

<sup>(1)</sup> OJ No L 339, 31. 12. 1979, p. 1.

<sup>(2)</sup> OJ No C 107, 28. 4. 1979, p. 2.

Whereas, in order to establish whether the Yugoslav imports were dumped, the Commission used Yugoslav domestic prices to establish the normal value;

Whereas the Commission had to take into account the fact that Czechoslovakia, the German Democratic Republic and Romania are not market economy countries;

Whereas, for that reason, the Commission had to base its calculations in respect of these countries on the normal value in a market economy country; whereas in that connection, the complaint had suggested the Spanish domestic market;

Whereas, in the course of the discussions with the exporters from Czechoslovakia, the German Democratic Republic and Romania, the comparability of the Spanish market for car tyres was contested because prices were unrepresentative; whereas a comparison with the price of the tyres in question on the Yugoslav domestic market was generally accepted and appeared reasonable, at least for the purpose of a preliminary determination of dumping, since the prices seemed to be representative;

Whereas the preliminary assessment of dumping for all four countries was accordingly made by comparing ex-factory prices in Yugoslavia with ex-factory prices for imports into the Community from each country in question during 1979;

Whereas, to take due account of the differences affecting price comparability, discounts and sales and service costs borne by the Yugoslav manufacturers were deducted from their prices;

Whereas the above preliminary examination of the facts shows the existence of dumping in respect of the imports considered in the investigation, the dumping margin being equal to the amount by which the normal value as established above exceeds the price at which the goods are exported to the Community; whereas the margin varies depending on the type and size of tyre and the exporting country; whereas, for the principal sizes of tyre, these margins ranged up to 7.27 EUA per tyre;

Whereas, with regard to the injury caused to the Community industry, the evidence available to the Commission shows that imports into the major Community market, i.e., the UK, of the tyres in question originating in the countries covered by the investigation rose from approximately 386 000 units in 1975 to 802 000 units in 1978, falling to 473 000 units in 1979, the year when the proceedings were initiated;

Whereas, in the absence of official production and import figures relating to the tyres in question, it is difficult to gauge exactly the size of the UK market for such tyres; whereas, nevertheless, the best information available suggests that the UK market share held by imports of these tyres originating in the countries covered by the investigation was 8 % in 1978 and

remained at 6 % in 1979 after the initiation of the proceedings;

Whereas the resale prices in the Community of these tyres originating in the countries in question undercut those of like tyres produced by Community manufacturers by between 8 and 28 %;

Whereas the consequent impact on the Community industry, whose volume of production has fallen by 43 % since 1976, is characterized by a reduction in the market share of Community producers and a depression of prices or the prevention of price increases which otherwise would have occurred, making it impossible to cover production costs for cross ply tyres;

Whereas most of the Community producers are consequently making losses or inadequate profits on sales of the tyres covered by the proceedings and the viability of this sector of the Community industry is therefore at risk; whereas, as far as can be estimated, the numbers directly employed in the manufacture of the tyres in question have fallen from about 6 500 in 1976 to 4 000 in 1979, although this reduction in employment must be partially attributed to the falling Community market for the tyres in question;

Whereas injuries caused by other factors which could adversely affect the Community industry, such as the volume and prices of other imports, or reduction in demand, have been examined and any adverse effects caused by these factors have not been attributed to the imports under consideration;

Whereas, in view of the foregoing, the preliminary examination of the facts shows that dumping exists, and that there is sufficient evidence of consequent injury;

Whereas the Commission, after having examined the Community producers' and importers' prices, costs and profitability and marketing conditions, has determined the import prices necessary to eliminate the injury caused;

Whereas the exporters and importers concerned were informed of the main findings of the preliminary investigation and commented on them; whereas undertakings were consequently offered concerning imports from Czechoslovakia (Motokov, Foreign Trade Corporation, Prague), the German Democratic Republic (Transportmaschinen Export-Import, Berlin), from Romania (Danubiana, Bucharest), from Yugoslavia (IGP Tigar, Pirot);

Whereas the effect of the said undertakings will be to increase import prices into the Community to a level necessary to eliminate injury;

Whereas the said increases take account of the differences noted in the course of investigations in the prices charged by the various exporting countries; whereas these increases never exceed the average dumping margins and are generally below this level;

Whereas the Commission has, therefore, determined that it is not now necessary to take protective action in respect of imports from countries having entered into such undertakings;

Whereas the Commission will ensure that the undertakings are strictly complied with, in particular by carrying out periodically the necessary checks and inspections;

Whereas the decision to accept these undertakings may be reconsidered should the Commission discover that they are failing to eliminate injury;

Whereas in these circumstances the undertakings offered are considered acceptable and the proceedings may therefore be terminated without imposition of anti-dumping duties,

ings concerning certain new tyre cases and tubeless tyres of the kind used on motor cars originating in Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia.

*Article 2*

The anti-dumping proceedings concerning imports of certain new tyre cases and tubeless tyres of the kind used on motor cars originating in Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia are hereby terminated.

Done at Brussels, 29 April 1980.

HAS DECIDED AS FOLLOWS:

*Article 1*

The Commission hereby accepts the undertakings given in connection with the anti-dumping proceed-

*For the Commission*

Étienne DAVIGNON

*Member of the Commission*