

COMMISSION DECISION

of 20 March 1998

terminating the anti-dumping proceeding concerning imports of tungstic oxide
and tungstic acid originating in the People's Republic of China

(98/230/EC)

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 amended by Regulation (EC) No 2331/96⁽²⁾, and in particular Article 9(2) thereof,

After consulting the Advisory Committee,

Whereas:

A. PREVIOUS PROCEDURE

- (1) By Regulation (EEC) No 2736/90⁽³⁾, the Council imposed a 35 % definitive anti-dumping duty on imports of tungstic oxide and tungstic acid originating in the People's Republic of China. By Decision 90/479/EEC⁽⁴⁾, the Commission accepted undertakings given by two major Chinese exporters concerning the product subject to measures.
- (2) Following the withdrawal of the undertakings by the two exporters concerned, the Commission imposed, by Regulation (EC) No 2286/94⁽⁵⁾, provisional anti-dumping duties on the product concerned.
- (3) By Regulation (EC) No 610/95⁽⁶⁾, the Council amended Regulation (EEC) No 2736/90 and imposed a definitive duty of 35 % on imports of tungstic oxide and tungstic acid in respect of those two exporters.

B. REVIEW INVESTIGATION

- (4) Following the publication in February 1995 of a notice of the impending expiry of the measures⁽⁷⁾ in force, Eurométaux, representing the totality of Community producers of the product concerned, requested a review of the measures. The request contained evidence of dumping of the product originating in the People's Republic of China and of renewed material injury likely to result in the event of expiry of the existing measures. That

evidence was considered sufficient to justify the opening of a review.

- (5) On 21 September 1995, the Commission announced by a notice published in the *Official Journal of the European Communities*⁽⁸⁾, the initiation of a review of Regulation (EEC) No 2736/90. That review was initiated under Article 11(2) of Council Regulation (EC) No 3283/94⁽⁹⁾, which was replaced during the investigation by Regulation (EC) No 384/96 (hereinafter referred to as the 'Basic Regulation').
- (6) The Commission officially advised the producers/exporters and importers known to be concerned, the representatives of the exporting country and the Community producers of the initiation of the review, and gave the parties directly concerned the opportunity to make known their views in writing and to request a hearing within the time-limit set in the above notice.
- (7) The Community producers, exporters/producers and some importers which were also users of the product concerned made their views known in writing and were granted a hearing.
- (8) The Commission sought and verified all information it deemed necessary for the purpose of the investigation and carried out verification visits at the premises of the following companies:
 - (a) *Community producers*
 - Wolfram Bergbau und Hüttengesellschaft m.b.H., St Peter, Austria,
 - H. C. Starck GmbH & Co KG, Goslar, Germany,
 - Eurotungstène Poudres, Grenoble, France,
 - (b) *Importers/users in the Community*
 - AB Sandvik Hard Materials, Sweden,
 - Seco Tools AB, Sweden,
 - Cerametal, Luxembourg,
 - (c) *Related importer*
 - Minmetals North-Europe AB, Sweden,
 - (d) *Producer in the analogue country*
 - Metek Metal Technology Ltd, Israel.

⁽¹⁾ OJ L 56, 6. 3. 1996, p. 1.

⁽²⁾ OJ L 317, 6. 12. 1996, p. 1.

⁽³⁾ OJ L 264, 27. 9. 1990, p. 4.

⁽⁴⁾ OJ L 264, 27. 9. 1990, p. 57.

⁽⁵⁾ OJ L 248, 23. 9. 1994, p. 8.

⁽⁶⁾ OJ L 64, 22. 3. 1995, p. 1.

⁽⁷⁾ OJ C 48, 25. 2. 1995, p. 3.

⁽⁸⁾ OJ C 244, 21. 9. 1995, p. 7.

⁽⁹⁾ OJ L 349, 31. 12. 1994, p. 1.

- (9) The dumping investigation covered the period from 1 October 1994 to 30 September 1995 (hereinafter referred to as the 'investigation period'). The examination of injury covered the period from 1991 up to the end of the investigation period.
- (10) The present review exceeded the period of one year within which it should normally have been concluded pursuant to Article 11(5) of the Basic Regulation, due to the complexity of the investigation, and in particular due to the difficulties in obtaining reliable data on an appropriate analogue country. Furthermore, two other investigations⁽¹⁾ concerning tungsten products, namely tungsten ores and concentrates, on the one hand, and tungsten carbide and fused carbide, on the other, were initiated at the same time as the present review and had to be carried out in parallel given the links between these products in the tungsten production chain. Finally, further developments in relation to the tungsten market were presented at a late stage of the investigation.

C. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

1. Product under consideration

- (11) The product covered by the present review is the same as the one under consideration in Regulation (EEC) No 2736/90 and falls under CN code 2825 90 40.

The product concerned is tungstic oxide and tungstic acid:

- tungstic oxide (blue or yellow powder) is a compound of tungsten and oxygen (WO_3), usually produced by heat treatment (calcination) of ammonium paratungstate (APT) or by recycling of various tungsten containing scrap compositions,
- tungstic acid is a compound of tungsten, hydrogen and oxygen (H_2WO_4) produced either by precipitation from sodium tungstate solution or by the decomposition of calcium tungstate. It is marketed either untreated or following thermal decomposition in the form of industrial-quality tungstic oxide.

Tungstic oxide and tungstic acid are intermediate products or input-materials mostly used to manufacture other downstream tungsten-containing products in the tungsten chain although certain types can be directly used for very limited applications in ceramics. They have very similar chemical characteristics, are nearly identical in terms of tungsten content and there are, after specific minor processing, no significant differences in their industrial uses. Consequently, tungstic oxide and tungstic acid, as in the previous investigation, are

regarded as one single product for the purpose of the investigation (and hereinafter referred to as 'oxide/acid').

2. Like product

- (12) As established in the original investigation, it is considered that oxide/acid exported from the People's Republic of China and oxide/acid manufactured and sold by the Community producers and by producers in the analogue country are like products within the meaning of Article 1(4) of the Basic Regulation because they have essentially the same physical, chemical and technical characteristics and end-uses.

D. DUMPING

1. Normal value

1.1 Selection of the analogue country

- (13) Since the People's Republic of China is not a market economy country, normal value had to be determined on the basis of information obtained in an analogue country. For this purpose South Korea had been suggested by the applicant. The notice of initiation envisaged accordingly the use of that country as an analogue country. Although substantial efforts were made by the Commission to secure cooperation from South Korean manufacturers of the product concerned, those producers did not agree to cooperate in the review.
- (14) As an alternative, the complainants suggested the United States of America as an analogue country. However, from the several US manufacturers approached in this respect by the Commission, only one, the company Teledyne Advanced Materials, was willing to provide some general information.

In any event, when analysing the data submitted by that company, it appeared that, during the investigation period, that company mainly purchased oxide/acid of Chinese and Russian origin and produced only a negligible quantity of oxide/acid from calcination of ammonium paratungstate 'APT' (that is, the immediate upstream product in the production chain) for its internal consumption; further, the company did not sell any oxide/acid either on the domestic or on the export markets.

In addition, the other US manufacturers appeared to be in the same situation: no US-produced oxide/acid is sold on the open domestic market, nor is there any significant quantity of US-produced oxide/acid exported, as it is considered an intermediate product destined exclusively for the internal consumption in producing further downstream products in the tungsten chain.

⁽¹⁾ OJ L 244, 21. 9. 1995, pp. 3 and 5.

In consequence, the United States was not considered an appropriate analogue country for the purpose of this review.

- (15) Therefore, the Commission expended considerable effort in contacting companies in various other (*prima facie* suitable) analogue countries in order to obtain cooperation, in particular, from producers in Canada, Japan and Israel.

- (16) From the various producers contacted, only one producer of oxide/acid, Metek Metal Technology Ltd. (hereinafter 'Metek'), Israel, agreed to cooperate for the purpose of this review. The choice of Israel as analogue country was considered appropriate in view of the following factors:

- the oxide/acid produced in Israel had the same characteristics as that produced by cooperating Chinese exporters/producers,
- the oxide/acid manufacturing process of the cooperating Israeli producer is based on the calcination of APT or the reprocessing of various tungsten containing scrap compositions. The Israeli production process is similar to the one applied by the cooperating Chinese producers/exporters. It is modern and efficient,
- in terms of sourcing, Metek had unimpeded access to the raw materials for the production of the product concerned, namely APT and tungsten containing scrap compositions, which were purchased at world-market prices during the investigation period from sources in the People's Republic of China and Russia (for APT), or from other suppliers located in Europe and the United States (for scrap compositions),
- the oxide/acid production volume of this Israeli producer was sufficiently significant to provide for a reasonable cost of production, as compared to the Chinese product,
- in addition, the Israeli oxide/acid market itself is open and competitive, because imports are exempted from any customs duties or other import restrictions, and there is a significant volume of imports.

On the basis of the above factors, and in accordance with Article 2(7) of the Basic Regulation, Israel was therefore considered to be an appropriate and not unreasonable choice of an analogue country for establishing normal value for the product under investigation.

- (17) No objections were raised to the choice of Israel as an analogue country, either by the Chinese exporters/producers, the Chinese authorities, or any other party concerned.

1.2 Constructed normal value

- (18) The People's Republic of China being a non-market economy country and Israel having been selected as an appropriate analogue country, normal value for the Chinese exports had to be established in accordance with Article 2(7) of the

Basic Regulation. Since the cooperating Israeli producer was primarily producing the product concerned for its own consumption in the production of tungsten metal powder, besides a small export-oriented production, it was thus considered that the most reasonable basis for the normal value would be a constructed value, calculated by adding together the cost of production, (that is, manufacturing costs and selling, general and administrative expenses (hereinafter 'SG&A')), and a reasonable margin of profit.

- (19) The cost of manufacture was obtained by adding all costs, both fixed and variable, for materials and manufacturing in the country of origin. In the absence of data specific to oxide/acid for other producers/exporters in the country of origin, as far as SG&A are concerned they were calculated by reference to SG&A on sales of tungsten metal powder, that is, the same general category of product, by Metek on its domestic market during the investigation period, in accordance with Article 2(6)(b) of the Basic Regulation.

The same basis was used for the calculation of a profit margin. The level of the profit margin was also in line with the profit margin used in the original investigation.

2. Export prices

- (20) The Commission received comprehensive data on export prices from two Chinese producers/exporters and four importers. The data covered almost the totality of Chinese exports of oxide/acid to the Community during the investigation period, as confirmed by Eurostat figures.

For those Chinese exports which were sold directly for export to independent customers in the Community, export prices were established on the basis of the prices actually paid or payable for the product concerned, in accordance with Article 2(8) of the Basic Regulation. For those Chinese exports which were made through a related company (Minmetals North-Europe AB) and represent the majority of all Chinese exports, export prices were constructed on the basis of resale prices to the first independent customers in the Community, in accordance with Article 2(9) of the Basic Regulation. An adjustment was made for all costs, including duties and taxes incurred between importation and resale, and for profit. The profit margin was established on the basis of data obtained from three unrelated importers in the same business sector.

3. Comparison

- (21) In accordance with Article 2(11) of the Basic Regulation, a weighted average normal value, on a fob Israeli frontier basis, was compared to a weighted average export price on a fob Chinese frontier basis, and at the same level of trade.

For the purpose of a fair comparison, in accordance with Article 2(10) of the Basic Regulation, due allowance in form of adjustments was made for differences in respect of transport, insurance, credit costs, handling and ancillary costs, which were claimed and shown to affect price comparability.

4. Dumping margin

- (22) The above comparison showed the existence of dumping, the dumping margin being equal to the amount by which the normal value exceeded the export price.

Expressed as a percentage of the free-at-Community frontier price, duty unpaid, the single weighted average dumping margin amounts to 5,6 %.

E. COMMUNITY INDUSTRY

- (23) A number of claims were made by the Chinese exporters and some users in the Community concerning the definition of the Community industry and the standing of the producers supporting the review request.

- (24) The Chinese exporters claimed that one of the companies supporting the review request was an important purchaser of the dumped imports and should therefore be excluded from the definition of the Community industry, pursuant to Article 4(1)(a) of the Basic Regulation.

The investigation has confirmed, however, that no imports of oxide/acid of Chinese origin were made by that producer during the period examined. The claim was therefore dismissed.

- (25) The Chinese exporters also claimed that one of the producers supporting the review was related to an importer of Chinese oxide/acid and should therefore be excluded from the scope of the Community industry for the purpose of the review pursuant to Article 4(1)(a) and (2) of the Basic Regulation.

It was confirmed during the investigation that the two companies concerned, although related, had conflicting interests regarding the imposition of the anti-dumping measures. One company was producing oxide/acid, whereas the other was importing the product concerned. It was found that the two companies were acting autonomously when defining and pursuing their business strategy. Overall, it was concluded that the relationship did not influence the behaviour, nor distort the analysis of the economic situation, of the Community producer in question as regards the product concerned. Accordingly, that producer was not excluded from the definition of the Community industry.

- (26) The request for review alleged that the producers supporting the request represented 100 % of the production of oxide/acid intended for sale on the open market and thus constituted the entire Community industry in conformity with Article 5(4) of the Basic Regulation.

That contention was contested by a number of integrated producers of tungsten end-products in the Community (producers of tools, hard metals), producing small quantities of oxide/acid from calcination of APT exclusively for internal consumption. Specifically, they argued that the representativity of the producers supporting the review should be assessed by reference to the totality of the Community production of the product concerned (including their own captive production) and that, on that basis, the producers supporting the review were not representative of the Community industry.

This issue was re-examined but it was concluded that the argument was unfounded. Indeed, even if the captively-used production of the companies which presented the above claim was taken into account, the producers supporting the review request would still account for 79 % of the overall oxide/acid Community production of the product concerned, thus fulfilling the criteria of Article 5(4) of the Basic Regulation. In addition, it was confirmed in the course of the investigation, that the producers supporting the review accounted for the totality of the Community production of oxide/acid intended for sale on the open market.

- (27) Given the above, it was concluded that the producers supporting the review request constitute the Community industry within the meaning of Article 4(1) and Article 5(4) of the Basic Regulation. For the remainder of this Decision, the term Community industry will refer to the companies supporting the review request.

F. INJURY

1. General

- (28) When examining injury, it should be recalled that oxide/acid is part of an entire production chain of tungsten products and that, therefore, any developments of the market for the product concerned should be seen in conjunction with the developments of the other products in the production chain.

The conclusions with regard to injury were based on data relating to the Community as composed at the time of the initiation of the review, that is the Community of 15 Member States.

(29) *Community consumption*

For the purpose of the investigation, consumption was established on the basis of total imports plus sales of the Community industry on the Community open market. Thus, captively-used production was not taken into account when determining Community consumption because it was not considered to be in direct competition with imports. The consumption increased continuously during the period considered from 897 tonnes in 1991, to 1 238 tonnes in 1992, 2 211 tonnes in 1993, 3 815 tonnes in 1994 and 4 062 tonnes in the investigation period (+452 %).

2. The behaviour of the Chinese exporters

2.1 *Volume and market share of imports from the People's Republic of China*

(30) Oxide/acid imports of Chinese origin increased from 419 tonnes in 1991 to 676 tonnes in 1992, 1 548 tonnes in 1993, 2 526 tonnes in 1994 and fell to 1 259 tonnes in the investigation period. They represented 46,7 % market share in 1991, 54,6 % in 1992, 70 % in 1993, 66,2 % in 1994 and 31 % in the investigation period.

(31) The decrease in Chinese imports in the investigation period, both in absolute and relative terms, coincided with the imposition of the *ad valorem* anti-dumping duty in September 1994. The imports from the People's Republic of China were partially replaced by imports from Russia, notably in the new Member States. It should also be added that, before joining the Community in 1995, user companies in Sweden, and to a lesser extent in Austria, had, according to information available, stockpiled products of Chinese origin. This also explains why there was a relative decrease in imports of oxide/acid from the People's Republic of China in the investigation period, which covered a period after the accession of the new Member States.

2.2 *Prices of the dumped imports*

(a) Overall trend

(32) According to Eurostat data, the Chinese prices fluctuated in the period examined, with a significant increase between 1994 and the investigation period. This increase coincided with the increase in demand. This development of prices occurred in parallel to the increase in prices of APT. Such a parallel development could be expected as APT is

the most important raw material for the production of oxide/acid and more than 90 % of APT consumed in the Community is in fact imported from the People's Republic of China.

(b) Undercutting

(33) For the investigation period, on the basis of prices reported by cooperating Chinese exporters and by importers in the Community, representing 80 % of the total imports from the People's Republic of China, the monthly weighted average Community industry's selling price was compared with a monthly weighted average import price of oxide/acid. Transactions by two Community producers of higher quality materials were excluded because there were no imports of comparable product types from the People's Republic of China.

The Community industry's prices were considered at ex-works level and the exporters' prices were at Community frontier level, anti-dumping duties paid, at the same level of trade. This comparison showed an undercutting margin of 3,8 % on a weighted average basis.

(34) The Chinese import prices of oxide/acid remained below those of the Community industry throughout the period examined (1991 to the investigation period). Although for reasons of comparability, import prices to the three new Member States prior to accession have not been taken into consideration when examining price undercutting and the evolution of Chinese prices, it should nevertheless be noted that in the Member States for which measures were not in force prior to 1995 (Austria and Sweden), the prices of the Chinese imports were found to be at times lower than in the Community of 12.

3. The situation of the Community industry

(35) The investigation has shown that the Community industry produces both for the open market and for captive use. The majority of the Community industry's production of oxide/acid is destined for internal use. Some of the injury indicators examined below, namely production, capacity and capacity utilisation, refer to both captive and non-captive activities because no meaningful distinction could be made in this respect. The other factors below, namely sales, market share, prices and profitability, refer to the industry's non-captive oxide/acid activity.

3.1 *Production capacity, production, capacity utilisation*

- (36) The production capacity of the Community industry remained stable over the period examined at around 8 500 tonnes. The production increased globally, albeit a slight decrease between 1991 and 1993, from 6 151 tonnes in 1991 to 8 123 tonnes in the investigation period (+ 32 %). This increase in production followed the trend of consumption for all tungsten products.

The capacity utilisation rates increased from 72 % in 1991 to 95 % in the investigation period.

3.2 *Sales volume and market share*

- (37) It has to be stressed that although production increased substantially, the Community producers used an increasing proportion of their output of oxide/acid to manufacture products further down the tungsten chain and only a small proportion was sold in the open market.
- (38) The Community industry's sales in the Community open market decreased from 1991 to 1993, and slightly increased in 1994 and the investigation period. However, the Community industry's sales in the open market were not very significant when compared to production volumes throughout the period. The market share held by the Community industry went from 38 % in 1991 to 27 % in 1992, to 11 % in 1993 and to 7 % in 1994 and the investigation period. The latter figure represents a relatively small proportion of the Community industry's total production of oxide/acid in a context of increasing, and in the investigation period virtually full, capacity utilisation.

3.3 *Price evolution*

- (39) The prices of the Community industry decreased from 1991 to 1994 and increased during the investigation period, as did Chinese prices. The latter trend coincided with a further increase in demand and the imposition of the *ad valorem* anti-dumping duties.

3.4 *Profitability*

- (40) The situation of the Community industry was profitable overall between 1991 and the investigation period. Profits were due particularly to sales of highly specialised types of the product for which the Community industry still has an outlet. It should be noted that as regards sales of the product types identical to those imported from the People's

Republic of China, negative financial results were incurred between 1991 and 1994, whereas some profits were achieved in the investigation period.

3.5 *Employment*

- (41) Given the fact that the personnel concerned work in an integrated production chain and the close links between the various tungsten products, specific allocations of personnel per product were not possible. Employment in the tungsten sector decreased by 14 % over the whole period. During the investigation period, 580 persons were employed in the tungsten production chain.

3.6 *Conclusion on the situation of the Community industry*

- (42) The situation of the Community industry improved considerably between 1991 and the investigation period as regards production (32 % increase) and capacity utilisation (95 % capacity utilisation during the investigation period). As regards the Community industry's open market sales and the corresponding market share, these continued to decrease during the period under examination. Such a decrease should be seen in the light of the Community industry's captive use of most of the increasing production of the product concerned in the manufacturing of downstream products.

G. RECURRENCE OF INJURY

- (43) In conformity with Article 11(2) of the Basic Regulation, the Commission examined whether the expiry of the measures in force would lead to recurrence of injury to the Community industry.
- (44) The present investigation has shown that the Community industry has continued its substantial loss of market share between 1991 and the investigation period, with market share in the investigation period being limited to 7 % during a period in which demand increased strongly. However, this decrease in market share during the period examined coincided with a tendency by the Community industry to use an increasing proportion of the production of oxide/acid captively to produce downstream products, to the detriment of oxide/acid sales in the open market. This development followed an increase in capacity utilisation and was most notable during the investigation period when production capacity was being almost fully used with a consequent loss of market share on the open market.

(45) On the other hand, and should the Community industry decide or be forced to change its outlet for its oxide/acid production, the possibility cannot be excluded that the Chinese imports could continue to have a negative impact on the Community industry's ability to sell oxide/acid on the open market, in particular since Chinese prices (with, and to an even greater extent without, anti-dumping duty) were found to undercut those charged by the Community industry during the period considered.

(46) The Community industry argued that if measures relating to oxide/acid were repealed, Chinese imports could endanger the viability of oxide/acid production by the Community industry if those imports continued to be sold at very low prices. Should Community industry be forced to cease production of oxide/acid, it would become completely dependent on, for example, imports from the People's Republic of China for intermediate products.

(47) In this context, it should be recalled that this industry is integrated upstream, starting production from concentrates or APT. Part of its production also derives from the recycling of tungsten containing scrap materials, thus somewhat reducing the dependence on imported raw materials. For two of the complainants, the recycling of scrap also allows them to produce products other than tungsten (cobalt metal powder and tantalum carbide). The disappearance of the upstream production chain would therefore allegedly also entail the disappearance of those other products with significant loss of investments.

Nevertheless, it is not clear to what extent the industry's production chain is at risk in the absence of measures on oxide/acid. Furthermore, such a risk appears to be partly limited by the competitiveness that this industry is able to derive from its recycling activity, which would partly compensate for its dependency on raw materials supply.

(48) In any event, it should be stressed that trends in prices of Chinese oxide until and during the investigation period closely follows those of Chinese APT. Chinese imports hold more than 90 % of the Community APT market. APT, for which no anti-dumping measure is in force, is the most important export item of all Chinese tungsten products. It should be noted that the transformation costs from APT to the next stage, that is oxide/acid, although higher in the Community than in other countries

investigated given the environmental costs, are not very significant. It can be said that an important part of Community produced oxide/acid is derived from Chinese APT and that the Community industry also sources part of its requirements from Chinese products. As a consequence, the Community industry's oxide/acid production appears to be vulnerable irrespective of the existence of anti-dumping measures on Chinese oxide/acid imports.

It follows from the above that, although a likelihood of a recurrence of injury cannot be completely excluded, the extent of such injury cannot at present be determined.

H. COMMUNITY INTEREST

The above considerations regarding injury and recurrence of injury should be further analysed in the light of the following aspects concerning Community interest:

1. The complainant Community industry

(49) The three complainant producers employ some 580 people in the overall production chain of tungsten.

As explained in recitals (46) and (47), should the measures be repealed, it is not clear to what extent this would have a negative impact on the situation of the Community industry.

2. The user industry

(50) The Community user industry is composed of a few large companies and a number of small companies.

Since the accession of the new Member States in 1995, the open market demand for oxide/acid has significantly increased (more than tripled), given the presence of important users in these Member States. These companies (mostly integrated producers of cemented tungsten carbide) tend at present to prefer to start the production from oxide rather than APT because of, among others, environmental requirements.

(51) In the light of the Community industry's limited supplies to the open market, the user industry is to a large extent dependent on external sources of supply.

(52) In conclusion, it appears that the effectiveness of the duty is not guaranteed in the absence of a duty on the upstream intermediary product APT, in particular because of the limited transformation costs between the latter and oxide/acid. In addition, there is a risk that the maintenance of the measures would, to a certain extent, inhibit the access of the user industry to supplies of the product concerned from a major supplier, whereas injury to the Community industry, should measures be repealed, would not appear to be imminent.

I. CONCLUSION

(53) In the light of the above findings, in particular the fact that the likelihood of recurrence of injurious dumping was not clearly established, it was considered that protective measures should no longer be imposed on imports of oxide/acid originating in the People's Republic of China.

(54) The interested parties were informed of the above and no adverse comments were received.

(55) The Advisory Committee was consulted and raised no objection.

(56) Therefore, in accordance with Article 9(2) of the Basic Regulation, it is considered that the continuation of protective measures is unnecessary and that the proceeding should be terminated,

HAS DECIDED AS FOLLOWS:

Sole Article

The anti-dumping proceeding concerning imports of tungstic oxide and tungstic acid falling under CN code 2825 90 40 originating in the People's Republic of China is hereby terminated.

Done at Brussels, 20 March 1998.

For the Commission

Leon BRITTAN

Vice-President
