

## Notice of initiation of an anti-dumping proceeding concerning imports of hair brushes originating in the People's Republic of China, Hong Kong, the Republic of Korea, Taiwan and Thailand

(1999/C 231/02)

The Commission has received a complaint pursuant to Article 5 of Council Regulation (EC) No 384/96 <sup>(1)</sup>, as last amended by Council Regulation (EC) No 905/98 <sup>(2)</sup>, (hereinafter referred to as 'the Basic Regulation'), alleging that imports of hair brushes, originating in the People's Republic of China, Hong Kong, the Republic of Korea, Taiwan and Thailand are being dumped and are thereby causing material injury to the Community industry.

### 1. Complaint

The complaint was lodged on 30 June 1999 by the *Fédération Européenne des Industries de la Brosserie et de la Pinceauterie* (FEIBP) (hereinafter referred to as 'the complainant') on behalf of producers representing a major proportion, i.e. more than 70 %, of the total Community production of hair brushes (hereinafter referred to as 'the product concerned').

### 2. Product

The product allegedly being dumped is hair brushes, currently classifiable within CN code 9603 29 30. This CN code is only given for information.

### 3. Allegation of dumping

The allegation of dumping in respect of Hong Kong, Taiwan and Thailand is based on a comparison of normal value, established on the basis of domestic prices, with the export prices of the product concerned to the Community.

The allegation of dumping for the Republic of Korea is based on a comparison of a constructed normal value with the export prices of the product concerned to the Community.

In view of the fact that normal value for the People's Republic of China will be established on the basis of the rules set out in Article 2(7)(a) of the Basic Regulation for those exporting producers which cannot meet the conditions set out in Articles 2(7)(b) and (c) of the Basic Regulation, the complainant has proposed that normal value be established on the basis of the price in a market economy third country, i.e. Argentina. The allegation of dumping is based on a comparison of normal value, as set out above, with the export prices of the product concerned when sold for export to the Community.

On this basis, the dumping margins calculated are significant for all exporting countries concerned.

### 4. Allegation of injury

The complainant has provided evidence that imports of the product concerned from the People's Republic of China,

Hong Kong, the Republic of Korea, Taiwan and Thailand have increased overall in absolute terms and in terms of market share.

It is alleged that the volumes and the prices of the imported product concerned have, among other consequences, had a negative impact on the quantities sold and the level of prices charged by the Community producers, resulting in substantial adverse effects on the overall performance and the financial situation of the Community industry.

### 5. Procedure for the determination of dumping and injury

Having determined, after consulting the Advisory Committee, that the complaint has been lodged by or on behalf of the Community industry and that there is sufficient evidence to justify the initiation of a proceeding, the Commission hereby initiates an investigation pursuant to Article 5 of the Basic Regulation.

In view of the apparent size and complexity of this proceeding, the Commission may apply sampling techniques, in accordance with Article 17 of the Basic Regulation.

#### (a) Sampling for investigation of dumping

In order to enable the Commission to decide whether sampling is necessary and, if so, to select a sample, all exporting producers, or representatives acting on their behalf, are hereby requested to make themselves known by contacting the Commission and by providing the following information on their company or companies within 15 days of publication of the present notice:

- name, address, telephone and fax numbers, contact person,
- the turnover in local currency and the volume in units of the product concerned sold for export to the Community during the period 1 July 1998 to 30 June 1999,
- the turnover in local currency and the sales volume for the product concerned on the domestic market during the period 1 July to 30 June 1999,
- the precise activities of the company with regard to the production of the product concerned,
- the names and the precise activities of all related companies whether directly or indirectly related (i.e. companies with which they have an association or a compensatory arrangement) involved in the production and/or selling (export and/or domestic) of the product concerned,

<sup>(1)</sup> OJ L 56, 6.3.1996, p. 1.

<sup>(2)</sup> OJ L 128, 30.4.1998, p. 18/19.

- for producers in the People's Republic of China, if the company intends to claim market economy status,
- any other relevant information that would assist the Commission in the selection of the sample,
- an indication of whether the companies agree to their inclusion in the sample which implies replying to a questionnaire and accepting an on-the-spot investigation of their responses.

In order to obtain the information it deems necessary for the selection of the sample of exporting producers, the Commission will in addition contact the authorities of the exporting countries, the known exporters and any known associations of exporters.

The Commission may also decide to select a sample of importers.

Any other party concerned which wishes to submit any relevant information regarding the selection of the sample is also requested to make itself known by contacting the Commission and to submit the information within 15 days of publication of the present notice.

#### (b) *Sampling for investigation of injury*

In view of the large number of Community producers supporting the complaint and in accordance with Article 17 of the Basic Regulation, the Commission intends to investigate injury to the Community industry by applying sampling techniques. The selection of the sample will be based on the largest representative volume of production and sales of the Community industry which can be reasonably investigated within the time available.

In order to obtain the information necessary for the selection of the sample of Community producers, the Commission will contact associations of Community producers and/or individual Community producers.

#### (c) *Final selection of samples*

The Commission intends to make the final selection of the samples after having consulted the parties concerned that have expressed their willingness to be included in the sample.

Companies included in the sample must reply to a questionnaire and cooperate within the framework of the verification visit.

If sufficient cooperation is not forthcoming, the Commission will base its findings, in accordance with Articles 17(4) and 18 of the Basic Regulation, on the facts available.

#### (d) *Questionnaires*

In order to obtain the information it deems necessary for its investigation, the Commission will send questionnaires to any association of producers in the Community, to importers, to any association of exporting producers and importers named in the complaint and to the authorities of the People's Republic of China, Hong Kong, the Republic of Korea, Taiwan and Thailand.

Once the final selection of the samples of the Community producers supporting the complaint and, if sampling is applied to exporters, of the exporting producers has been made, the Commission will send questionnaires to the companies included in these samples.

Exporting producers which submit a request for individual treatment, with a view to the application of Articles 17(3) and 9(6) of the Basic Regulation, have to submit a duly completed questionnaire within the general time limit set in paragraph 7(a) of this notice. However, such parties should be aware that if sampling is applied to exporting producers the Commission may decide not to grant them individual treatment if it considers that such treatment would be unduly burdensome and would prevent the timely completion of the investigation. Exporting producers, which submit a request for individual treatment, and importers are invited to contact the Commission forthwith in order to be informed whether or not they are listed in the complaint. In the latter case, they should as soon as possible, but not later than 15 days after publication of this notice in the *Official Journal of the European Communities*, request a copy of the questionnaire, as all questionnaires have to be completed within the time limit set in paragraph 7(a) of this notice. Any request for questionnaires must be made in writing to the address mentioned below and should indicate the name, address, telephone, fax, e-mail and/or telex numbers of the interested party. Alternatively, a request for a questionnaire can be addressed to the national authorities.

#### (e) *Collection of information and holding of hearings*

All interested parties are hereby invited to make their views known in writing and to provide supporting evidence.

Furthermore, the Commission may hear interested parties, provided that they make a request in writing and show that there are particular reasons why they should be heard.

#### (f) *Selection of the market economy third country*

In accordance with Article 2(7) of the Basic Regulation, it is envisaged to choose Argentina as an appropriate market economy third country for the purpose of establishing normal value in respect of the People's Republic of China. Interested parties are hereby invited to comment on the appropriateness of this choice within the specific time limit set in paragraph 7(c) of this notice.

(g) *Market economy status*

For those exporting producers in the People's Republic of China which claim and provide sufficient evidence that they operate under market economy conditions, i.e. that they meet the criteria laid down in Article 2(7)(c) of the Basic Regulation, normal value will be determined in accordance with Article 2(7)(b) of the Basic Regulation. Exporting producers intending to submit duly substantiated claims must do so within the specific time limit set under paragraph 7(d) of this notice. The Commission will send claim forms to all known exporting producers of the product concerned in the People's Republic of China as well as to the Chinese authorities.

## 6. Community interest

In accordance with Article 21 of the Basic Regulation and in order that a decision may be reached as to whether, in the event that the allegations of dumping and injury caused thereby are substantiated, the adoption of anti-dumping measures would be in the Community interest, the Community industry, importers, their representative associations and representative consumer organisations may, within the general time limit set in paragraph 7(a) of this notice, make themselves known and provide the Commission with information. It should be noted that any information submitted pursuant to this Article will only be taken into account if supported by factual evidence at the time of submission.

## 7. Time limits

(a) *General time limit*

Interested parties, if their representations are to be taken into account during the investigation, must make themselves known, present their views in writing and submit information, unless otherwise specified, within 40 days of the date of the publication of this notice in the *Official Journal of the European Communities*. Interested parties may also apply to be heard by the Commission within the same time limit. This time limit applies to all interested parties, including parties not named in the complaint, and it is consequently in the interest of these parties to contact the Commission without delay.

(b) *Specific time limit in respect of sampling*

All information relevant for the selection of the samples should be submitted to the Commission within 15 days of the publi-

cation of this notice, given that the Commission intends to consult parties concerned that have expressed their willingness to be included therein on the final selection of the samples within a period of 21 days of the publication of this notice.

(c) *Specific time limit for the selection of the market economy third country*

Parties to the investigation wishing to comment on the appropriateness of Argentina which, as mentioned in paragraph 5(f) of this notice, is envisaged as a market-economy third country for the purpose of establishing normal value in respect of the People's Republic of China, should file their comments within 10 days of the publication of this notice.

(d) *Specific time limit for submission of claims for market economy status*

Duly substantiated claims for market economy status, as mentioned in paragraph 5(g) of this notice, must be submitted in writing within 21 days of the date of publication of this notice of initiation.

(e) *Commission address for correspondence:*

European Commission  
Directorate-General I — External Relations: Commercial Policy and Relations with North America, the Far East, Australia and New Zealand  
Directorates C and E  
DM 24 — 8/37  
Rue de la Loi/Wetstraat 200  
B-1049 Brussels  
Fax (32-2) 295 65 05  
Telex: COMEU B 21877

## 8. Non-cooperation

In cases in which any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, provisional or final findings, affirmative or negative, may be made in accordance with Article 18 of the Basic Regulation, on the basis of the facts available.

Where it is found that any interested party has supplied false or misleading information, the information shall be disregarded and use may be made of the facts available.