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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 769/2002

of 7 May 2002

imposing a definitive anti-dumping duty on imports of coumarin originating in the People's Republic of China

THE COUNCIL OF THE EUROPEAN UNION,

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], and in particular Article 11(2) thereof,

Having regard to the proposal submitted by the Commission after consulting the Advisory Committee,

Whereas:

A. PREVIOUS PROCEDURE AND EXISTING MEASURES

(1) In March 1996, by Regulation No 600/96 [2] definitive anti-dumping measures were adopted with regard to imports of coumarin originating in the People's Republic of China. The measures imposed were in the form of a specific duty of ECU 3 479 per tonne.

B. PRESENT INVESTIGATION

1. Request for review

(2) Following the publication of a notice of impending expiry [3] of the anti-dumping measures in force on imports of coumarin originating in the People's Republic of China ('country concerned' or 'the PRC'), the Commission has received a request for review pursuant to Article 11(2) of Regulation (EC) No 384/96 ('the basic Regulation').

(3) The request was lodged on 4 January 2001 by the European Chemical Industry Council (CEFIC) ('the applicant') on behalf of the sole producer in the Community representing the totality of the Community production of coumarin.

(4) The request for an expiry review was based on the grounds that injurious dumping of imports originating in the PRC would be likely to continue or to recur if measures were allowed to expire.

2. Notice of initiation

(5) Having determined, after consultation of the Advisory Committee, that sufficient evidence existed for the initiation of an expiry review, the Commission initiated an investigation pursuant to Article 11(2) of the basic Regulation by a notice published in the *Official Journal of the European Communities* [4].

3. Period of investigation

(6) The investigation period ('IP') for the examination of continuation or recurrence of dumping and injury covered the period from 1 January 2000 to 31 December 2000. The examination of trends relevant for the assessment of continuation or recurrence of injury covered the period from 1 January 1996 up to the end of the IP ('period under review').

4. Parties concerned by the investigation

(7) The Commission officially advised the applicant Community producer, the exporting producers in the PRC and their representatives, the Chinese authorities and the importers, users and associations known to be concerned, of the initiation of the review. The Commission sent questionnaires to exporting producers, a producer in the United States (analogue country), the sole Community producer, importers, users and associations known to be concerned and to those parties who made themselves known within the time limit set in the notice of initiation of the review.

(8) The Community producer, the analogue country producer, one importers' association, and five users replied to the questionnaires. With respect to the PRC no reply to the questionnaire was received.

[1] OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Council Regulation (EC) No 2238/2000, OJ L 257, 11.10.2000, p. 2.
[2] OJ L 86, 4.4.1996, p. 1.
[3] OJ C 271, 22.9.2000, p. 3.
[4] OJ C 104, 4.4.2001, p. 5.

5. **Verification of information received**

(9) The Commission sought and verified all information it deemed necessary for the purpose of a determination of the continuation or recurrence of dumping and injury and of the Community interest. The Commission also gave the parties directly concerned the opportunity to make their views known in writing and to request a hearing.

(10) Verification visits were carried out at the premises of the following companies:

Community producer:

— Rhodia, (Lyon) France;

Importers:

— Quest International, (Ashford) United Kingdom;

Analogue country producer:

— Rhodia, (Cranbury NJ) USA.

C. **PRODUCT CONCERNED AND LIKE PRODUCT**

1. **Product concerned**

(11) The product concerned is the same as in the original investigation, i.e. coumarin, a whitish crystalline powder with the characteristic odour of newly mown hay. Its main uses are as an aroma chemical and as a fixative in the preparation of fragrance compounds, such compounds being used in the production of detergents, cosmetics and fine fragrances.

(12) Coumarin, which was originally a natural product obtained from tonka beans, is now produced synthetically. It can be obtained by a synthesis process starting from phenol to obtain salicilaldehyde (Perkin reaction) or by a synthesis from orthocresol (Raschig reaction). The main physical specification of coumarin is its purity, of which the melting point is the indicator. The standard quality coumarin marketed in the Community has a melting point varying between 68 °C and 70 °C which corresponds to 99 % purity.

(13) The product concerned falls within CN code ex 2932 21 00.

2. **Like product**

(14) As in the original investigation, coumarin produced and sold on the domestic market in the analogue country (USA) and that exported to the Community from the PRC as well as coumarin produced and sold by the Community industry in the Community market were found to have effectively identical physical characteristics and uses and are thus like products within the meaning of Article 1(4) of the basic Regulation.

D. **LIKELIHOOD OF A CONTINUATION OF DUMPING OR RECURRENCE OF DUMPING**

(15) In accordance with Article 11(2) of the basic Regulation, it is necessary to examine whether the expiry of the measures would be likely to lead to a continuation of dumping.

(16) In examining whether there is a likelihood of a continuation of dumping, it is necessary to verify whether dumping exists at present and whether any such dumping is likely to continue.

1. **Preliminary remarks**

(17) The findings on dumping set out below should be viewed in the light of the fact that the Chinese exporting producers did not cooperate in the investigation and findings therefore had to be based on facts available, i.e. Eurostat data, Chinese export trade data and information contained in the complaint.

2. **Current level of dumping**

(a) Analogue country

(18) The existing measures provide for a single country-wide duty on all imports into the Community of coumarin from the PRC. In accordance with Article 11(9) of the basic Regulation, the Commission employed the same methodology as in the original investigation. Accordingly, normal value was determined on the basis of information obtained in a market economy third country (the 'analogue country').

(19) The United States had served as an analogue country in the original investigation. In the notice of initiation of this expiry review it was therefore envisaged to again choose the United States as analogue country for the purpose of establishing normal value. Since it was also found that the original reasons for selecting the USA, i.e. the size of its domestic market, the openness of its market and its degree of access to basic materials, were still valid, the United States was considered to be an appropriate and not unreasonable choice of analogue country. Only one interested party objected to this choice of analogue country, in particular with regard to the difference in manufacturing the product, however they did not submit any alternative choice in due time. Therefore, since the United States producer which was contacted agreed to cooperate fully, and had sufficient representative domestic sales, the United States were, in accordance with Article 2(7) of the basic Regulation, considered to be an appropriate and not unreasonable choice of analogue country for establishing normal value in respect of the PRC for the product concerned.

(b) Normal value

(20) It was subsequently examined whether the domestic sales of the cooperating United States producer to independent customers could be considered to have been made in the ordinary course of trade, in accordance with Article 2(4) of the basic Regulation. It was found that the weighted average selling price of all sales during the investigation period was above the weighted average unit cost of production, and that the volume of individual sales transactions below unit cost of production was more than 20 % but less that 90 % of the sales being used to determine normal value; therefore only all the profitable domestic sales were regarded as having been made in the ordinary course of trade, and used for comparison. Normal value was therefore determined, as set out in Article 2(1) of the basic Regulation, on the basis of the price paid or payable, in the ordinary course of trade, by independent domestic customers of the cooperating United States producer during the investigation period.

(c) Export price

(21) As regards the exports to the Community, for which there was no cooperation from the Chinese exporting producers, findings had to be based on the facts available, in accordance with Article 18(1) of the basic Regulation. An average export price for all transactions was thus determined on the basis of Chinese export trade data.

(d) Comparison

(22) For the purpose of a fair comparison, and in accordance with Article 2(10) of the basic Regulation, due allowance in the form of adjustments was made for differences in respect of inland freight, handling and loading, transport and credit costs, which affected prices and price comparability.

(23) Concerning inland transport, the relevant adjustments were based on the analogue country's costs.

(e) Dumping margin

(24) In accordance with Article 2(11) of the basic Regulation, the weighted average normal value, on an ex-works basis, was compared to the weighted average export price on an ex-works Chinese basis, at the same level of trade.

(25) The above comparison showed the existence of very significant dumping. The dumping margin found was substantial and just below the level found in the original investigation (around 50 %).

(26) The investigation did not reveal any reason why this dumping would disappear if the measures were to be repealed. It was therefore concluded that there is a likelihood of continuation of dumping. However, given the low level of imports originating in the PRC during the IP, it was considered appropriate to examine whether there were a recurrence of dumping in increasing export volume should exhausting measures be repealed.

3. **Development of imports from the PRC**

(27) For the examination of a likelihood of recurrence of dumping the following factors were examined: existence of dumping, the evolution of production and capacity utilisation in the PRC, and the evolution of worldwide Chinese coumarin exports.

(a) Existence of dumping

(28) The dumping margin established in the initial investigation was high (more than 50 %, leading to a duty of ECU 3 479 per tonne). The investigation carried out under the present review indicates that dumping still persisted and was close to the level found in the initial investigation.

(b) Evolution of production and capacity utilisation in the PRC

(29) According to the information available, production capacity in the PRC is high, and could be even increased in a very short time due to the nature of the product and the production process. The information shows that the Chinese production capacity is about 1 900 tonnes (representing 40 % of the world wide capacity with seven producers, and 18 potential producers ready to re-enter in the markets. This is much larger than the entire EC consumption of 700 tonnes.

(30) Consequently, the enormous availability of unused production capacity (between 50 % and 60 % of production capacity) gives Chinese exporting producers a very high degree of flexibility in the production process. These producers are therefore able to quickly increase production and direct it to any export market, including, were the measures to be repealed, the Community market.

(c) Evolution of Chinese exports to third countries

1. *General trend of exports*

(31) On the basis of Chinese export statistics, Chinese price behaviour on their other export markets shows that Chinese exporters' prices in those markets are on average 11 % lower than the prices offered in the Community, and even 16 % in certain third country markets, such as Hong Kong and India.

2. *Possible deflection of Chinese exports due to the introduction of restrictions in third countries*

(32) The USA imposed anti-dumping duties on import of coumarin from the PRC in 1995 and maintained the duties in May 2000 pursuant to an expiry review. The USA duties range from 31,02 % to 160,80 %.

(33) This shows that there is pressure on Chinese exporting producers to find alternative export markets. Should the Community repeal the current anti-dumping measures, exports to the Community market would be an attractive option for Chinese exporting producers.

3. *Chinese exports to representative export markets*

(34) It is important to note that, after the Council imposed anti-dumping duties in 1995, exporting producers in the PRC were not able to penetrate other export markets or to expand the exports in the other existing markets.

(d) Conclusion

(35) The investigation has shown that the quantities imported into the Community from the PRC during the investigation period were dumped.

(36) The investigation has also shown that the volume of Chinese coumarin exports to the Community would in all probability reach substantial levels if the current measures were to be repealed. This conclusion was arrived at in view of the substantial spare capacity available in the PRC, and in view of the pressure on Chinese exporting producers to find alternative export markets to the USA and to other export markets. All this illustrates the strong continued interest of Chinese exporting producers in selling to the Community.

(37) It was also concluded that such substantially increased exports to the Community would most likely be made at dumped prices. This is demonstrated by the low prices found for Chinese exports to other main third country markets.

(38) In summary, it is most probable that imports to the Community from the PRC will resume in significant quantities and at significantly dumped prices, should measures be repealed.

E. DEFINITION OF THE COMMUNITY INDUSTRY

(39) The company represented by the applicant was the only producer of coumarin in the Community during the investigation period.

(40) During the IP, the Community producer imported coumarin from a country other than the PRC. The purpose of such imports was to compensate shortages of the product concerned from the producer's Community production due to technical reasons. These imports represented a minor part of the total sales volume by the producer in the Community. Thus, despite these sales of imported coumarin, the primary activity of the company remained in the Community and the import of this producer did not affect its status as Community producer. This Community producer is therefore deemed to constitute the Community industry within the meaning of Article 4(1) and Article 5(4) of the basic Regulation.

F. ANALYSIS OF THE SITUATION IN THE COMMUNITY MARKET

1. Community consumption [1]

(41) Community consumption was established on the basis of the sales volumes of the Community industry on the Community market as reported in the questionnaire reply, the import volumes into the Community from the country concerned and all other third countries, on the basis of Eurostat.

(42) On this basis, the apparent consumption of coumarin increased by 92 % during the period under review. The most significant increase took place between 1996 and 1997, i.e. + 82 %. However, this should be seen in the light of large volumes of coumarin which were imported, mainly from the PRC, in 1994 and 1995, i.e. before the imposition of the anti-dumping measures. These large imported volumes have been stocked and then sold/used in 1996 thus reducing artificially the demand for coumarin this year and consequently the apparent consumption. In 1997, total import volumes went back to a level comparable with the one in 1993.

2. Imports from the country concerned

(a) Volume and market share

(43) With respect to the volume of the Chinese imports, it drastically decreased over the period under review, i.e. – 89 %, in particular between 1996 and 1998, i.e. – 87 %. This coincided with the imposition of the anti-dumping measures and the emergence of other countries that increased their exports to the Community. In this respect, it would appear that certain imports from Japan were in fact of Chinese origin thereby circumventing the measures. This can be noticed in particular as from 1997 when imports from Japan suddenly surged. Afterwards, given that the USA took action to prevent such circumvention activities on the US market, the Japanese exporter concerned also ceased its exports to the EC and imports from Japan as reported by Eurostat on the Community market have steadily decreased until the end of the IP.

[1] For confidentiality reasons, given that one single Community producer constitutes the Community industry, the figures contained in this Regulation will be indexed or only given approximately.

(44) The market share of the imports from the PRC decreased by 25 percentage points during the period under review and were to be found between 1,5 and 3 %.

(b) Prices

(45) After the imposition of the measures in 1995, the average cif prices of the imports concerned, as reported by Eurostat, increased by 23 %, between 1996 and the IP, but remained below the average cif prices of all other imports during the period under review, and also below the Community industry's prices.

3. **Economic situation of the Community industry**

(a) Production

(46) The Community industry's production doubled between 1996 and the IP. A significant increase took place between 1996 and 1997. Subsequently, production slightly decreased until 1999 and went up again between 1999 and the IP.

(b) Capacity and capacity utilisation

(47) The total production capacity of the Community industry increased by 29 % over the period under review. The increase is due to an upgrade of the existing installation made in 1999.

(48) Capacity utilisation increased by 56 % between 1996 and the IP. The increase was particularly marked between 1996 and 1997 as well as between 1999 and the IP.

(c) Sales in the Community

(49) The sales volume of the Community industry significantly increased during the period under review. It trebled between 1996 and the IP. This development was made possible at a time when production doubled, because exports decreased in the same time. The sales increase was most remarkable between 1996 and 1997 even though the sales steadily increased between 1997 and the IP. However, as already explained under recital 42, the demand on the Community market was particularly low in 1996, thus distorting the comparison. Taking 1997 as a basis of comparison, the increase of the sales volume of the Community industry between 1997 and the IP is 41 %. Several reasons explain this evolution, such as the imposition of the anti-dumping measures in 1995 and the decrease of imports from certain third countries as already mentioned in recital 43.

(d) Stocks

(50) The Community industry's end of year stocks decreased by 8 % during the period under review. They firstly increased between 1996 and 1997, and then decreased until 1999 before raising again between 1999 and the IP.

(e) Market share

(51) The market share of the Community industry rose by 27 percentage points during the period under review. This increase was especially marked between 1996 and 1998 when market share gained 20 percentage points. Afterwards, market share slightly decreased in 1999 and regained around 12 percentage points between 1999 and the IP.

(f) Prices

(52) The Community producer's average net sales price decreased by 14 % between 1996 and the IP. The fall was particularly marked between 1996 and 1997 and then between the 1999 and the IP.

(53) This can be explained partly by the price level of the Chinese products which, as already mentioned under recital 45, remained below the average cif prices of all other imports during the period under review. Even though the import volume remained relatively low during the IP, the investigation has shown that price offers by the Chinese exporters have continued to be made at low prices. In addition, the price pressure of imports from Japan cannot be considered negligible during the period under review, even if volumes have decreased since 1997. However, this evolution should also be seen in the light of the efforts made by the Community producer to improve the efficiency of the production process. The increase of the production capacity, coupled with the effect of the anti-dumping measures, permitted the Community producer to increase the volume sold and thus to reduce the unit cost of goods sold.

(g) Profitability

(54) The weighted average profitability of the Community industry markedly improved during the period under review since it passed from a significant loss in 1996 to a profit which ranged between 5 % and 10 % in the IP. This increase, which was particularly marked between 1998 and the IP, should be seen in the light of the upgrade of the capacity already mentioned under recital 47, which permitted the Community industry to significantly reduce its costs of production.

(h) Cash flow and ability to raise capital

(55) The development of the cash flow generated by the Community industry in relation to sales of coumarin is very similar to that of the profitability since it passed from a negative to a positive figure as from 1999.

(56) The investigation established that the Community industry was not experiencing difficulties in its ability to raise capital. However, this is not considered as a meaningful indicator given that the Community industry is a large group whose coumarin production represents a relatively small part of the total production, and that the ability to raise capital is closely linked to the performance of the whole group.

(i) Employment, productivity and wages

(57) Employment of the Community industry slightly increased during the period under review and gained 9 % between 1996 and the IP. The productivity of the Community industry's workforce, measured as production volume per person employed, markedly increased during the same period, improving by more than 80 %. The wages as a whole increased by 27 % between 1996 and the IP, thus leading to an increase of the average wage per employee by 16 % between 1996 and the IP.

(j) Investment and return on investment

(58) The level of investments significantly increased between 1996 and 1999 and went down again in the IP. The investigation showed that most of this capital expenditure was related to the upgrade of the capacity already mentioned under recital 47, as well as to the maintenance of the equipment.

(59) The return on investment, expressed as the relation between the net profits of the Community industry and the net book value of its investments, followed very closely the profitability trend since it turned out to be positive as from 1999 and gained 23 percentage points between 1996 and the IP.

(k) Growth

(60) As mentioned above, while Community consumption almost doubled during the period under review, the sales volume and the market share of the Community industry followed an even more marked trend. The Community industry could therefore fully benefit from the growth of the market.

(l) Magnitude of the dumping margin

(61) As concerns the impact on the Community industry of the magnitude of the dumping margin found (see recital 28), given the low volume of imports during the IP, this cannot have an impact.

4. **Conclusion**

(62) The imposition of the anti-dumping measures on imports of coumarin originating from the PRC had a positive impact on the Community industry, which could recover from its weakened economic situation. All injury indicators except sales prices developed positively. However, this trend should also be seen in the light of the efforts made by the Community industry in order to improve its efficiency and to reduce its cost of production. Finally, it should be noted that such improvement only permitted the Community industry to get back to the situation prevailing just before the dumping practice started.

G. **LIKELIHOOD OF RECURRENCE OF INJURY**

1. **Likelihood of recurrence of injury**

(63) With regard to the likely effect on the Community industry of the expiry of the measures in force, the following factors were considered, in line with the elements summarised in recitals 35 to 38.

(64) There are clear indications that imports originating in the PRC will continue at dumped prices. Moreover, there is a likelihood that import volumes would increase significantly given that the Chinese exporting producers have the potential to raise their production and export volume in view of their large unused production capacity. In addition, even though the world coumarin consumption is forecast to slightly increase in the next three years, it is unlikely to absorb the unused Chinese capacity.

(65) Having regard to the Chinese exporters' export price behaviour on third country markets which are around 10 % lower than on the Community market, namely Hong Kong, India, Japan and Singapore, it is likely that the Chinese exporting producers will adopt an aggressive price behaviour in the Community in order to regain their lost market shares. Indeed, these low prices on third countries markets show that Chinese exporters consider it to be in their interest to sell at such prices. This in turn would lead to a recurrence of injury in terms of decreasing sales prices of the Community industry and decreasing sales volumes as well as the consequent negative impact on profitability.

(66) The Community market is also likely to be attractive for the Chinese exporters. On the one hand, it is recalled that the Community market absorbed 46 % of the Chinese exports in 1995, i.e. before the imposition of the measures currently in force, compared to 10 % in 1999.

(67) On the other hand, the comparison between the total Chinese exports on the world market, and the Chinese exports on the Community market during the same period, shows that Chinese exporters did not manage to find new markets that would be likely to replace their sales in the EC. Indeed, the strong decrease of the Chinese exports to the Community market between 1995 and 1999 (363 tonnes) was only compensated by an increase of Chinese exports to other third countries of around 100 tonnes.

(68) In addition, as the Community market and the US market stand for around 50 % of the world consumption of coumarin and given that the USA have imposed anti-dumping measures on imports of coumarin from the PRC, it is very likely that, should the measures be repealed, the Community market would be attractive for exporters from the PRC.

(69) One importers' association argued that the existence of capacity in the PRC does not imply in itself likely recurrence of injury.

(70) In relation to this particular point, it is recalled that this investigation should evaluate the likelihood of recurrence of dumping and injury in case the measures are removed. Even if the existence of large production capacity in the PRC does not in itself mean that injurious dumping will recur, this is nevertheless a meaningful indicator that should be taken into consideration. This indicator, when combined with the analysis of the Chinese exporters' behaviour on other third markets and the ongoing dumping found, constitutes an indicator of the likely behaviour of the exporters in case the measures are repealed and thus the likely effect thereof.

(71) On the basis of the above, it is concluded that, should the measures be repealed, there is a likelihood of a recurrence of injury from imports of coumarin from the PRC.

H. COMMUNITY INTEREST

1. Introduction

(72) According to Article 21 of the basic Regulation, the Commission examined whether a prolongation of the existing anti-dumping measures would be against the interest of the Community as a whole. The determination of the Community interest was based on an appreciation of all the various interests involved, i.e. those of the Community industry, the importers/traders as well as the users of the product under consideration. In order to assess the likely impact of maintaining or not maintaining the measures, the Commission requested information from all interested parties mentioned above.

(73) It should be recalled that, in the previous investigation, the adoption of measures was considered not to be against the interest of the Community. Furthermore, the fact that the present investigation is a review, thus analysing a situation in which anti-dumping measures have already been in place, would allow the assessment of any undue negative impact on the parties concerned by the current anti-dumping measures.

(74) On this basis it was examined whether, despite the conclusions on the likelihood of a recurrence of injurious dumping, compelling reasons existed which would lead to the conclusion that it is not in the Community interest to maintain measures in this particular case.

2. Interest of the Community industry

(75) It is considered that, should the anti-dumping measures imposed in the previous investigation be repealed, injurious dumping is likely to recur and that the situation of the Community industry, which improved during the period under review, would deteriorate.

3. Interest of importers

(76) From the 26 questionnaires sent, only one reply was received by the Commission services from an importers' association.

(77) This association argued that the anti-dumping measures led to the exclusion of both the Chinese and other third country's producers from the Community market, thus leading to a dependence of the users on the sole Community producer.

(78) First of all, it should be recalled that the coumarin world market is very concentrated with only a few producers the most important of whom, in terms of capacity, are located in China and in the Community. Therefore, any market share lost by one of these two countries producer is likely to be regained by the other. However, it is recalled that the purpose of the anti-dumping measures is not to restrict supply, but to re-establish fair competition on the Community market and that coumarin originating in the PRC can still be imported in the Community market. In addition, it should be noted that, during the IP, around 25 % of all imports of coumarin was imported from countries other than China, notably from Japan and India, thus showing that alternative sources of supply continue to exist. Furthermore, in view of the low level of cooperation and the fact that importers generally deal with a wide range of chemical products, of which coumarin is only one, it was concluded that any possible negative impact of the continuation of measures on importers would not be a compelling reason not to impose the continuation of measures.

4. Interest of users

(79) Questionnaires and/or information were received from five users (out of the 23 questionnaires sent).

(80) One of these companies is clearly in favour of the continuation of the measures while another does not expect any change for its business should the measures be removed or maintained. This latter company also underlined the fact that it would not be in the industry's interest that the Community producer stops production in case of recurrence of dumped imports.

(81) Two users, of which only one imported the product concerned from the country concerned during the period under review, were against the continuation of the measures, but both stated in their responses to the questionnaire that they both do not expect any effect on their business, should the measures be removed or maintained.

(82) One other user was also against the prolongation of the measures. This user argued that the competition by Chinese exporters is indispensable in order to guarantee the security of supply at competitive prices. Should competitive prices not be guaranteed, this user may consider moving part of its fragrance compounding to the PRC resulting in job losses in the Community. However, given that coumarin represents about 1,5 % of the total cost of production of this user, it is considered unlikely that a transfer of the production of certain compounds outside the Community would occur simply as a result of the continuation of the existing anti-dumping measures, especially since such transfer has not occurred during the five years the measures have been in force.

(83) The same user also mentioned the production difficulties suffered by the Community producer resulting in significant delivery delays. Although the Community producer faced production difficulties during the period under review, these were due to particular circumstances that are unlikely to recur on a regular basis, amongst which, the upgrade of the existing installation mentioned under recital 47. In addition, the impact of delivery problems on users was found to be minor since, as mentioned under recital 40, the Community producer was able to import the like product to compensate for the shortage of its production of the product concerned.

(84) On the basis of the above, and in view of the low level of cooperation, which in itself appears to confirm that users did not suffer any substantial negative effect on their economic situation as a result of the measures currently in force, the impact on users was considered not to constitute a compelling reason against the continuation of the measures, as a possible negative effect on users is unlikely to offset the positive effect on the Community industry.

5. **Competition aspects**

(85) Several interested parties argued that the current measures have led to the elimination of Chinese coumarin on the Community market, leading to a monopoly position of the Community industry. The prolongation of the measures would thus be against the interest of the Community.

(86) As already mentioned under recital 51, the Community industry increased its market share and thus can benefit from a strong position on the Community market. However, the current investigation also established that the effect of the measures was to permit the Community industry to recover that share of the Community market which it held before the Chinese dumping practices began.

(87) Moreover, it should be noted that the world market for coumarin is characterised by operation of only a few producers. In such a situation, competition aspects have to be followed with particular care, given that the effect of the measures on these suppliers can have a considerable importance. However, the investigation has found no indication as to any anti-competitive practices of the Community producer. In this context, it should be underlined that its sales prices decreased over the period under review. Furthermore, several alternative sources of supply still exist since coumarin is or can be imported from several countries amongst which are Japan and India which still hold non-negligible shares of the Community market.

(88) On the basis of the above, it has been concluded that any competition-related concerns were considered not to constitute a compelling reason against the continuation of the measures.

6. **Conclusion on Community interest**

(89) Given the above, it was concluded that there are no compelling reasons of Community interest against the continuation of the measures.

I. **ANTI-DUMPING MEASURES**

(90) All parties concerned were informed of the essential facts and considerations on the basis of which it was intended to recommend the maintenance of the existing anti-dumping duty in respect of imports of coumarin originating in the PRC. They were also granted a period within which to make representations subsequent to this disclosure. No comments were received which were of a nature to change the above conclusions.

(91) It follows from the above that the anti-dumping measures currently in force with regard to imports of coumarin originating in the People's Republic of China should be maintained,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of coumarin falling within CN code ex 2932 21 00 (TARIC code 2932 21 00 10) originating in the People's Republic of China.

2. The rate of the duty is set at EUR 3 479 per tonne.

Article 2

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

Article 3

This Regulation shall enter into force on the day following 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, 7 May 2002.

For the Council

The President

R. DE RATO Y FIGAREDO