

**COMMISSION REGULATION (EC) No 362/1999**  
of 18 February 1999

**imposing a provisional anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China, India, Mexico, South Africa and the Ukraine and accepting undertakings offered by certain exporters in Hungary and Poland**

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<sup>(1)</sup>, as last amended by Regulation (EC) No 905/98<sup>(2)</sup>, and in particular Articles 7 and 8 thereof,

After consulting the Advisory Committee,

Whereas:

**A. PROCEDURE**

(1) On 20 May 1998, the Commission announced, by a notice published in the *Official Journal of the European Communities*<sup>(3)</sup>, the initiation of an anti-dumping proceeding with regard to imports into the Community of steel ropes and cables originating in the People's Republic of China (hereinafter 'the PRC'), India, the Republic of Korea (hereinafter 'Korea'), South Africa and the Ukraine.

On 30 July 1998 the Commission similarly announced the initiation of an anti-dumping proceeding concerning imports of the same product originating in Hungary, Mexico and Poland<sup>(4)</sup>.

(2) The proceedings were initiated as a result of two complaints lodged in April and June 1998 by the Liaison Committee of European Union Wire Rope Industries (EWRIS) on behalf of Community producers representing a major proportion of the Community production of steel ropes and cables. The complaints contained evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient, after consultation, to justify the initiation of a proceeding.

It was subsequently considered appropriate for the purposes of both dumping and injury analysis to combine the two proceedings (see recital 6).

(3) The Commission officially advised the complainant Community producers, exporting producers and importers, suppliers and users known to be concerned as well as associations concerned and representatives of the exporting countries. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the notices of initiation. All parties who so requested were granted a hearing.

(4) The Commission sent questionnaires to all parties known to be concerned. In view of the large number of complainant Community producers and the time limits established in Article 6(9) of Regulation (EC) No 384/96 (hereinafter referred to as 'the Basic Regulation') the Commission decided to investigate injury on the basis of a sample of complainant Community producers in accordance with Article 17 of the Basic Regulation. The Commission received replies from 21 exporting producers in the countries concerned, three importers and three suppliers for the upstream industry. No reply was received from the user industry.

(5) The Commission sought and verified all the information it deemed necessary for the purposes of a preliminary determination of dumping, injury and Community interest and carried out verification visits at the premises of the following companies:

*A. Complainant Community producers*

(a) Denmark

Randers Rebslageri

(b) France

Trefileurope

(c) Germany

BTS Drahtseile GmbH

(d) Italy

Redaelli Tecnacordati SpA

(e) Spain

Trenzas y Cables SL

(f) United Kingdom

Bridon International Limited

<sup>(1)</sup> OJ L 56, 6. 3. 1996, p. 1.

<sup>(2)</sup> OJ L 128, 30. 4. 1998, p. 18.

<sup>(3)</sup> OJ C 155, 20. 5. 1998, p. 11.

<sup>(4)</sup> OJ C 239, 30. 7. 1998, p. 3.

B. *Exporting producers*

## (a) Hungary

Drótáru és Drótkötél Ipari és Kereskedelmi Rt, Miskolc

## (b) India

Usha Martin Industries & Usha Beltron Ltd, Calcutta

Mohatta & Heckel, Mumbai

## (c) Korea

Kiswire Ltd, Seoul and Pusan

Manho Rope & Wire Ltd, Pusan

Chung Woo Rope Co., Ltd, Pusan

Chun Kee Steel and Wire Rope Co., Ltd, Suncheon

## (d) Mexico

Aceros Camesa SA de CV, Mexico

Cablesa SA de CV, Queretaro

The latter was investigated but it was found not to have exported the product concerned during the investigation period and consequently it is not concerned by the anti-dumping proceeding.

## (e) Poland

Drumet SA, Wloclawek

'Linodrut' Group <sup>(1)</sup>

## (f) South Africa

Haggie Rand Limited, Cleveland

C. *Related importers in the Community*

(a) India: Usha Martin Europe Limited (United Kingdom)

Usha Martin Scandinavia (Denmark)

(b) Korea: Kiswire Europe BV (Netherlands)

(c) South Africa: Haggie Rand Europe (Belgium)

Le Lis (Belgium)

(6) With regard to both proceedings, the dumping investigation covered the period 1 January 1997 to 31 March 1998 (hereinafter referred to as 'the investigation period' or 'IP').

<sup>(1)</sup> The following companies of the group are concerned by the anti-dumping proceeding:

- Śląskie Zakłady Lin i Drutu 'Linodrut' Spółka Akcyjna,
- Fabryka Lin i Drutów 'Linodrut' Zabrze Spółka z ograniczoną odpowiedzialnością,
- Fabryka Lin i Drutów 'Falind' Spółka z ograniczoną odpowiedzialnością,
- Górnośląska Fabryka Lin i Drutu 'Linodrut' Bytom Spółka z ograniczoną odpowiedzialnością,
- Dolnośląska Fabryka Lin i Drutu 'Linodrut Linmet' spółka z ograniczoną odpowiedzialnością.

The examination of injury covered the period 1 January 1994 to 31 March 1998 (hereinafter referred to as the 'period considered').

B. **PRODUCT CONCERNED AND LIKE PRODUCT**1. **Product concerned**

(7) The product concerned is steel ropes and cables, including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm (hereinafter, using industry terminology, referred to as steel wire ropes or 'SWR'). They are currently classifiable within CN codes 7312 10 82, 7312 10 84, 7312 10 86, 7312 10 88 and 7312 10 99.

SWR consist of three basic components: the steel wire that forms the strand, the strands that are wrapped around a core and the core itself. These components vary in design depending on the physical requirement of the intended application of the SWR. A single strand can in certain cases be used as a SWR.

There are different qualities of steel wire, with varying tensile strength and diameter. The steel wire may be galvanised (i.e. zinc coated) or bright.

The strand is obtained by closely twisting together several wires arranged in different geometric patterns or formations (e.g. 'standard', 'seal', 'filler' and 'warrington'). The quantity, size and quality of the steel wire and the specific construction establish the properties of each type of SWR.

The strands are usually assembled and wrapped around a core which can be of fibre (natural or synthetic), steel, or a combination of the two.

There are other specifications of SWR such as the lay direction, whether there is pre-forming or other special properties (e.g. compacted, cable laid, rotation resistance). They are generally round in cross-section but may also be rectangular. SWR may be cut to length or fitted (hooks, rings), and may be covered with plastic.

SWR are used in a variety of applications including general purposes, fishing, maritime/shipping, oil and gas industries, mining, forestry, aerial transport, civil engineering, construction and elevator. Despite these different applications and minor differences in their physical characteristics, these products are considered as the same product.

2. **Like product**

(8) Although it was alleged by certain exporting producers that the products concerned from different exporting countries were not all alike, the Commission found that there were no significant differences in the basic physical and technical

characteristics of the various types of SWR (see description above). As concerns the application and usage of SWR, although a wide range of user industries exists, all SWR were found to have essentially the same use.

SWR produced and sold on the domestic market in Hungary, India, Korea, Mexico, Poland and South Africa, as well as those produced and sold by the Community industry, were found to have the same physical and technical characteristics and uses as those exported to the Community from the countries concerned. Furthermore, within each product type it was found that SWR imported into the Community from the countries concerned were interchangeable with those produced in the Community. It was therefore concluded that all SWR were like products within the meaning of Article 1(4) of the Basic Regulation.

### C. DUMPING

#### 1. Normal value

(a) *General method (PRC, Hungary, India, Korea, Mexico, Poland, South Africa and Ukraine)*

- (9) In order to establish normal value, it was first determined for each cooperating exporting producer of the countries involved in the proceeding whether the total volume of the domestic sales of the product concerned was representative in accordance with Article 2(2) of the Basic Regulation, i.e. whether these sales represented more than 5 % of the sales volume of the product concerned exported to the Community.

It was then examined whether total domestic sales of each product type constituted 5 % or more of the sales volume of the same type exported to the Community.

For those products meeting the 5 % test it was examined whether sufficient sales had been made in the ordinary course of trade in accordance with Article 2(4) of the Basic Regulation.

Where, per product type, the volume of domestic sales above unit cost represented at least 80 % of sales, normal value was established on the basis of the weighted average prices actually paid for all domestic sales. Where, per product type, the volume of profitable transactions was lower than 80 % but not lower than 10 % of sales, normal value was established on the basis of the weighted average prices actually paid for the remaining profitable domestic sales.

- (10) For those product types where the volume of domestic sales was lower than 5 % of the volume exported to the Community, or where the volume of profitable domestic sales was less than 10 %, domestic sales of those product types were considered insufficient within the meaning of Article 2(2)(4) of the Basic Regulation and were therefore disregarded. In these cases normal value was based on the weighted average of the prices charged by other producers in the country concerned for representative domestic sales of the corresponding product type made in the ordinary course of trade in accordance with Article 2(1) of the Basic Regulation.

- (11) Where, per product type, there were insufficient sales or no such representative domestic sales by other producers in the country concerned, normal value was constructed on the basis of the costs of manufacturing incurred by the exporting producer concerned for the exported product type in question plus a reasonable amount for selling, general and administrative (SG&A) costs and for profits in accordance with Article 2(3) and (6) of the Basic Regulation. The SG&A costs were based on representative domestic sales and the profit margin on representative sales made in the ordinary course of trade

(b) *Use of available information (India and Poland)*

- (12) One Indian and one Polish exporting producer failed to provide adequate information concerning normal value; in particular the information about costs of production was insufficient. In these circumstances, pursuant to Article 18(1) and (5) of the Basic Regulation, the normal value of these companies had to be established on the basis of the facts available. It was provisionally decided that the information on the normal value of the other cooperating exporting producer in the country concerned constituted the most appropriate basis.

(c) *Analogous country for non-market economy countries (PRC and Ukraine)*

- (13) Since the PRC and Ukraine are considered to be non-market economy countries, in accordance with Article 2(7) of the Basic Regulation it was necessary to establish a normal value by reference to a market economy third country. Norway was suggested by the complainant and mentioned in the notice of

initiation. Within the time limit specified in this notice one exporting Chinese producer expressed disagreement with this proposal and proposed India as an alternative. One Ukrainian producer also expressed disagreement and proposed Turkey.

After investigation it appeared that Norway was not an appropriate analogue country as there was only one producer and only limited imports, therefore competition in this market was very limited; furthermore, the size of the domestic market was very small.

An investigation was made to establish the possibility of using the normal value in the United States, where there is a wide range of products in a competitive market. Only one of the companies contacted in the United States agreed to cooperate. However, during the investigation, it appeared that the level of cooperation from this producer was not sufficient to enable the Commission to verify satisfactorily, for each product type, the level of prices paid on the United States market and the cost of production.

At the same time the Commission examined whether Thailand or Turkey were appropriate choices. A number of companies were contacted but, despite considerable efforts on the part of the Commission, they refused to cooperate.

Under these circumstances it was decided to use one of the market economy countries involved in the proceeding. India was considered the most appropriate analogue country in accordance with Article 2(7) of the Basic Regulation. First, the Indian domestic market is the largest in size, characterised by a significant number of competing local producers; second, Indian domestic sales of the product concerned are the most representative when compared with Chinese and Ukrainian exports to the Community.

For the above reasons the normal value for Chinese and Ukrainian exports to the Community was established on the basis of prices actually paid or payable by independent customers in the Indian market.

## 2. Export price

### (a) *General method*

- (14) Where export sales to the Community were made directly to independent customers export prices were established on the basis of the prices actually paid or payable by these customers in accordance with Article 2(8) of the Basic Regulation.

- (15) In India, Korea and South Africa the export prices were constructed on the basis of the prices at which the imported products were first resold to independent buyers in the Community, in accordance with Article 2(9) of the Basic Regulation. Adjustments were made for all costs incurred between importation and resale, including a reasonable margin for SG&A plus profit. The level of profit was determined on the basis of information on profits submitted by the cooperating unrelated importers of the product concerned in the Community where such information was considered both reliable and representative.

### (b) *Individual treatment (PRC)*

- (16) Four exporting Chinese producers requested individual treatment, i.e. the establishment of separate export prices and thus the calculation of a dumping margin for each of them.

The Commission verified whether these four companies enjoyed, in fact and in law, a degree of independence from the Chinese State comparable to that which would prevail in a market economy country. To this end detailed questions regarding ownership, management, control and determination of commercial and business policies were addressed to the companies.

The four companies concerned failed to show to the satisfaction of the Commission that they were sufficiently independent of the Chinese authorities. In particular, the capital of these companies is owned by the State, which also owns the production facilities.

With the exception of one company, where it was clear from the company rules that the decision-making power for all essential operations lay with the State, the remaining three companies did not provide copies of their 'articles of association'.

It was therefore impossible to determine whether or not these companies operated independent of the Chinese authorities, if they were free to decide on salaries, level of production and pricing policy and in particular on the quantities sold on the domestic or export markets.

It was therefore decided that individual treatment was not appropriate for these four companies.

## 3. Comparison

- (17) For the purpose of a fair comparison, due allowance, in the form of adjustments, was made for differences claimed pursuant to Article 2(10) of the Basic Regulation: indirect taxes, charges for transport, insurance, handling, loading, ancillary costs, packing, credit, after-sales costs and commission.

- (18) Three companies in Korea, the Hungarian company and one company in India claimed an allowance for import charges. This was accepted for the Hungarian company and the Korean companies except in the case of one which was unable to show that there was a direct link between the imported raw materials used for the production of the product concerned sold on the domestic market and the allowance claimed for import charges. It was not granted for the Indian company which failed to prove that some raw materials, mainly zinc, were imported with payment of duties and were physically incorporated in the product concerned sold on the domestic market.
- (19) The South African company and one Polish company claimed an adjustment for differences in level of trade. The South African company made the claim on the grounds that on the domestic market sales were made directly to independent customers or through branches, while export sales were made to large distributors which resold the product. With regard to sales via branches, it was alleged that the functions they performed were more extensive and the prices charged higher than those involved when selling directly from the factory. This claim was not granted since the company was unable to demonstrate that there was a consistent difference in prices on the domestic market between sales to independent customers and sales through branches.
- (20) One Polish company claimed that export sales in the Community were made to distributors and wholesalers, who bought large quantities, while sales on the domestic market were made to distributors and end-users who bought small quantities. However, the company neither demonstrated that there was a difference in the functions performed by the alleged various categories of customers, nor that there was a consistent and distinct difference in price between the different levels of trade on the domestic market of the exporting country. Consequently, the adjustment appeared not to be justified.
- (21) One company in India claimed that the Commission should use the actual payment date in the calculation of the credit costs rather than the payment terms mentioned on the invoice. This claim was rejected since it was considered that the actual payment date was not a factor to be taken into account in the determination of the prices charged but rather the payment terms indicated on the invoice.
- (22) The South African company claimed an allowance for currency conversion pursuant to Article 2(10)(j) of the Basic Regulation on the grounds that due to the appreciation of the South African rand in relation to European currencies during the IP the export prices should be adjusted. This claim was rejected since the fluctuations in exchange rates did not show a sustained movement.
- (23) The abovementioned Polish company claimed an adjustment to its normal value on the basis that its domestic sales were made mainly from stock, therefore incurring expenses to finance this stock, whereas for the export market it produced to order. This adjustment was requested pursuant to Article 2(10)(k). Since the company did not demonstrate that the difference in financing expenses affected price comparability and in the absence of evidence showing that customers paid consistently different prices on the domestic market because of this, the request could not be granted.

#### 4. Dumping margins

##### (a) Methodology

- (24) Weighted average normal value per product type was compared with the weighted average export price on an ex-works basis and at the same level of trade in accordance with Article 2(11) of the Basic Regulation. This comparison showed the existence of dumping for all countries concerned with the exception of Korea.
- (25) For non-cooperating companies concerned by the proceeding who did not reply to the Commission's questionnaire, did not make themselves known or did not supply necessary information during the investigation, the dumping margin was determined on the basis of the facts available in accordance with the provisions of Article 18(1) of the Basic Regulation.

A comparison of Eurostat figures with the data on the volume of exports to the Community supplied by the cooperating exporting producers was made in order to establish the level of cooperation in the current investigation. As a result, for all countries subject to investigation it was found that the overall level of cooperation was high. The Commission therefore considered it appropriate to set the dumping margin for the non-cooperating companies at the level of the highest or the sole dumping margin established for a cooperating exporting producer in the country concerned, since there was no reason to believe that a non-cooperating exporting producer had dumped at a level lower than the highest level found.

The above approach was also considered necessary in order to avoid creating a bonus for non-cooperation and an opportunity for circumvention.

(b) *Level of the dumping margins*

(26) The dumping margin provisionally established, expressed as a percentage of the cif price at Community frontier level, is:

PRC: 74,8 %.

(27) Hungary:

— Dótarú és Drótkötél Ipari és Kereskedelmi Rt: 33,9 %,  
— Non-cooperating exporting producers: 33,9 %.

(28) India:

— Usha Martin Industries & Usha Beltron Ltd: 39,8 %,  
— Mohatta & Heckel: 40,2 %,  
— Non-cooperating exporting producers: 40,2 %.

(29) Korea:

— Kiswire Ltd: 1,2 %,  
— Manho Rope & Wire Ltd: 0,1 %,  
— Chung Woo Rope Co., Ltd: 0,2 %,  
— Chun Kee Steel and Wire Rope Co., Ltd: 0,4 %.

These margins are *de minimis*.

(30) Mexico:

— Camesa SA de CV: 95,6 %,  
— Non-cooperating exporting producers: 95,6 %.

(31) Poland:

— Drumet SA: 35,0 %,  
— 'Linodrut' Group: 56,1 %,  
— Non-cooperating exporting producers: 56,1 %.

(32) South Africa:

— Haggie Rand Limited: 132 %,  
— Non-cooperating exporting producers: 132 %.

(33) Ukraine:

54,8 %.

#### D. COMMUNITY INDUSTRY

##### 1. Community production

(34) A number of exporting producers alleged that one complainant Community producer should be excluded from the definition of Community industry as it was related to an importer and a chain of distribution/trading companies which had imported the product concerned into the Community from the countries under investigation

during the period examined pursuant to Article 4(1)(a) and (2) of the Basic Regulation.

It should be noted that the complainant Community producer in question had not itself made any imports during the period investigated.

As regards imports by the trading companies in the group, the Commission established that the complainant Community producer in question was indeed part of a group of companies that included an importer and distribution companies, and that these had imported SWR from the countries concerned during the investigation period. The structure of the group was found to have changed between 1994 and the IP. However, throughout the whole period investigated, the complainant Community producer in question and both the importer and the distribution companies had had common holdings and were therefore considered to be related companies.

The Commission examined the nature of the group structure and found that it could not be excluded that a certain degree of control may have existed between the related companies either directly or through the common holding company. The Commission established that the volume of dumped imports made by the related companies in the IP represented 2 % of Community consumption, 6 % of total third country imports and only 11 % of the complainant Community producer's volume of production. The principal activity of this complainant Community producer was therefore the production of SWR.

As concerns the behaviour of the complainant Community producer concerned on the Community market, the Commission found that despite the possible existence of any such control, the complainant Community producer in question was suffering the same injurious effects of the dumped imports as the other complainant Community producers investigated in the course of the current proceeding. It should be noted in this respect that the company concerned did not adopt commercial behaviour on the Community market that was significantly different from that of the other complainant Community producers as a result of the imports in question. The complainant Community producer in question was found to have suffered consistent and significant undercutting by the imports originating in the countries concerned during the IP (a weighted average undercutting of 75,8 % was found). It was therefore considered that the complainant Community producer in question did not benefit unduly from the imports concerned and it had not been shielded from the injurious effects of the dumping.

In view of the above the Commission considered that there were no grounds to exclude the complainant Community producer in question from the total Community production.

(35) The Commission found that during the investigation period certain complainant Community producers had purchased SWR from various sources outside the Community, including the countries concerned. However, the volume of these imports represented a negligible share of total production (i.e. less than 1 % of the complainant Community producers' total production of SWR). The Commission therefore considered that these purchases were in accordance with the standard commercial practice of producers who had to supplement their own range of products with a small proportion of imports. These imports were necessary in order to be able to offer a full range of products and be able to compete on the Community market.

(36) Based on the above, the Commission considered Community production to consist of all companies producing SWR in the Community at the time of the investigation. These companies are hereinafter referred to as the 'Community producers'.

## 2. Community industry

(37) A number of small producers that supported the complaint did not provide responses to the Commission's questionnaires. In accordance with Article 4(1) the scope of the Community industry was defined as the remaining cooperating producers.

(38) On this basis the following 20 complainant Community producers made up the 'Community industry', i.e. Bremer Drahtseilerei Lüling GmbH (Germany), Bridon International Limited (United Kingdom), BTS Drahtseile GmbH (Germany), Cables Y Alambres Especiales Sa. (Spain), Casar Drahtseilwerk Saar GmbH (Germany), Cordoaria Oliveira SA (Portugal), Drahtseilerei Gustav Kocks GmbH (Germany), Holding Ficadi (France), Iscar Funi Metalliche (Italy), D. Koronakis SA (Greece), Metalcalvi Wire Ropes (Italy), Midland Wire Cordage Co., Ltd (United Kingdom), Randers Rebslageri (Denmark), Redaelli Tecnacordati SpA (Italy), Trefileurope (France), Trenzas Y Cables SL (Spain), Vereinigte Drahtseilwerke GmbH (Germany), Voest-Alpine Austria Draht GmbH (Austria), Vornbäumen-Stahlseile GmbH and Wadra GmbH (both Germany).

(39) The Community industry accounted for 97 % of the total estimated Community production and thus constituted a major proportion of Community production pursuant to Article 5(4) of the Basic Regulation.

## E. INJURY

### 1. Preliminary remarks

(40) As indicated above, for the purposes of establishing injury in the present proceeding the Commission has analysed data relating to the period considered. It should be noted however, that as regards the development of the injury indicators over the period considered, the Commission has, for the purposes of a year-to-year comparison used the figures relating to the full 15 months of the investigation period (1997 and three months of 1998) as a basis for extrapolating the figures for a 12-month IP.

### 2. Collection of injury data

(41) The Commission requested and obtained information from the Community industry with respect to production, capacity, capacity utilisation, sales, stocks and employment ('global information'). In view of the large number of producers in the Community industry, and in accordance with Article 17 of the Basic Regulation, the Commission based the findings concerning the remaining injury indicators on a sample of companies in the Community industry, i.e., prices, profitability, cost of production and investments ('sampled information').

(42) The sample was made according to geographical location and the size of the companies in terms of production. In this context, the sample includes large as well as small companies. Furthermore, it should be noted that the Commission included six producers from six Member States in their sample.

The sampled companies accounted for 61 % of production of the product concerned by the Community industry during the IP.

### 3. Community consumption

(43) Community consumption was based on the questionnaire replies (volume of sales of the Community industry), Eurostat information (volume of imports) and the complaint (non-complaining Community producers' level of sales).

On the above basis, the Community consumption increased slightly over the period going from 141 000 tonnes in 1994 to 147 500 tonnes in the IP, which represents an overall increase of 5 %. It should be noted that between 1994 and 1995 consumption increased (7 %) and declined from 1995 to 1996 (7 %). Consumption increased slightly in 1997 compared to 1996.

#### 4. Imports into the Community from the countries concerned

##### (a) Imports from Korea

- (44) As the dumping margins of imports of SWR from Korea were found to be *de minimis*, the following injury analysis does not include an assessment of the impact of imports from Korea.

##### (b) Imports from Mexico

- (45) It was alleged by the complainants that the Eurostat statistics concerning imports from Mexico were significantly lower than the actual level of imports made in the period considered. The reason given was that SWR were being imported as steel wires under two incorrect CN codes.

The Commission contacted the customs officials in the Member State concerned, who after investigation, confirmed that SWR were being imported under the CN codes alleged by the complainants. In the light of the above results, the Commission decided to include Eurostat statistics available for the two CN codes that had been used for importing SWR from Mexico.

##### (c) Cumulation

- (46) The Commission examined whether imports of SWR originating in the PRC, Hungary, India, Mexico, Poland, South Africa and Ukraine should be assessed cumulatively in accordance with Article 3(4) of the Basic Regulation.
- (47) In this respect, one of the exporting producers argued against the cumulation of the imports originating in Hungary claiming that the evolution of imports originating in Hungary in terms of volume could not be compared with the evolution of imports originating in the other countries concerned.

The Commission examined these arguments and found that the volume of imports from Hungary was significant at all times, having increased from 1 407 tonnes in 1994 to 2 121 tonnes in the IP. It is to be noted that the evolution of imports from individual countries is not in itself a justification for non-cumulation. In any event the evolution of imports from Hungary was found to correspond to the trend of imports of the countries concerned

taken together. The Commission therefore concluded that the imports from Hungary should be cumulated.

- (48) A second exporting producer argued that the imports from Mexico were *de minimis* and therefore Mexico should be excluded from the scope of the investigation and that in any event the imports originating in Mexico should not be cumulated with those of the other countries concerned.

As concerns the imports from Mexico the Commission concluded that the imports were more than *de minimis* (see imports from Mexico above) since they represented 3 % of Community consumption during the IP.

- (49) As stated above the dumping margins found for all the countries concerned ranged from 34 to 132 % and therefore are above the *de minimis* level. Import volumes from the countries concerned are comparable both in absolute and relative terms. Furthermore, the volume of imports from the seven countries concerned could not be considered as negligible.

- (50) As regards the conditions of competition, the investigation has found that SWR imported from the countries concerned, considered on a type-by-type basis, were alike in all their essential physical and technical characteristics. Furthermore these types of SWR were interchangeable with other types imported from the countries concerned and those produced in the Community and they were marketed in the Community during the same period through comparable sales channels under similar commercial conditions. The imported SWR were therefore considered to compete with each other and with the SWR produced in the Community.

- (51) In the light of the above, the Commission considered that all the criteria set out in Article 3(4) of the Basic Regulation were met, i.e., the margin of dumping from each exporting country was more than *de minimis*, the volume of imports from each country was not negligible and the conditions of competition between the imported products as well as between the imported products and the like Community products were comparable. The imports from the seven countries concerned were therefore examined cumulatively.

##### (d) Volume and market share of dumped imports

- (52) The volume of the dumped imports into the Community originating in the countries concerned increased from 17 429 tonnes in 1994 to 33 668 tonnes in the IP, which represents an overall increase of 93 %.

(53) The market share held by these countries increased from 12 % in 1994 to 23 % in the IP, which represents an increase of 11 percentage points over the period considered. In the investigation period the market shares from each of the countries concerned ranged from 1,4 to 7,8 %.

(e) *Prices of the dumped imports*

(54) As regards price undercutting, the analysis was made for each type of SWR. For each of these types, the Commission compared the exporting producers' and the complaining Community producers' weighted average selling prices free of all rebates and taxes, calculated on the basis of sales to the first unrelated customer. The average selling price of the complainant Community producers was weighted in relation to the sales volume of each type of SWR. This was then compared to the corresponding figure for each exporting producer concerned on the basis of their resale prices in the Community and weighted in respect of sales volume.

(55) In order to arrive at a comparable level of trade with the sales of the complainant Community producers, the import prices from the countries concerned have been adjusted to take into account handling costs and customs duty payable. The adjustments were based on information received from importers.

(56) As a result of this comparison the following weighted average price undercutting, expressed as a percentage of the Community producers' prices, was found:

- PRC: 60,1 %,
- Hungary: 47,3 %,
- India: from 40,1 to 41,2 %,
- Mexico: 31,9 %,
- Poland: from 38,7 to 43,7 %,
- South Africa: 21,6 %,
- Ukraine: 54,0 %.

(57) It should be noted that the prices of imports from the countries concerned have been consistently and significantly lower than the Community industry's prices over the period 1994 to the IP.

## 5. Situation of the Community industry

### (a) *Production, capacity and utilisation rates*

(58) The volume of production of the product concerned produced by the Community industry remained stable throughout the period considered, going from 144 484 tonnes in 1994 to 145 192 in the IP, which represents an overall increase of less than 1 %.

(59) Capacity of the Community industry increased by 11 %. As regards the increase in capacity, it should be noted that rope-making machinery has a long effective life span (more than 20 years in certain cases) and consequently it was found that the replacement of old machinery inevitably led to an increase in capacity given the improved performance of the modern machines. The significant investments made in 1995 can, for the most part, be attributed to one Community producer which replaced outdated machinery. In the same period capacity utilisation levels decreased, going from 64 % in 1994 to 58 % in the IP.

### (b) *Stocks*

(60) The Community industry's stocks increased significantly over the period, going from 30 607 tonnes in 1994 to 39 780 tonnes in the IP, which represents an increase of 30 %. Stocks increased in particular between 1994 and 1995 (24 %).

### (c) *Volume of sales and market share*

(61) The Community industry's sales on the Community market decreased from 106 042 tonnes in 1994 to 96 776 tonnes in the IP, representing a decrease of 9 266 tonnes (9 %).

(62) The development of sales volume compared to that of consumption, shows that the market share held by the Community industry decreased over the period considered. The market share held by the Community industry went from 75 % in 1994 to 66 % in the IP, representing a loss of 9 percentage points over the period considered.

### (d) *Prices*

(63) The weighted average selling price of SWR sold by the Community industry on the Community market showed a small overall increase between 1994 and the IP (going from ECU 1,34 to ECU 1,46 per kilogram).

It should be noted that the prices of the imports concerned always remained significantly below those of the Community industry.

### (e) *Profitability*

(64) It should be noted that information on the profitability of SWR was not available for all the companies included in the sample (certain companies' cost accounting system could not separately identify SWR). Consequently, in accordance with Article 3(8) of the Basic Regulation, the Commission has used the profitability of the nearest sector

available to represent the situation of the Community industry. The profitability at a total company level was considered to be representative of SWR given that SWR represented a significant proportion of total company turnover for all the companies concerned.

The average profitability of the sampled complainant Community producers went from +1,3 % in 1994 to -0,6 % in 1997. The investigation has shown that despite a moderate increase in average sales prices and production volume, the Community industry's sales and subsequently its market share have fallen (by 9 % and 9 percentage points respectively).

(f) *Investments*

- (65) Investments increased overall by 24 %, going from ECU 7 094 000 in 1994 to ECU 8 826 000 in the IP. Investments have in general been in replacement machinery.

(g) *Employment*

- (66) The number of personnel employed by the Community industry decreased over the period considered, going from 2 710 persons employed in 1994 to 2 559 in the IP (representing a decrease of 6 %).

(h) *Productivity*

- (67) Productivity (volume produced per employee) of the Community industry increased over the period considered (an increase of 6 % was found between 1994 and the IP).

## 6. Conclusion on injury

- (68) The Commission concluded that the Community industry had suffered significant price pressure from imports originating in the countries concerned over the period considered which were entering the Community market in growing quantities and were found to significantly undercut the Community industry's prices in the investigation period. The Community industry lost significant market share at a time when consumption in the market had slightly increased (5 % increase). It should also be noted that although production levels were stable, sales fell throughout the period and stock levels increased continuously and significantly.

Furthermore, the Community industry's financial situation deteriorated during the period going from a profit of 1,3 % in 1994 to losses in 1997 (- 0,6 %).

As a result of the information described above, the Commission has provisionally concluded that the Community industry suffered material injury within the meaning of Article 3(2) of the Basic Regulation.

## F. CAUSATION OF INJURY

- (69) The Commission examined whether the material injury suffered by the Community industry had been caused by the dumped imports from the PRC, Hungary, India, Mexico, Poland, South Africa and Ukraine and also examined other factors in order to ensure that injury caused by other factors was not attributed to the dumped imports in accordance with Article 3(7) of the Basic Regulation.

(a) *Effects of the dumped imports*

- (70) There is a clear coincidence between, on the one hand, the significant price undercutting and increased import volume and market share of the dumped imports found during the period considered and, on the other, the deterioration in the situation of the Community industry. This is evidenced in particular by a decrease in the market share held by the Community industry and the deterioration in their profitability in the period investigated.

More specifically, with regard to market shares, it should be noted that from 1994 to the IP imports from the countries concerned increased by more than the rate of consumption (an overall increase of 93 %). This represents an overall increase in their market share of 11 percentage points, while the market shares of the Community producers decreased by 9 percentage points. In particular, the significant increase in imports between 1994 and 1995 (an increase of 73 %) coincided with the loss in market share (10 percentage points) of the Community industry in this period.

The Commission therefore concluded that the loss of market share suffered by the Community industry coincides with the gain in market share held by the countries concerned.

- (71) Furthermore, the Community industry's financial situation deteriorated significantly during the period considered going from a profit to a loss-making situation in a market in which demand increased throughout the period considered. In particular the Community industry's financial situation deteriorated between 1994 and 1995 (going from + 1,3 % to - 0,3 %), this occurred at a time when they suffered a significant loss of market share (10 percentage points).

(72) Finally, in terms of sales prices it should be noted that the Community industry increased its prices in the period 1994 to 1995. This increase coincided with increases in the costs of raw materials. However, due to the pressure caused by the massive increase in low priced imports in 1995 (+73 %), which were made at prices which significantly undercut those of the Community industry, the latter was unable to cover its costs despite the price increase.

In an attempt to regain its market position in 1996 the Community industry reduced prices and regained some lost market share. However profitability only deteriorated further. In 1997 the Community industry was able to retain its position on the market by improving productivity and increasing prices, however its financial situation remained negative (- 0,6 %).

(b) *Effect of other factors*

(73) The Commission examined whether the injury suffered by the Community industry could have been caused by factors other than the dumped imports. In particular the Commission looked at the development of consumption, the evolution and impact of imports from other third countries, the effect of increases in the cost of raw materials and whether the injury suffered could have resulted from imports made by the Community industry.

(i) Consumption

(74) The Commission considered whether the development of consumption affected the situation of the Community industry. It is to be noted that although there was a decrease in consumption between 1995 and 1996 (8 %), the overall level of consumption increased over the period considered by 5 %. It is therefore unlikely that the injury could be attributed to the evolution in consumption.

(ii) Imports from other third countries

(75) As regards imports from other third countries not concerned by this proceeding, the Commission found that although these imports represented a significant share in the Community market (9 % in the investigation period), they decreased during the period considered, going from 10 % in 1994 to 9 % in the IP.

In this context, the Commission, based on Eurostat statistics, examined in particular the trends in volumes and prices of imports from Korea, and the trends in relation to imports from the Czech Republic, Romania, Russia and Turkey.

Korea

(76) Imports from Korea were examined in the context of this investigation and *de minimis* dumping margins were found. The Commission examined the volume of imports during the period considered and found that it had remained stable. The prices of imports from Korea were found to be comparable with the Community industry's prices, therefore the injury suffered by the Community industry could not be attributed to imports originating in Korea.

Czech Republic

(77) As regards the imports from the Czech Republic, while their unit price remained below that of the Community industry in the IP, their volume of imports decreased over the period.

Romania

(78) Although there was a significant increase in imports from Romania, at the beginning of the period considered these were at an extremely low level (only 217 tonnes in 1994) and at the end of the period the level of these imports remained very low (0,9 % in the IP).

Russia

(79) As regards the imports from Russia despite fluctuations over the period considered, Russia's market share in the IP represented only 0,3 %.

Turkey

(80) As regards the imports from Turkey the investigation found that although imports from Turkey increased over the period, with a consequent increase in market share (1,7 % in the IP), unit prices were significantly higher than those of the countries subject to the investigation for which dumping and injury margins have been established.

Conclusion

(81) The Commission considered that imports from the abovementioned third countries not concerned by this proceeding may have contributed to the injury suffered, in particular imports from the Czech Republic and Turkey. However, this alone was not found to be sufficient to break the causal link established between the dumped imports and the material injury suffered by the Community industry, particularly in view of the market share held by these third countries and the development of this market share over the period considered (going from 5,9 % in 1994 to 6,7 % in the IP).

## Other third countries

- (82) The Commission found that the total market share held by other third countries decreased during the period considered (going from 4 % in 1994 to 2,7 % in the IP) and that the prices of these imports were found to be distinctly higher than those of the dumped imports.

## (iii) Raw materials

- (83) The Commission also considered whether the injury suffered by the Community industry could have been caused by increases in the costs of raw materials during the period considered.

In this regard the Commission considered that given the limited substitutability of SWR by other products, the Community industry should have been able to pass on increases in costs of raw materials. In this regard, the Commission found that the price increases made by the Community industry in 1994/1995 when faced with the increase in low-priced imports were insufficient to cover the increases in costs of raw materials.

## (iv) Injury caused by the Community industry's own imports

- (84) A number of exporters alleged that the Community industry had caused injury through its own imports of the product concerned from the countries under investigation during the period examined.

In this respect, as explained in the section on the definition of Community production above, the Commission found that these purchases corresponded, in general, to the standard commercial practice of producers who had to supplement the range of products manufactured by themselves with a small proportion of imports. These imports were necessary in order to be able to offer a full range of products and be able to compete on the Community market. With regard to the relationship of one complainant Community producer with an importer and certain distributors, which was specifically investigated, it was concluded that this company had not behaved any differently to other Community producers investigated. Consequently, the effect of the imports made by these companies cannot be attributed to the Community producer.

The Commission therefore concluded that the Community industry had not caused injury by its own imports of SWR.

(c) *Conclusion on causation*

- (85) Although it cannot be excluded that some of the imports from other third countries may have contributed to the injury suffered by the Community industry, the investigation has shown that these factors in themselves were not such as to break the causal link between the imports subject to the investigation and the material injury suffered by the Community industry.

In the light of the above, the Commission concluded that the imports from the seven countries concerned taken together have caused material injury to the Community industry.

**G. COMMUNITY INTEREST****1. Preliminary remarks**

- (86) The Commission provisionally examined, on the basis of the information submitted, whether, despite the dumping and injury findings, compelling reasons exist which would lead to the conclusion that it is not in the Community interest to impose measures in the present case.

For this purpose, the Commission has considered the impact of the imposition and non-imposition of measures for all parties involved in the proceeding.

**2. Collection of Community interest data**

- (87) In order to assess the impact of the imposition of measures, the Commission requested information from all interested parties known, including parties in the upstream industries, the complainant Community producers, importers/wholesalers and the users. It should be noted that no replies were received from the user industries. On the basis of the information received from the cooperating parties, the Commission made the following conclusions.

**3. Impact on upstream industries**

- (88) The principal raw material used in the production of SWR is industrial steel wire, in particular high-carbon steel wire that may be galvanised or otherwise coated. It is to be noted that there are significant other raw materials used in the production of SWR including synthetic fibres, grease and packaging (in particular drums/reels). The steel wire used by the Community industry is principally produced by the major steel-makers in Europe. There are a number of qualities and diameters of steel wire that can be used in this type of production, however, the steel wire makers in the Community produce the full range necessary for the production of SWR.

- (89) Two companies producing raw materials cooperated with the Commission's investigation. These two companies employed some 1 417 people in 1997. Total turnover in 1997 was ECU 312 million of which ECU 54 million related to the raw materials concerned (representing some 17 % of total turnover). As regards the profitability of the companies concerned it was approximately 5 % in 1997.

#### 4. Impact on Community industry

##### (a) *Nature and structure of the Community industry*

- (90) The Community industry is composed of small and medium-sized companies located in nine of the Member States (Austria, Denmark, France, Germany, Greece, Italy, Portugal, Spain and the United Kingdom). It should be noted that production of SWR is capital intensive and that significant research and development has to be made in order to continue improving the product range, in particular the special SWR used for projects (see below). SWR often undergo further transformation by the Community industry and/or its related companies, (i.e. cutting, splicing and the fitting of fittings or the transformation into other articles such as slings, etc.). It is clear that any negative impact on SWR would significantly impair this activity.
- (91) The total Community production employs some 2 600 people (IP).
- (92) In addition to the production of standard SWR, the Community industry also produces a wide range of special SWR on a project basis, for instance SWR used in the construction of suspension bridges or suspended roofs. This project production is usually for a fixed quantity and a fixed term (i.e. the volume needed for the project and the duration of the project). It should be noted that over the years project work has become an important source of revenue for the Community industry. As project orders usually require close technical cooperation with the customers (often necessitating advanced technology and machinery) and additional services (not only in the installation of the SWR but also in the longer term repair and maintenance work), it should be noted that the Community industry is the principal supplier of project SWR on the Community market.
- (93) It was found that project SWR could be produced on the same machinery and by the same labour force as standard SWR of equivalent dimension, and that the production of project SWR therefore depended very much on the production of standard

SWR, for instance in order to spread overhead costs.

##### (b) *Viability of the Community industry*

- (94) It should be noted that the situation of the SWR industry in the Community over the past decade has deteriorated, mainly as a result of closures in the user industries, such as mining, and reductions in fishing fleets following the introduction of quotas. As a result, this industry has had to undergo major restructuring and consolidation. During the time period considered in the present investigation, the industry had consolidated and faced an increasing demand, as shown in recital 43.
- (95) Nevertheless, during the period investigated the Community industry went from a profit-making situation to a loss-making one, suffering its most significant loss in profits in 1995 at a time when the imports from the countries concerned came into the Community market in massive volumes. Furthermore, given the low prices of these dumped imports the Community industry had been unable to increase prices in line with cost increases, thus suffering from both the volume of the imports as well as from their low value.
- (96) The Commission considered that given the previous restructuring and improvement in productivity, the Community industry would be structurally viable provided that fair conditions of competition could be restored on the Community market.
- ##### (c) *Effects of the imposition or non imposition of measures*
- (97) Following the imposition of measures, it is expected that the prices of SWR on the Community market will rise. This increase in prices would enable the Community industry to recover profitability and to a certain extent increase sales volume.
- (98) Should measures not be imposed, it is likely that the negative trend in the Community industry will continue, leading in the long term to the closure of companies. It was found that the Community industry had a number of production plants operating almost at a loss. These plants would in all likelihood close in the short term with immediate job losses. The Community industry is particularly likely to continue losing further market share and a continued worsening financial situation is expected to occur. As explained above, should the negative trend continue, not only would the production of standard SWR be affected but also the production of project SWR, which are not exported in significant volumes by the countries concerned.

(99) In conclusion, it is expected that measures will enable the Community industry to recover from the injury suffered. It is therefore considered to be in the interests of the Community industry to impose measures.

#### 5. Impact on importers/wholesalers

(100) Four importers/wholesalers in the Community, not related to exporters, cooperated in the proceeding. They submitted that the imposition of measures in the current proceeding would have detrimental effects on the importers/wholesalers of the product concerned in the Community.

(101) The investigation showed that, for two of the unrelated importers, the SWR business represented a significant proportion of their activities, in terms of turnover (between 40 to 80 %) and profit contribution (overall profits ranged from 3 to 18 %). However it is to be noted that all the importers/wholesalers (with the exception of one) also act as traders for other product ranges including fibre ropes, wire, cable, chain, hardware and fittings. An important part of the business is the transformation of the SWR (i.e. cutting, splicing and the fitting of fittings or the transformation into other articles such as slings, etc.). It was also found that the importers/wholesalers acted as traders for SWR produced in the Community.

(102) Although the imposition of measures is likely to have an effect on importers/wholesalers, given the transforming business of SWR, the range of trading activities in other products and the fact that they also trade in Community-produced goods, the Commission concluded that the impact resulting from the imposition of measures in the present proceeding would not be significant.

#### 6. Impact on users

(103) SWR are used in a wide variety of applications therefore a large number of user industries are concerned by this proceeding. The Commission found that SWR were mainly consumed by the following user industries (non-exhaustive list): general purposes, fishing, maritime/shipping, oil and gas industries, mining (deep-shaft and surface mining), forestry, aerial transport (including ski-lifts and cable cars), civil engineering (suspension bridges, towers, guy masts, covered roof structures), construction (cranes), elevator.

(104) The Commission's analysis reflects the large number of user industries concerned and the wide range of applications within each sector. On the basis of the information available the Commission found that the total costs of the user industries ranged from ECU 50 000 to ECU 18 million, reflecting the vast differences in the size of the companies concerned. Furthermore, the proportion of the costs that related to the product concerned ranged from 0,01 to only 3 %, showing that SWR do not represent a major concern for these companies.

(105) In examining the possible effect of the imposition of measures on users, the Commission concluded that given the negligible incidence of the cost of SWR on the user industries, any increase in these costs was unlikely to have a significant effect. Furthermore, it should be noted that there are a number of alternative sources of SWR not subject to anti-dumping measures that will remain available for the user industries concerned.

#### 7. Conclusion on Community interest

(106) Given the rate of increases of imports from the countries concerned over the period considered and the exporter's behaviour on the Community market to constantly and significantly undercut the prices of the Community industry, there is a likelihood that, in the absence of measures, this trend will continue and further aggravate the injury caused to the complainant Community producers.

(107) The effects of the imposition of measures can be expected to assist the Community industry to improve profitability, with consequent beneficial effects on the competitive conditions on the Community market and the reduction of the threat of closures and consequential reductions in employment. The Commission has taken special consideration of the fact that the Community industry might be forced to shut a number of production sites if correction to the unfair trading practices by the exporting producers is not provided and the medium-term advantages for the user industry of being supplied at lower prices might then disappear.

(108) As regards the user industries, any expected price increase would only have a marginal impact.

(109) The Commission has concluded that, in the circumstances there are no compelling reasons not to impose measures.

## H. PROVISIONAL MEASURES

### 1. Injury elimination level

- (110) Having established that the dumped imports under consideration have caused material injury to the Community industry and that there are no compelling reasons not to take action, the measures envisaged should be imposed at a level sufficient to eliminate the injury caused by these imports without exceeding the dumping margins found.

The removal of such injury requires that the industry should be put in a position where the prices of imports of the product concerned originating in the countries concerned should be increased to a non-injurious level.

For the purposes of calculating the necessary price increase, i.e. the injury margin, the Commission considered that the prices of the dumped imports had to be compared with the selling prices of the Community industry plus the profit which the industry might be expected to make in the absence of injurious dumping from the countries under investigation.

On this basis, the weighted average export prices for those product types used in the determination of price undercutting were compared, for the IP, at a cif Community-frontier level, adjusted to take account of customs duty paid and handling costs, with the actual weighted average selling prices charged by the sampled complainant Community producers concerned increased to cover the profit shortfall plus a profit margin of 5%. For the purposes of a preliminary determination this profit margin was considered to be the minimum profit level necessary to make this sector viable.

### 2. Provisional duties

- (111) According to Article 7(2) of the Basic Regulation the provisional anti-dumping duty should be equal to the dumping margin found or the amount necessary to remove injury, whichever is the lower.

For all companies in the PRC, Hungary, India, Poland and Ukraine the injury margins were in all instances higher than the dumping margins. Consequently, the provisional duties for the companies in the abovementioned countries were based on the dumping margins found.

For the Mexican and South African companies the injury margins were lower than the dumping margins. Therefore the provisional duties for the companies in these two countries were set at the level of the injury margins.

## 3. Undertakings

- (112) The exporting producers in Hungary and Poland have offered price undertakings in accordance with Article 8(1) of the Basic Regulation. The Commission considers that the undertakings offered by the exporting producers concerned can be accepted.

The acceptance of the price undertakings should be conditional on the presentation to the Member States' customs services of a valid undertaking invoice clearly identifying the producer and containing the information listed in the Annex. Where no such invoice is presented, the appropriate rate of anti-dumping duty will be payable.

- (113) It should be noted that in the event of a breach or withdrawal of the undertaking an anti-dumping duty may be imposed, pursuant to Articles 8(9) and 10 of the Basic Regulation.
- (114) Furthermore, it should be noted that, in accordance with Article 8(6) of the Basic Regulation, the investigation of dumping, injury and Community interest will be completed, notwithstanding the acceptance of undertakings in the course of the investigation.

## I. FINAL PROVISIONS

- (115) In the interests of sound administration, a period should be fixed in which the parties concerned may make their views known in writing and request a hearing. Furthermore, it should be stated that all findings made for the purposes of this Regulation are provisional and may have to be reconsidered for the purposes of any definitive measures which the Commission may propose,

HAS ADOPTED THIS REGULATION:

### *Article 1*

1. A provisional anti-dumping duty is imposed on imports of steel ropes and cables, including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, with fittings attached or not, classifiable within CN codes: ex 7312 10 82 (TARIC code 7312 10 82\*10), ex 7312 10 84 (TARIC code 7312 10 84\*10), ex 7312 10 86 (TARIC code 7312 10 86\*10), ex 7312 10 88 (TARIC code 7312 10 88\*10) and ex 7312 10 99 (TARIC code 7312 10 99\*10), originating in the People's Republic of China, Hungary, India, Mexico, Poland, South Africa and Ukraine.

2. The rate of the provisional duty applied to the net free-at-Community-frontier prices of imports of the product concerned manufactured by the companies listed below, before duty, shall be as follows:

Country	Company	Rate of duty (%)	TARIC additional code
PRC	All companies	74,8	—
Hungary	All companies	33,9	8900
India	Usha Martin Industries & Usha Beltron Ltd	39,8	8613
	All other companies	40,2	8900
Mexico	All companies	56,4	—
Poland	Drumet	35,0	8614
	All other companies	56,1	8900
South Africa	All companies	33,9	—
Ukraine	All companies	54,8	—

3. Notwithstanding paragraph 1, the provisional duty shall not apply to imports of the product concerned manufactured and directly exported and invoiced to an importing company in the Community in conformity with Article 2(2) by the companies listed in Article 2(3).

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

5. The release for free circulation in the Community of the product referred to in paragraph 1 shall be subject to the provision of a security equivalent to the amount of the provisional duty.

#### Article 2

1. The undertakings offered by the companies listed in paragraph 3 in connection with the anti-dumping proceeding concerning steel ropes and cables, including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, with fittings attached or not, classifiable within CN codes: ex 7312 10 82 (TARIC code 7312 10 82\*10), ex 7312 10 84 (TARIC code 7312 10 84\*10), ex 7312 10 86 (TARIC code 7312 10 86\*10), ex 7312 10 88 (TARIC code 7312 10 88\*10) and ex 7312 10 99 (TARIC code 7312 10 99\*10), originating in the People's Republic of China, Hungary, India, Mexico, Poland, South Africa and Ukraine are hereby accepted.

2. When the request for release for free circulation pursuant to an undertaking is presented, exemption from the duty shall be conditional upon presentation to the relevant Member States' customs services of a valid undertaking invoice issued by one of the companies listed in paragraph 3. The essential elements of the undertaking invoice are listed in the Annex.

3. Imports accompanied by an undertaking invoice shall be declared under the following TARIC additional codes:

Country	Company	TARIC additional code
Hungary	Drótarú és Drótkötél Ipari és Kereskedelmi Rt	8616
Poland	Drumet SA	8617
	Slaskie Zakłady Lin i Drutu 'Linodrut' Spółka Akeyjna	8619
	Fabryka Lin i Drutów 'Linodrut' Zabrze Spółka z ograniczona odpowiedzialnoscia	
	Fabryka Lin i Drutów 'Falind' Spółka z ograniczona odpowiedzialnoscia	
	Górnoslaska Fabryka Lin i Drutu 'Linodrut' Bytom Spółka ograniczona odpowiedzialnoscia	
Dolnoslaska Fabryka Lin i Drutu 'Linodrut Linmet' spółka z ograniczona odpowiedzialnoscia		

#### Article 3

1. Pursuant to Article 20(1) of Regulation (EC) No 384/96 and without prejudice to Article 20(2) and (3) of that Regulation interested parties may make their views known in writing and apply to be heard orally by the Commission within one month of the date of entry into force of this Regulation.

2. Pursuant to Article 21(4) of Regulation (EC) No 384/96 the parties which made themselves known within the time limit specified in the notice of initiation concerned may comment on the application of this Regulation within one month of the date of its entry into force.

#### Article 4

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

Article 1 of this Regulation shall apply for a period of six months.

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

Done at Brussels, 18 February 1999.

*For the Commission*

Leon BRITTAN

*Vice-President*

*ANNEX***Elements to be indicated in the undertaking invoice referred to in Article 2(2)**

1. The product reporting code number (PRC) (as established in the undertaking offered by the producing exporter in question), including type, number of strands, number of wires per strand and CN code.
2. The exact description of the goods, including:
  - the 'company product code' (CPC),
  - CN code,
  - the TARIC additional code under which the goods on the invoice may be customs-cleared at Community borders (as specified in the Regulation),
  - quantity (to be given in kilos),
  - minimum price applicable.
3. The description of the terms of the sale, including:
  - price per kilo,
  - the applicable payment terms,
  - the applicable delivery terms,
  - total discounts and rebates.
4. Name of the importer to which the invoice is issued directly by the company.
5. The name of the official of the company that has issued the undertaking invoice and the following signed declaration:

'I, the undersigned, certify that the sale for direct export to the European Community of the goods covered by this invoice is being made within the scope and under the terms of the undertaking offered by ..... [company], and accepted by the European Commission through Regulation (EC) No 362/1999. I declare that the information provided in this invoice is complete and correct.'

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