

Notice of initiation of an anti-dumping proceeding concerning imports of urea originating in Czechoslovakia, the German Democratic Republic, Kuwait, Libya, Saudi Arabia, the USSR, Trinidad and Tobago and Yugoslavia

(86/C 254/03)

The Commission has received a complaint alleging that imports of urea originating in Czechoslovakia, the German Democratic Republic, Kuwait, Libya, Saudi Arabia, the USSR, Trinidad and Tobago and Yugoslavia are being dumped and are thereby causing and threatening to cause injury to a Community industry.

Complainant

The complaint was lodged by the CMC-Engrais (Common Market Committee of the Nitrogen and Phosphate Fertilizer Industry) on behalf of producers representing substantially all Community production of urea.

Product

The product allegedly being dumped is a nitrogen compound from the group of 'amides' with the chemical formula $\text{CO}(\text{NH}_2)_2$. It is synthetically produced by the reaction of ammonia and carbonic acid. Its nitrogen content is in general 45 to 46 %. Its physical form is usually prilled or granulated, sometimes liquid. Urea is mainly used as a nitrogen fertilizer. The product falls under Common Customs Tariff subheadings ex 31.02 B and ex 31.02 C and corresponds to NIMEXE codes ex 31.02 15 and ex 31.02 80.

Allegation of dumping

With regard to Saudi Arabia and Yugoslavia the allegation of dumping is based on a comparison of the domestic prices with the export price to the Community.

With regard to Kuwait, Libya and Trinidad and Tobago the allegation of dumping is based on a comparison of the constructed value with the export price to the Community.

Since Czechoslovakia, the German Democratic Republic and the USSR are non-market economy countries, export prices have been compared with prices or costs in an analogous country. For this purpose the complainant suggests the domestic prices in Austria.

On this basis the dumping margins estimated are significant.

Allegation of injury

With regard to injury, the complaint alleges that the imports in question have increased from 71 000 tonnes during the 1983/84 campaign to an estimated 845 000 tonnes during the 1985/86 campaign, i.e. by more than 1 000 %. This would represent an increase in the share

held by these imports on the freely available urea market in the Community from 2,5 % in 1983/84 to an estimated 25,2 % in 1985/86.

It is also alleged that the prices at which these imports are sold in the Community significantly undercut the prices of the Community producers and have forced Community producers to lower their prices.

The consequent impact on the Community industry is claimed to be a reduction in production of urea available for the market from 3 778 000 tonnes in 1983/84 to an estimated 3 626 000 tonnes in 1985/86, i.e. by 4 %, whereas the consumption of urea freely available on the market increased by 17 % during the same period. It is also alleged that the stocks amounted to an estimated 500 000 tonnes in 1985/86, whereas there was a shortage of 200 000 tonnes in the previous year.

Furthermore, it is alleged that in particular the French and Italian markets have been affected by these imports especially during the first six months of 1986.

As far as the profitability of the Community producers is concerned, it is alleged that the decline in urea prices was greater than the decline in costs of raw material needed for the production of urea.

Allegation of threat of injury

It is alleged in the complaint that the production capacity of urea has rapidly increased during the last few years, in particular in the Near and Middle East and in Eastern Europe.

With regard to the Near and Middle East countries it is alleged that the absence of a domestic market makes it necessary for these producers to export large quantities of the product concerned.

As far as the East European countries are concerned, it is alleged that protective measures, which may be taken shortly by the USA with regard to the product originating in the USSR, the largest producer of urea in the world, and the German Democratic Republic will force the exporters of these countries to concentrate on other outlets.

It is also alleged that even in countries which were traditionally major importers of urea new production capacity of urea has come on stream in the recent past and will further expand.

It is, therefore, alleged that these exporters will divert significant quantities of their production to the Community, which is the remaining major market for urea in the world, in particular as far as the agricultural application is concerned.

Procedure

Having decided, after consultation, that there is sufficient evidence to justify initiating a proceeding, the Commission has commenced an investigation in accordance with Article 7 of Council Regulation (EEC) No 2176/84 of 23 July 1984 on protection against dumped or subsidized imports from countries not members of the European Economic Community⁽¹⁾. Interested parties may make known their views in writing, in particular by replying to the questionnaire addressed to the parties known to be concerned and by providing supporting evidence. Furthermore, the Commission will hear parties who so request when making their views known, provided that they can show

⁽¹⁾ OJ No L 201, 30. 7. 1984, p. 1.

that they are likely to be affected by the result of the proceeding.

This notice is published in accordance with Article 7 (1) (a) of the abovementioned Regulation. It is in lieu of official notification to Czechoslovakia, the German Democratic Republic and the Soviet Union.

Time limit

Any information relating to the matter and any requests for hearings should be sent in writing to reach the Commission of the European Communities, Directorate General for External Relations (Division I-C-1) rue de la Loi 200, B-1049 Brussels⁽²⁾ not later than 30 days following the publication of this notice, allowing a further seven days for delivery.

⁽²⁾ Telex COMEURBRU 21877.

Communication of Decisions under sundry tendering procedures in agriculture (cereals)

(86/C 254/04)

(See notice in Official Journal of the European Communities No L 360 of 21 December 1982, page 43)

Standing invitation to tender	Weekly invitation to tender	
	Date of Commission Decision	Maximum refund
Commission Regulation (EEC) No 1508/86 of 20 May 1986 opening an invitation to tender for the export of common wheat to countries of zones I, II a), III, IV, V, VI, VII and the German Democratic Republic (OJ No L 132, 21. 5. 1986, p. 6)	9. 10. 1986	126,00 ECU/tonne
Commission Regulation (EEC) No 1509/86 of 20 May 1986 opening an invitation to tender for the refund for the export of barley to countries of zones I, II a), III, IV, V, VI, VII a), VII c) and the German Democratic Republic (OJ No L 132, 21. 5. 1986, p. 9)	9. 10. 1986	126,50 ECU/tonne

Commission communication under Article 115 of the EEC Treaty

(86/C 254/05)

By Decision dated 9 October 1986 the Commission has rejected an application by France for authorization not to apply Community treatment to imports of products falling within sub-heading ex. 60 05 AII of the Common Customs Tariff (category 83) originating in Hungary and in free circulation in the other Member States.