COMMISSION DECISION No 322/92/ECSC

of 7 February 1992

repealing Decision No 3499/87/ECSC imposing a definitive anti-dumping duty on imports of certain sheets and plates, of iron or steel, originating in Mexico

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Coal and Steel Community,

Having regard to Commission Decision No 2424/88/ECSC of 29 July 1988 on protection against dumped or subsidized imports from countries not members of the European Coal and Steel Community [1], and in particular Articles 9 and 14 thereof,

After consultation within the Advisory Committee as provided for by the above Decision,

Whereas :

A. PREVIOUS PROCEDURE

(1) In December 1986, the Commission initiated an anti-dumping proceeding concerning imports of certain sheets and originating of iron or steel, originating in Mexico [2].

(2) By Commission Decision No 2247/87/ECSC [3], a provisional anti-dumping duty was imposed on the products subject to the proceeding, originating in Mexico.

(3) The Commission subsequently imposed definitive anti-dumping duties by Decision No 3499/87/ECSC [4], as amended by Regulation (EEC) No 486/88 [5].

B. REVIEW

(4) In January 1990 the Commission received a request for review with regard to the anti-dumping measures applicable to imports of the products in question originating in Mexico, lodged by the Mexican exporter Sidermex SA de CV, pursuant to Article 14 of Decision No 2424/88/ECSC.

(5) The request alleged that following the imposition of the definitive anti-dumping duties the circumstances with regard to exports to the Community market of hot-rolled sheets and plates, of iron or steel, have changed and that a review of the anti-dumping measures in force was warranted.

(6) The Commission considered that the evidence submitted concerning the changed circumstances was sufficient to justify the need for a review and as these circumstances applied equally for imports of the products in question from Yugoslavia for which definitive anti-dumping duties have also been imposed, it was considered appropriate to extend the review to that country.

The Commission accordingly announced, by a notice published in the *Official Journal of the European Communities* [6], the reopening of the investigation concerning imports of certain sheets and plates, of iron or steel, originating in Mexico and Yugoslavia.

(7) Subsequently, however, given that the definitive duties were the subject of two separate decisions, it was considered appropriate that the Commission's conclusions in the review proceeding be also dealt with in separate decisions relating to each exporting country individually.

(8) The Commission officially advised the producers/exporters and importers known to the Commission to be concerned, the representatives of the exporting countries and the complainants and gave the parties concerned the opportunity to make known their views in writing and to request a hearing.

(9) Most of the Community producers and all exporters concerned made known their views in writing. Some of them requested and were granted hearings.

(10) No submissions were made by or on behalf of Community purchasers or processors of the hot-rolled sheets and plates, of iron or steel, in question.

(11) The Commission sought and verified all the information it deemed necessary for the purpose of its determination and carried out investigations at the premises of the following companies :

Community producers :

— Dillinger Hüttenwerk, Dillingen, Germany,

— Thyssen Stahl AG, Duisburg, Germany,

— Stahlwerke Peine-Salzgitter AG, Salzgitter, Germany,

[1] OJ No L 209, 2. 8. 1988, p. 18, as amended in OJ No L 273, 5. 10. 1988, p. 19.
[2] OJ No C 308, 2. 12. 1986, p. 2.
[3] OJ No L 207, 29. 7. 1987, p. 21.
[4] OJ No L 330, 21. 11. 1987, p. 42.
[5] OJ No L 50, 24. 2. 1988, p. 5.
[6] OJ No C 118, 12. 5. 1990, p. 3.

— ILVA SpA, Genoa, Italy,

— Cockerill Sambre SA, Seraing, Belgium,

— Forges de Clabecq SA, Tubize (Clabecq), Belgium,

— Sidmar NV, Gent, Belgium,

— British Steel plc, London, United Kingdom;

Non-Community producers/exporters:

— Sidermex SA de CV, Mexico DF, Mexico (holding company),

— Altos Hornos de Mexico SA (AHMSA), Monclova, Mexico (producer/exporter),

— Sidermex International Inc., San Antonio, Texas, USA (exporter).

(12) The investigation of dumping covered the period from 1 January to 31 December 1989.

(13) Due to the complexity of the proceeding, in particular the difficulties met by the Commission in obtaining from some of the interested parties the relevant data, the investigation exceeded the normal period of one year laid down in Article 7 (9) of Decision No 2424/88/ECSC.

C. PRODUCT

(14) The products concerned are certain flat-rolled products, of iron or non-alloy steel, of a width exceeding 500 mm, of a thickness of 3 mm or more, not in coils, not further worked than hot-rolled, containing by weight less than 0,6 % of carbon, falling within CN codes: ex 7208 32 10, ex 7208 32 30, ex 7208 32 51, ex 7208 32 59, ex 7208 32 91, ex 7208 32 99, ex 7208 33 10, ex 7208 33 91, ex 7208 33 99, ex 7208 34 10, ex 7208 34 90, ex 7208 42 10, ex 7208 42 30, ex 7208 42 51, ex 7208 42 59, ex 7208 42 91, ex 7208 42 99, ex 7208 43 10, ex 7208 43 91, ex 7208 43 99, ex 7208 44 10, ex 7208 44 90, ex 7211 12 10, ex 7211 19 10, ex 7211 22 10 and ex 7211 29 10.

D. RESULTS OF THE REVIEW WITH REGARD TO MEXICO

(a) Dumping

(15) Since the imposition of the definitive anti-dumping duties in November 1987, exports to the Community of the products in question originating in Mexico had completely ceased. Consequently, export prices could not be established and compared with normal value.

(16) The suspension of Mexican exports to the Community did not permit an investigation into the existence of dumping during the investigation period. In this regard, the Commission is of the opinion that the absence of exports as such is not sufficient to determine whether the anti-dumping duties impsoed may be lifted. Account was therefore taken of other considerations, in particular of the development of the Mexican steel market, in determining whether repealing the measures in force would lead to a situation causing or threatening to cause material injury to the Community.

(b) Development of the Mexican steel market

(17) Total domestic steel demand of finished products in Mexico climbed from 6,5 million tonnes in 1986 to 7,8 million tonnes in 1989. The increase was particularly marked for hot-rolled sheets and plates showing an expansion of more than 30 % over the same period. Total consumption of finished steel products in Mexico reached 8,7 million tonnes in 1990 of which 0,7 million tonnes had to be imported.

(18) As regards more specifically hot-rolled sheets and plates, the Mexican production is fully used to cover domestic demand. The only producer, AHMSA, operates at the limit of its capacities and no further extensions are planned in the future.

(19) While exports of hot-rolled sheets and plates to the Community ceased completely since 1987, export sales made by AHMSA to non-Community countries, and in particular to the USA, have developed favourably in the last few years. Given the geographical proximity of the USA to Mexico and the resulting lower transport costs, the USA is traditionally the most important market for Mexican exports. This market will become even more attractive since the new voluntary restraint agreement between Mexico and the USA provides for an increase in Mexican exports to the USA of about 500 000 tonnes. Moreover, the conclusion of a free trade agreement which is currently being negotiated between Mexico and the USA might further facilitate the access of Mexican steel products to the USmarket. In addition, new export markets have been developed in recent years such as Japan, Thailand and other Asian countries as well as Venezuela.

(20) Domestic demand in Mexico for hot-rolled sheets and plates is forecast to further increase by about 4 to 5 % in the next few years. Following the lifting of price controls by the Mexican Government with effect from the end of 1990, price increases in the domestic market are expected to bring costs of production into line with returns and this is likely to lead to higher domestic sales and, given the capacity limitations, reduced export possibilities.

(c) **Conclusion**

(21) The strong and increasing demand for hot-rolled sheets and plates on the Mexican market, the limited production capacities, the expected flow of exports to non-Community markets and the absence of any exports to the Community since 1988 lead the Commission to the conclusion that there is no clearly foreseeable threat that imports of the products concerned from Mexico into the Community would resume to a sizeable market share after the repeal of the measures in force and that under these circumstances the recurrence of material injury is not imminent.

E. **TERMINATION AND REPEAL OF DUTIES**

(22) In the light of the above finding, taking into account in particular the absence of imminent injurious dumping or the threat thereof with regard to Mexico, the Commission considers that the review proceeding concerning imports of certain sheets and plates, of iron or steel, originating in Mexico should be concluded by the repeal of the anti-dumping measures in question in accordance with Article 14 (3) of Decision No 2424/8/ECSC.

(23) The complainant was informed of the facts and principal considerations on the basis of which the Commission intends to terminate the review proceeding and did not comment,

HAS ADOPTED THIS DECISION :

Article 1

Decision No 3499/87/ECSC is hereby repealed.

Article 2

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

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

Done at Brussels, 7 February 1992.

For the Commission

Frans ANDRIESSEN

Vice-President