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Proposal for a

COUNCIL REGULATION

**terminating the anti-dumping measures applicable to imports of coumarin originating in
the People's Republic of China**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

This proposal concerns the application of Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community ('the basic Regulation') in the proceeding concerning imports of coumarin originating in the People's Republic of China.

- **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation which was carried out in line with the substantive and procedural requirements laid out in the basic Regulation.

- **Existing provisions in the area of the proposal**

Council Regulation (EC) No 600/1996¹ of 25 March 1996 imposing a definitive anti-dumping duty on imports of coumarin originating in the People's Republic of China.

Council Regulation (EC) No 769/2002² of 7 May 2002 imposing a definitive anti-dumping duty on imports of coumarin originating in the People's Republic of China.

Council Regulation (EC) No 2272/2004³ of 22 December 2004 extending the definitive anti-dumping duty imposed by Regulation (EC) No 769/2002 on imports of coumarin originating in the People's Republic of China to imports of coumarin consigned from India or Thailand, whether declared as originating in India or Thailand or not.

Commission Decision (EC) No 3/2005⁴ of 3 January 2005 accepting an undertaking offered in connection with the anti-circumvention investigation concerning anti-dumping measures imposed by Council Regulation (EC) No 769/2002 on imports of coumarin originating in the People's Republic of China, by imports of coumarin consigned from India or Thailand, whether declared as originating in India or Thailand or not.

Council Regulation (EC) No 1650/2006⁵ of 7 November 2006 extending the definitive anti-dumping duty imposed by Regulation (EC) No 769/2002 on imports of coumarin originating in the People's Republic of China to imports of coumarin consigned from Indonesia or Malaysia, whether declared as originating in Indonesia or Malaysia or not.

¹ OJ L 086, 4.4.1996, p. 1.

² OJ L 123, 9.5.2002, p. 1.

³ OJ L 396, 31.12.2004, p. 19.

⁴ OJ L 1, 4.1.2005, p. 15.

⁵ OJ L 311, 10.11.2006, p. 1.

Council Regulation (EC) No 654/2008⁶ of 29 April 2008 imposing a definitive anti-dumping duty on imports of coumarin originating in the People's Republic of China, as extended to imports of coumarin consigned from India, Thailand, Indonesia and Malaysia, whether declared as originating in India, Thailand, Indonesia and Malaysia or not.

- **Consistency with other policies and objectives of the Union**

Not applicable.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Interested parties concerned by the proceeding have had the possibility to defend their interests during the investigation, in line with the provisions of the basic Regulation.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

This proposal is the result of the implementation of the basic Regulation.

The basic Regulation does not contain provisions for a general impact assessment but contains an exhaustive list of conditions that have to be assessed.

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

On 5 November 2010, the Commission initiated, *ex-officio*, a partial interim review limited to injury aspects of the anti-dumping measures applicable to imports of coumarin originating in the People's Republic of China, as extended to imports of coumarin consigned from India, Thailand, Indonesia and Malaysia, whether declared as originating in India, Thailand, Indonesia and Malaysia or not, pursuant to Article 11(3) of Council Regulation (EC) No 1225/2009 on protection against dumped imports from countries not members of the European Community.

The purpose of this investigation was to examine whether there was still production of coumarin in the European Union, and if so, whether the Union industry was still suffering injury caused by dumped imports.

The Commission was informed by the only known EU producer of coumarin, which constituted the Union industry in the investigation that led to the imposition of the exiting measures, that the company had decided to permanently close its production

⁶ OJ L 183, 11.7.2008, p. 1.

unit at the end of August 2010. At the moment, for the European companies there is no other alternative than to import coumarin.

The Commission has not identified arguments suggesting that Union interest might justify the continuation of the present anti-dumping measures in force and therefore suggests repealing these measures.

It is therefore proposed that the Council adopt the attached proposal for a Regulation which should be published in the *Official Journal of the European Union* at the earliest opportunity and in any event no later than 12 July 2011.

- **Legal basis**

Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the European Union. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

The form of action is described in the above-mentioned basic Regulation and leaves no scope for national decision.

Indication of how financial and administrative burden falling upon the Union, national governments, regional and local authorities, economic operators and citizens is minimized and proportionate to the objective of the proposal is not applicable.

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason:

Other means would not be adequate because the basic Regulation does not provide for alternative options.

4. BUDGETARY IMPLICATION

The proposal has no implication for the Union budget.

Proposal for a

COUNCIL REGULATION

terminating the anti-dumping measures applicable to imports of coumarin originating in the People's Republic of China

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community⁷ ('the basic Regulation') and in particular Article 9 and 11(2) thereof,

Having regard to the proposal submitted by the European Commission ('the Commission') after having consulted the Advisory Committee,

Whereas:

1. PROCEDURE

1.1. Measures in force

- (1) The measures currently in force are a definitive anti-dumping duty imposed by Council Regulation (EC) No 654/2008⁸ on imports of coumarin originating in the People's Republic of China, as extended to imports of coumarin consigned from India, Thailand, Indonesia and Malaysia, whether declared as originating in India, Thailand, Indonesia and Malaysia or not, and an undertaking accepted from one Indian producer (Atlas Fine Chemicals Pvt. Ltd)⁹.

1.2. Grounds for the review

- (2) The Commission was informed that the sole producer of coumarin, which constituted the Union industry in the investigation which led to the imposition of the existing measures, decided to discontinue production of coumarin within the European Union at the end of August 2010.

1.3. Initiation

⁷ OJ L 343, 22.12.2009, p. 51.

⁸ OJ L 183, 11.7.2008, p. 1.

⁹ OJ L 1, 4.1.2005, p. 15.

- (3) Accordingly, the Commission, after consultation of the Advisory Committee, initiated, by a notice published in the *Official Journal of the European Union*¹⁰, a partial interim review limited to injury aspects of the anti-dumping measures applicable to imports of coumarin originating in the People's Republic of China, as extended to imports of coumarin consigned from India, Thailand, Indonesia and Malaysia, whether declared as originating in India, Thailand, Indonesia and Malaysia or not.
- (4) The Commission advised officially the Union producers and the representatives of the People's Republic of China of the initiation of the review investigation. 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 notice of initiation.

1.4. Product under review

- (5) The product under review is coumarin, originating in the People's Republic of China, currently falling within CN code ex 2932 21 00 (the product concerned).

2. Findings and termination of the proceeding

- (6) The investigation has confirmed that the only European producer of the product concerned has permanently closed its production facility in August 2010.
- (7) The Commission considers that the present proceeding should be terminated since the review investigation has not brought to light any considerations showing that such termination would not be in the Union interest. Interested parties were informed accordingly and were given the opportunity to comment. No comments were received indicating that such termination would not be in the Union interest.
- (8) The Commission therefore concludes that the anti-dumping proceeding concerning imports into the Union of coumarin originating in the People's Republic of China, as extended to imports of coumarin consigned from India, Thailand, Indonesia and Malaysia, whether declared as originating in India, Thailand, Indonesia and Malaysia or not should be terminated,

HAS ADOPTED THIS REGULATION:

Article 1

The anti-dumping measures concerning imports of coumarin currently falling within CN code ex 2932 21 00 and originating in the People's Republic of China, as extended to imports consigned from India, Thailand, Indonesia and Malaysia, whether declared as originating in India, Thailand, Indonesia and Malaysia or not, are hereby repealed and the proceeding concerning these imports is terminated.

¹⁰ OJ C 299, 5.11.2010, p. 4.

Article 2

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

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

Done in Brussels at [...],

For the Council
The President