

## COMMISSION DECISION

of 1 June 1981

**accepting undertakings offered by an exporter of tube and pipe joints of malleable cast iron originating in Brazil and terminating the proceeding concerning imports of the said products**

(81/378/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3017/79 of 20 December 1979 on protection against dumped or subsidized imports from countries not members of the Community<sup>(1)</sup>, and in particular Articles 9 and 10 thereof,

Following consultation within the Advisory Committee set up under Regulation (EEC) No 3017/79,

Whereas, on 16 July 1980, the Commission received a complaint lodged by the European Malleable Tube Fittings Development Association on behalf of the vast majority of Community manufacturers of tube and pipe joints of malleable cast iron; whereas the complaint contained evidence of the existence of dumping in respect of like products originating in Brazil, and of material injury resulting therefrom;

Whereas, since the said evidence was sufficient to justify the initiation of proceedings, the Commission accordingly announced, by a notice published in the *Official Journal of the European Communities*<sup>(2)</sup>, the initiation of a proceeding concerning imports of tube and pipe joints of malleable cast iron originating in Brazil, and commenced an investigation of the matter at Community level;

Whereas the Commission officially so advised the exporters and importers known to be concerned as well as the representatives of Brazil;

Whereas the Commission has given the parties directly concerned the opportunity to make known their views in writing, to be heard orally and to meet so that opposing views might be presented and rebuttal arguments put forward;

Whereas the main importers and the Brazilian exporter concerned have taken this opportunity;

Whereas, in the course of this proceeding, the Commission sought and verified all information it

deemed to be necessary and carried out investigations at the premises of the sole Brazilian exporter, Fundicao Tupy SA — Joinville (Santa Catarina); whereas the Commission also carried out an investigation at the premises of the Community producers most concerned and of certain importers;

Whereas, to make an examination of the existence of dumping by the Brazilian exporter, the Commission compared the export prices of cast iron joints to the Community in the period 1 September 1979 to 31 October 1980 with the weighted average prices ruling on the Brazilian domestic market; whereas these comparisons were made at ex-factory level;

Whereas, since the margins of dumping vary considerably depending on the type of joint, weighted average margins had to be established;

Whereas the preliminary examination of the facts shows the existence of dumping in respect of imports of the products in question originating in Brazil, the margin of dumping recorded in the latter months of the export period covered by the Commission's investigation having been as follows: 5.8 % for exports to Italy, 14.4 % for exports to France, 8.5 % for exports to Belgium and 9.6 % for exports to Germany;

Whereas, with regard to the injury caused to the Community industry, the evidence available to the Commission shows that the market share of imports from Brazil in the Community increased from 2 % in 1976 to 5 % in 1979; whereas during the same period the share of imports from Brazil in the market in Italy, the Member State most affected by these imports, rose from 2 % to 9 %;

Whereas the resale prices of the products imported from Brazil are approximately 20 % lower than those of the Community producers most affected, namely the Italian producers;

Whereas the Community industry has experienced a drop in production from approximately 62 000 tonnes in 1977 to approximately 58 300 tonnes in 1979, under-utilization of its capacity, a fall in its share of

<sup>(1)</sup> OJ No L 339, 31. 12. 1979, p. 1.

<sup>(2)</sup> OJ No C 249, 26. 9. 1980, p. 2.

the European market over the same period from 71 % to 62 % and a reduction in profits or the emergence of losses ;

Whereas injuries caused by other factors which could adversely affect the Community industry, such as the volume and prices of other imports, from Japan and Taiwan in particular, or the overall demand for malleable cast iron joints, have been examined and any adverse effects caused by these factors have not been attributed to the dumped imports, which must in themselves be considered to have caused material injury ;

Whereas, in view of the foregoing, the preliminary examination of the facts shows the existence of dumping in respect of imports from Brazil and there is sufficient evidence of consequent material injury ;

Whereas the Brazilian exporter was informed of the findings of the investigation and commented on them ; whereas undertakings were offered by the said exporter in respect of exports to the Community ; whereas the effect of these undertakings will be to increase export prices to the Community to levels eliminating but not exceeding the margin of dumping ;

Whereas the Commission has therefore determined that it is not now necessary to take protective action

in respect of imports originating in Brazil and has decided to accept the undertakings offered and to terminate the proceeding without the imposition of anti-dumping duties,

HAS DECIDED AS FOLLOWS :

*Article 1*

The Commission hereby accepts the undertakings given in connection with the anti-dumping proceeding concerning malleable cast iron joints <sup>(1)</sup>, originating in Brazil.

*Article 2*

The anti-dumping proceeding concerning imports of malleable cast iron joints originating in Brazil is hereby terminated.

Done at Brussels, 1 June 1981.

*For the Commission*

Wilhelm HAFERKAMP

*Vice-President*

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<sup>(1)</sup> Subheading 73.20 B of the Common Customs Tariff ; NIMEXE code 73.20-30.