

**COUNCIL REGULATION (EEC) No 2702/87**  
of 4 September 1987

**repealing a definitive anti-dumping duty on styrene monomer originating in the United States of America and terminating the investigation**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 2176/84 of 23 July 1984 on protection against dumped or subsidized imports from countries not members of the European Economic Community<sup>(1)</sup>, as amended by Regulation (EEC) No 1761/87<sup>(2)</sup>, and in particular Article 14 thereof,

Having regard to the proposal submitted by the Commission after consultations within the Advisory Committee provided for in that Regulation,

Whereas :

**A. Procedure**

- (1) In June 1981 by Regulation (EEC) No 1570/81<sup>(3)</sup> the Council imposed a definitive anti-dumping duty on styrene monomer originating in the United States of America.

In December 1985 the Commission gave notice<sup>(4)</sup> of the impending expiry of the anti-dumping measure in question pursuant to Article 15 of Regulation (EEC) No 2176/84.

- (2) The Commission then received a review request from the Conseil Européen des Fédérations de l'Industrie Chimique (CEFIC) representing the vast majority of production of the product concerned in the former Community of Ten Member States. In view of the enlargement of the Communities, the Spanish producer associated itself with the request.

In September 1986 the Commission, having decided that there was sufficient evidence to warrant a review, published<sup>(5)</sup> a notice of the re-opening of the anti-dumping proceeding concerning imports of styrene monomer falling within subheading 29.01 D II of the Common Customs Tariff and corresponding to NIMEXE code 29.01-71, originating in the United States of America.

- (3) The Commission officially so advised the exporters and importers known to be concerned, the representatives of the exporting country and the

Community producers and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing.

Most of the US producers/exporters and their main affiliates in the Community made their views known in writing. Some of them requested hearings, which were granted.

- (4) No submissions were made on behalf of the independent Community purchasers or processors of styrene monomer.
- (5) The Commission sought and verified all information it deemed to be necessary for the purposes of a preliminary determination and carried out investigations at the premises of the following Community producers :

— France :

ATOCHEM (Paris) ;

— Germany :

BASF Aktiengesellschaft (Ludwigshafen) ;

— Italy :

Montedipe (Milano) ;

— United Kingdom :

BP Chemicals Ltd (London),

Shell International Chemical Company Ltd (London).

- (6) The investigation covered the period 1 September 1985 to 31 August 1986.

**B. Normal value**

- (7) Normal value was provisionally determined on the basis of the domestic prices of the producers having exported to the Community who provided sufficient evidence and whose prices were considered to be representative of the domestic market concerned. It was calculated on the basis of monthly weighted averages.

**C. Export price**

- (8) For those exports which were made directly to an independent importer in the Community the Commission used the prices actually paid or payable for the produce sold for export to the Community.

<sup>(1)</sup> OJ No L 201, 30. 7. 1984, p. 1.

<sup>(2)</sup> OJ No L 167, 26. 6. 1987, p. 9.

<sup>(3)</sup> OJ No L 154, 13. 6. 1981, p. 10.

<sup>(4)</sup> OJ No C 338, 31. 12. 1985, p. 6.

<sup>(5)</sup> OJ No C 231, 12. 9. 1986, p. 5.

- (9) Where exports were made to subsidiary companies in the Community which resold the product in question on the free market in the Community, export prices were constructed on the basis of the prices at which the imported product was first resold to an independent buyer, a suitable allowance being made to take account of all costs incurred between importation and resale including customs duty and a profit margin of 4 % considered reasonable in the light of the profit margins of independent importers of the product in question.
- (10) Where exports were made to subsidiary companies in the Community which used the product only for their captive requirements, producing various other products derived from styrene monomer and which did not resell styrene to independent customers in the Community, the Commission disregarded these exports because of the problems involved in establishing a reliable export price for this product. This approach was also considered appropriate because certain US exports had been exempted from the application of the definitive anti-dumping duty for the same reasons.

#### D. Comparison

- (11) In comparing normal value with each export transaction, the Commission took account, where appropriate, of differences affecting price comparability, in particular of differences in conditions and terms of sale such as credit terms, commission, transport, storage, handling and customs clearance.

All comparisons were made at ex-works level.

#### E. Margins

- (12) The preliminary examination of the facts shows the existence of dumping, the margins of dumping being equal to the amount by which the normal value as established exceeds the export price to the Community. Depending on the exporter concerned, the weighted average dumping margins vary between 1,9 % and 5,9 %.

#### F. Injury and threat of injury

- (13) With regard to injury caused by the dumped imports, the evidence available to the Commission shows that imports into the Community from the United States of America of styrene monomer which have been sold on the free market to independent buyers in the Community have decreased from 40 000 tonnes in 1982 to 27 000 tonnes in 1985 and stood at 17 500 tonnes in the first nine

months of 1986. Their share of the free market fell in the same period from 6,4 % to 3,3 % and remained practically stable at this level during the first nine months of 1986. The Commission further took into account that during the investigation period certain quantities of the imported product had been purchased by Community producers themselves and/or exported by US producers exempt from anti-dumping duties. On the basis of the evidence available it is estimated that the market share of the dumped product which effectively entered the free market in the Community was less than 1,5 % during the investigation period.

- (14) The Commission also found no evidence indicating that the prices at which the dumped product was resold on the free Community market undercut the prices of Community producers or have caused price depression in the Community. Although prices for styrene monomer had decreased considerably during the first half of the investigation period, this could in no way be attributed to the imports under consideration but was due to cost savings from significantly decreasing raw material prices. These were partly passed on to consumers, leaving, nevertheless, most of the Community producers with increasing profit margins. The situation became even more favourable in the second half of 1986 when styrene prices started to climb strongly in the Community and world-wide. The outlook for the current year is for further price increases and strongly improving profit margins.
- (15) Total Community production of styrene monomer climbed from 2,25 million tonnes in 1982 to 2,90 million tonnes in 1986, corresponding to an increase of 28,8 %. The growth of production was in line with the increase in demand both in the Community and in the principal world markets. Styrene plant capacity has not been expanded in the Community since 1982 and utilization reached its technical maximum in 1986. Coinciding plant shut-downs and buoyant demand even led to distinct supply shortages in the Community in the second half of 1986.
- (16) The outlook for the styrene market in the Community for the current year and beyond continues to be very favourable for Community producers. In view of sustained demand and capacity limitations combined with the normal scheduled plant shut-downs for maintenance, in the Community as well as in the United States of America, it appears likely that, as in 1986, supply shortages will persist throughout the current year and beyond, and that styrene prices will remain at high levels as will the profitability of Community producers.

(17) The very favourable market situation for styrene monomer in the Community and other parts of the world, which can be expected to persist in the foreseeable future, the significant improvement of the situation of the Community industry with regard to sales, production, capacity utilization, prices and profits, together with the decrease of the market share of the imported product, led the Commission to determine that the dumped imports of styrene monomer originating in the United States of America taken in isolation did not cause, nor are they threatening to cause, material injury to the Community industry concerned. It therefore was decided that the investigation may be terminated without the imposition of measures.

(18) No objection to this course was raised in the Advisory Committee.

HAS ADOPTED THIS REGULATION:

*Article 1*

Regulation (EEC) No 1570/81 is hereby repealed.

*Article 2*

The anti-dumping proceeding concerning imports of styrene monomer originating in the United States of America and falling within subheading 29.01 D II of the Common Customs Tariff and corresponding to NIMEXE code 29.01-71 is hereby terminated.

*Article 3*

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

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

Done at Brussels, 4 September 1987.

*For the Council*

*The President*

K. E. TYGESEN

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