

## COMMISSION RECOMMENDATION No 359/78/ECSC

of 20 February 1978

imposing a provisional anti-dumping duty on certain galvanized sheets and plates originating in the German Democratic Republic and Japan

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community, and in particular Articles 74 and 86 thereof,

Having regard to Commission recommendation 77/329/ECSC of 15 April 1977 on protection against dumping or the granting of bounties or subsidies by countries which are not members of the European Coal and Steel Community<sup>(1)</sup>, as amended by recommendation No 3004/77/ECSC<sup>(2)</sup>, and in particular Articles 15 and 19 thereof,

Having heard the opinions expressed within the Advisory Committee provided for by recommendation 77/329/ECSC,

Whereas the Commission has received a complaint, submitted in the name of the relevant Community industry, setting out evidence as to the existence of dumping of certain galvanized sheets and plates originating in the German Democratic Republic, Japan and certain other countries and material injury resulting therefrom;

Whereas the Commission has published basis prices<sup>(3)</sup> based on the lowest normal prices or costs of production in the supplying countries where normal conditions of competition prevail, including the costs of transport, insurance and customs duties;

Whereas the prices of imports into the Community of the products which are the subject of the complaint have been compared with these basis prices;

Whereas a preliminary examination of the matter based on this comparison shows that these products, originating in the German Democratic Republic and Japan, are offered for import within the Community (United Kingdom market) at prices lower than the basis prices and that dumping has taken place, the margin of which is constituted by this undercutting;

Whereas, with regard to injury to the industry concerned, the evidence submitted to the Commis-

sion shows that, on the one hand, imports into the Community of the products increased globally from 62 000 to 224 000 tonnes between 1974 and 1977, imports originating in the German Democratic Republic and Japan having risen from 34 000 to 70 000 tonnes in the same period, and that, as a result, they have been able to acquire a market share of 8 % in total and 5 % for imports originating in the German Democratic Republic and Japan, together with those from Poland and Spain, which are already subject to a provisional anti-dumping duty in the Community and that, on the other hand, the Community steel industry is in a crisis situation characterized by a reduction in the number employed from 780 000 to 720 000 between 1974 and 1977 and by short-time working and that, as a result, the Community steel industry recorded a reduction in profits or the appearance of serious losses in most of the firms concerned;

Whereas the import prices of deliveries originating in the German Democratic Republic and Japan are considerably lower than the already low prices of the Community producers and thus accentuate the depression of Community prices, thereby causing or threatening to cause material injury to the Community industry or a major part of it;

Whereas immediate action has been requested by one Member State;

Whereas, in the serious conditions being experienced by the Community steel industry, the interests of the Community require immediate action;

Whereas it is for the Commission, without prejudice to the results of the investigation opened in accordance with Article 11 of recommendation 77/329/ECSC, to decide promptly to apply provisional measures consisting of the imposition of a provisional anti-dumping duty on imports of the products concerned originating in the German Democratic Republic and Japan, the rate of which corresponds to the difference between the basis price published by the Commission for this product and its price on importation into the Community;

<sup>(1)</sup> OJ No L 114, 5. 5. 1977, p. 6.

<sup>(2)</sup> OJ No L 352, 31. 12. 1977, p. 13.

<sup>(3)</sup> Communication from the Commission of 31 December 1977 concerning the basis prices of certain steel products (OJ No L 353, 31. 12. 1977, p. 1).

MAKES THE FOLLOWING RECOMMENDATION :

*Article 1*

1. A provisional anti-dumping duty is hereby imposed on the following products originating in the German Democratic Republic and Japan :

- zinc-coated (other than electrolytically) steel sheets and plates (galvanized),
- Common Customs Tariff subheading 73.13 B IV c),
- NIMEXE code 73.13-68 and 72.

2. The amount of this duty shall be equal to the amount by which the effective price (basic price plus extras) established by contract, free frontier duty-paid, is lower than the effective price (basic price plus extras) published by the Commission for this product.

3. The provisions in force for the collection of customs duty shall apply to the collection of this duty.

*Article 2*

The entry of the products described in Article 1 for consumption within the Community shall be condi-

tional upon the deposit of a security for the amount of the provisional duty.

*Article 3*

This recommendation shall be notified to the Member States.

It shall enter into force for each Member State on the date of its publication in the *Official Journal of the European Communities*.

Without prejudice to the provisions of Article 18 of recommendation 77/329/ECSC, it shall apply until the entry into force of an Act of the Commission either adopting definitive measures or extending the provisional duty, and in any event for a maximum period of three months.

Done at Brussels, 20 February 1978.

*For the Commission*

Étienne DAVIGNON

*Member of the Commission*