

Notice of initiation of an anti-dumping proceeding concerning imports of silicon metal originating in China and exported from this country or from Hong Kong

(89/C 26/08)

The Commission has received a complaint alleging that imports of silicon metal originating in China and Hong Kong are being dumped and thereby causing injury to a Community industry when imported either directly from China or indirectly through Hong Kong.

Complainant

The complaint was lodged by the 'Comité de Liaison des Producteurs de Ferroalliages de la Communauté Economique Européenne' acting on behalf of all silicon metal producers of the Community.

Product

The product allegedly being dumped is silicon metal, used as a raw material either pure in the micro-electronic industry or in combination with iron, aluminium or calcium for purposes of e.g. electrical insulation, motor shell manufacturing and sealant. The product concerned falls within CN code 2804 69 00.

Allegation of dumping

Since China is a non-market economy country and the product under consideration is not produced in Hong Kong it is necessary to compare the export prices with prices or costs in an analogue country. For this purpose the complainant suggested the domestic prices in the USA irrespective of whether the exports took place directly to the Community or through Hong Kong.

On these bases the dumping margins are significant.

Allegation of injury

With regard to injury, the complainant alleged that the total amount of imports in question from China and Hong Kong have increased from nil in 1985 and 1986 to 6 967 tonnes in 1987. This would represent an increase in market share from 0 % in 1985 and in 1986 to 3,5 % in 1987, whereas the market share held by the Community producers allegedly decreased from 50 % to 44,7 % during this period. In addition it is alleged that the market share of the imported product further increased to an estimated 8 % during the first six months of 1988.

It is furthermore alleged that the prices at which these imports are sold in the Community have significantly undercut the prices of the Community producers and forced the latter to keep their prices at a very low level and prevented them from increasing them to a reasonable level despite a growing demand.

These factors are claimed to have contributed significantly to a decrease in production from 122 000 tonnes in 1985 to 100 000 tonnes in 1987, i.e. by 18 % and to a decrease of the capacity utilization from 76 % in 1985 to 66 % in 1987, i.e. by 13 %, including the closedown of one of the biggest production sites in France in 1987. The consumption in the Community market increased however from 172 000 tonnes in 1985 to 197 000 tonnes in 1987, i.e. by 14,5 %.

Furthermore, it is alleged that in 1988 the production will again decrease by an estimated 3 000 tonnes and the capacity utilization by approximately 2 %.

Procedure

Having decided, after consultation, that there is sufficient evidence to justify the initiation of a proceeding, the Commission has commenced an investigation in accordance with Article 7 of Council Regulation (EEC) No 2423/88 ⁽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 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.

Time limit

Any information relating to the matter, any arguments concerning the allegation of dumping and injury resulting therefrom and any request for a hearing should be sent in writing to reach the Commission of the European Communities, Directorate General for External Relations (Division I-C-1), 200, rue de la Loi, B-1049 Brussels ⁽²⁾ not later than 30 days following the date of publication of this notice or, for parties known to be concerned, the date on which the letter accompanying the abovementioned questionnaire was received, whichever date is the later. The receipt of this letter is deemed to occur seven days following the date of its dispatch.

If the required information and argumentation is not received in adequate form within the time limit specified above, the Community authorities may make preliminary or final findings on the basis of the facts available in accordance with Article 7 (7) (b) of Regulation (EEC) No 2423/88.

⁽¹⁾ OJ No L 209, 2. 8. 1988, p. 1.

⁽²⁾ Telex COMEU B 21877; telefax 32 2 235 65 05.