

Official Journal

of the European Communities

ISSN 0378-6978

L 240

Volume 41

28 August 1998

English edition

Legislation

Contents

I *Acts whose publication is obligatory*

- Commission Regulation (EC) No 1843/98 of 27 August 1998 establishing the standard import values for determining the entry price of certain fruit and vegetables 1
- * **Commission Regulation (EC) No 1844/98 of 27 August 1998 determining estimated production of unginned cotton for the 1998/99 marketing year 3**
- * **Commission Regulation (EC) No 1845/98 of 27 August 1998 imposing a provisional anti-dumping duty on imports of certain large electrolytic aluminium capacitors originating in the United States of America and in Thailand 4**
- Commission Regulation (EC) No 1846/98 of 27 August 1998 fixing the export refunds on milk and milk products 22
- Commission Regulation (EC) No 1847/98 of 27 August 1998 fixing the maximum export refund on barley in connection with the invitation to tender issued in Regulation (EC) No 1078/98 30
- Commission Regulation (EC) No 1848/98 of 27 August 1998 fixing the maximum export refund on common wheat in connection with the invitation to tender issued in Regulation (EC) No 1079/98 31
- Commission Regulation (EC) No 1849/98 of 27 August 1998 fixing the export refunds on cereals and on wheat or rye flour, groats and meal 32
-
- #### Corrigenda
- * **Corrigendum to Commission Decision 98/510/EC of 29 July 1998 amending Decision 97/778/EC to update the list of border inspection posts agreed for veterinary checks (OJ L 227 of 14.8.1998) 34**

I

(Acts whose publication is obligatory)

COMMISSION REGULATION (EC) No 1843/98
of 27 August 1998
establishing the standard import values for determining the entry price of certain
fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables ⁽¹⁾, as last amended by Regulation (EC) No 1498/98 ⁽²⁾, and in particular Article 4 (1) thereof,

Having regard to Council Regulation (EEC) No 3813/92 of 28 December 1992 on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy ⁽³⁾, as last amended by Regulation (EC) No 150/95 ⁽⁴⁾, and in particular Article 3 (3) thereof,

Whereas Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commis-

sion fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto;

Whereas, in compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 28 August 1998.

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

Done at Brussels, 27 August 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

⁽¹⁾ OJ L 337, 24. 12. 1994, p. 66.

⁽²⁾ OJ L 198, 15. 7. 1998, p. 4.

⁽³⁾ OJ L 387, 31. 12. 1992, p. 1.

⁽⁴⁾ OJ L 22, 31. 1. 1995, p. 1.

ANNEX

to the Commission Regulation of 27 August 1998 establishing the standard import values for determining the entry price of certain fruit and vegetables

(ECU/100 kg)

CN code	Third country code ⁽¹⁾	Standard import value
0702 00 00	060	46,4
	999	46,4
0709 90 70	052	53,9
	999	53,9
0805 30 10	388	68,5
	524	53,6
	528	69,4
	999	63,8
0806 10 10	052	89,3
	064	82,6
	400	230,3
	600	40,7
	624	149,3
	999	118,4
0808 10 20, 0808 10 50, 0808 10 90	388	61,4
	400	64,7
	508	69,1
	512	71,0
	524	31,8
	528	86,6
	804	91,3
	999	68,0
	052	96,3
	064	59,3
0808 20 50	388	49,8
	528	108,0
	999	78,4
	052	120,3
0809 30 10, 0809 30 90	400	126,6
	512	86,8
	999	111,2
	052	79,1
0809 40 05	060	59,8
	064	65,1
	066	59,8
	093	68,1
	624	202,3
	999	89,0

⁽¹⁾ Country nomenclature as fixed by Commission Regulation (EC) No 2317/97 (OJ L 321, 22. 11. 1997, p. 19). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 1844/98
of 27 August 1998
determining estimated production of unginned cotton for the 1998/99 marketing
year

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession of Greece, and in particular Protocol 4 on cotton as last amended by Council Regulation (EC) No 1553/95 ⁽¹⁾,

Having regard to Council Regulation (EC) No 1554/95 of 29 June 1995 ⁽²⁾ laying down general rules for the system of aid for cotton and repealing Regulation (EEC) No 2169/81, as last amended by Regulation (EC) No 1419/98 ⁽³⁾, and in particular Article 8 thereof,

Whereas Article 8 of Regulation (EC) No 1554/95 requires estimated production of cotton to be determined from crop estimates before 1 October of each marketing year; whereas on the basis of the data available the production estimate for the 1998/99 marketing year should be as indicated below;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Flax and Hemp,

HAS ADOPTED THIS REGULATION:

Article 1

For the 1998/99 marketing year estimated production of unginned cotton is

- 1 150 000 tonnes for Greece,
- 361 915 tonnes for Spain,
- 120 tonnes for other Member States.

Article 2

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

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

Done at Brussels, 27 August 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

⁽¹⁾ OJ L 148, 30. 6. 1995, p. 45.

⁽²⁾ OJ L 148, 30. 6. 1995, p. 48.

⁽³⁾ OJ L 190, 4. 7. 1998, p. 4.

COMMISSION REGULATION (EC) No 1845/98

of 27 August 1998

imposing a provisional anti-dumping duty on imports of certain large electrolytic aluminium capacitors originating in the United States of America and in Thailand

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community⁽¹⁾, as last amended by Regulation (EC) No 905/98⁽²⁾, and in particular Article 7 thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE

- (1) In October 1997 a complaint was lodged by the Federation for Appropriate Remedial Anti-Dumping (FARAD) on behalf of Nederlandse Philipsbedrijven BV (The Netherlands) and BHC Aerovox Ltd (United Kingdom). The complainants represented a major proportion of Community production of the like product. The complaint contained evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the initiation of a proceeding.
- (2) Consequently, on 29 November 1997, the Commission announced by a notice (hereinafter referred to as 'Notice of Initiation') published in the *Official Journal of the European Communities*⁽³⁾ the initiation of an anti-dumping proceeding with regard to imports into the Community of certain large electrolytic aluminium capacitors originating in the United States of America (hereinafter referred to as 'USA') and in Thailand and commenced an investigation.
- (3) The Commission officially advised the producers/exporters and importers known to be concerned as well as the representatives of the exporting countries concerned and the complainant Community producers, about the initiation of the proceeding. 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.

- (4) A number of producers/exporters in the countries concerned, as well as complainant Community producers and importers made their views known in writing. All parties who so requested within the above time limit and indicated that there were particular reasons why they should be heard were granted a hearing.
- (5) The Commission sent questionnaires to parties known to be concerned and to all the other companies which made themselves known to the Commission within the deadline set by the Notice of Initiation.
- (6) The Commission sought and verified all the information it deemed necessary for the purpose of a preliminary determination of dumping, injury and Community interest and carried out investigations at the premises of the following companies:
 - (a) *complainant Community producers:*
 - Nederlandse Philipsbedrijven BV (Zwolle, The Netherlands) and its related company, Österreichische Philips Industrie GmbH (Klagenfurt, Austria), (hereinafter referred to as 'Philips');
 - (b) *importers:*
 - Acal Electronics Ltd (Bracknell, United Kingdom),
 - Beck Elektronik Bauelemente GmbH (Nürnberg, Germany);
 - (c) *producers/exporters — USA:*
 - Matsushita Electronic Components Corporation of America (Knoxville, USA),
 - United Chemi-con Corporation (Illinois, USA).

- (7) The investigation of dumping covered the period from 1 October 1996 to 30 September 1997 (hereinafter referred to as the 'investigation period'). The examination of injury covered the period from 1 January 1993 up to the end of the investigation period (hereinafter referred to as the 'period considered').

⁽¹⁾ OJ L 56, 6. 3. 1996, p. 1.

⁽²⁾ OJ L 128, 30. 4. 1998, p. 18.

⁽³⁾ OJ C 363, 29. 11. 1997, p. 2.

- (8) It should be noted that anti-dumping measures were imposed in 1992⁽¹⁾ and 1994⁽²⁾ in respect of imports of the product concerned from Japan, the Republic of Korea and Taiwan. These measures are currently under review⁽³⁾.

B. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

- (9) The proceeding covers large, non-solid, aluminium electrolytic, electrical capacitors with a CV product (capacitance multiplied by rated voltage) between 8 000 and 550 000 micro-coulombs (μC) at a voltage of 160 V or more (hereinafter referred to as the 'LAECs'), currently classifiable under CN code ex 8532 22 00.

LAECs are electronic components used in virtually all types of electronic equipment, in the computer, telecommunications, instrumentation, industrial, military, automotive and other consumer markets. In particular, the types of capacitors covered by this proceeding are used in consumer electronics durables such as television sets, videocassette recorders and personal computers.

LAECs are produced in many different types depending, *inter alia*, on their capacitance, the rated voltage, the maximum operating temperature and the type of terminal style configuration. Despite these differences, it was found that all these types shared the same basic physical and technical characteristics and uses. LAECs as defined above were therefore considered as a single product.

- (10) The Commission found that there were no differences in the basic physical and technical characteristics and uses of the different types of LAECs sold on the domestic market of the exporting countries and those exported from these countries to the Community. Therefore, these LAECs were considered to be like products within the meaning of Article 1(4) of Council Regulation (EC) No 384/96 (hereinafter referred to as the 'Basic Regulation').
- (11) One producer/exporter and the cooperating importers in the Community claimed that some of the products originating in the countries concerned which they sold on the Community market were not comparable to the products manufactured and

sold by the Community industry, because of differences in terms of size, lifespan or terminal style configuration and that, therefore, these imported products and the products manufactured and sold by the Community producers should not be regarded as being like products.

- (12) The Commission established that, despite these differences, the products manufactured and sold by the Community industry and those imported in the Community from the countries concerned had the same basic technology and were both produced according to world-wide applicable industry standards. Both products had also the same applications and uses, and they were consequently interchangeable and were competing with each other. Therefore, in the light of the above, the products manufactured and sold by the Community industry and those exported from the countries concerned to the Community must be considered like products.

C. DUMPING

USA

Normal value

- (13) The verification visit carried out at the premises of one producer/exporter revealed partial non-cooperation of this company because this company failed to report a considerable part of its domestic sales. In accordance with Article 18(1) of the Basic Regulation, the domestic sales not reported in the questionnaire reply were included for the purpose of determining normal value based on prices and constructed normal value. For that purpose, the domestic prices used for the unreported quantities sold were set at the level of the highest prices of identical LAECs types which had been reported.
- (14) As far as the determination of normal value is concerned, the Commission first established, for each producer/exporter, whether its total domestic sales of LAECs were representative in comparison with its total export sales to the Community. In accordance with Article 2(2) of the Basic Regulation, domestic sales were considered representative when the total domestic sales volume of each producer/exporter was at least equal to 5 % of its total export sales volume to the Community.

This was the case for all producers/exporters.

⁽¹⁾ OJ L 353, 3. 12. 1992, p. 1.

⁽²⁾ OJ L 152, 18. 6. 1994, p. 1.

⁽³⁾ OJ C 365, 3. 12. 1997, p. 5; OJ C 107, 7. 4. 1998, p. 4.

- (15) The Commission subsequently established whether the types of LAECs sold domestically could be considered identical or directly comparable to the models sold for export to the Community.
- (16) For each of the types sold by the producers/exporters on their domestic markets and found to be comparable to types sold for export to the Community, the Commission established whether domestic sales were representative, within the meaning of Article 2(2) of the Basic Regulation. Domestic sales of a particular type were considered representative when the sales volume of this type on the domestic market during the investigation period represented 5 % or more of the total export sales volume of a directly comparable type sold for export to the Community.
- (17) The Commission then examined whether the domestic sales of each type could be considered as having been made in the ordinary course of trade, by establishing the proportion of profitable domestic sales to its total domestic sales of the type in question. Where the volume of LAECs sold at a net sales price equal to or above the calculated cost of production (profitable sales) represented more than 80 % of the total sales volume, normal value was based on the actual domestic price, calculated as a weighted average of the prices of all domestic sales made during the investigation period. Where the volume of profitable sales of LAECs represented up to 80 % but more than 10 % of the total sales volume, normal value was based on the actual domestic price, calculated as a weighted average of profitable sales only.
- (18) In such cases, normal value was based for each type on the basis of the prices paid or payable, in the ordinary course of trade, by independent customers in the domestic market of the exporting country, as set out in Article 2(1) of the Basic Regulation.
- (19) Where the volume of profitable sales of LAECs represented less than 10 % of the total sales volume, it was considered that domestic price would not provide an appropriate basis for normal value.
- (20) In such cases, constructed normal value had to be used in preference to domestic prices of other producers/exporters. Due to the large number of different types it was not possible to find identical or similar types sold by the other producer/exporter.
- (21) Consequently, in accordance with Article 2(3) of the Basic Regulation, normal value was constructed by adding to the manufacturing costs of the exported types a reasonable percentage for selling, general and administrative expenses (SG&A) and a reasonable margin of profit. To this end, the Commission examined whether the SG&A incurred and the profit realised by each of the producers/exporters concerned on the domestic market constituted reliable data. Actual domestic SG&A expenses were considered reliable when the domestic sales volume of the company concerned could be regarded as representative (see recital (14)).
- The actual domestic profit margin was used when the number of LAECs sold at a net sales price above the calculated cost of production represented more than 10 % of the total domestic sales volume of the company concerned. This was the case for all producers/exporters.
- (22) One producer/exporter requested an adjustment to the manufacturing cost for start-up costs related to new machinery. It was claimed that the new machinery did not reach the expected production capacity measured in terms of direct material, direct labour, depreciation and manufacturing overhead.
- The investigation revealed that this claim concerned the normal replacement of old machinery and was depreciated according to the standard accounting method. Moreover it was found that the use of the new machinery was not characterised by low capacity utilisation levels since no start-up phase could be demonstrated. It was consequently concluded that no adjustment could be made in this respect.
- (23) The same producer/exporter requested an adjustment to manufacturing costs for trial production of a new type of capacitor. It was claimed that the costs related to this production should be excluded since it would not be an accurate standard to judge the real costs involved in full commercial production.

It was established that these costs related to the production of a new type of capacitor covered by the scope of the investigation. The costs concerned were in fact research and development (R&D) expenses. The Commission allocated all R&D expenses incurred in the investigation period which related to the product under investigation to the cost of production. Given the nature of R&D expenses, i.e. they normally benefit current and future sales of products, this approach was considered the most appropriate from both an economic and an accounting point of view, since the current production benefited also from R&D expenses incurred in previous periods. Consequently, the request for an adjustment could not be accepted.

- (24) Moreover the producer/exporter concerned requested an adjustment to manufacturing cost as far as the audited depreciation costs were concerned. It claimed that the methodology used for calculating the depreciation was not accepted by the tax authorities and therefore the audited depreciation cost should be replaced by the depreciation cost used for tax purposes.

This request could not be accepted since the producer's/exporter's depreciation costs reported in its audited accounts were established according to generally accepted accounting principles of the country concerned and reasonably reflected the costs associated with the production and sale of the product under consideration. Moreover, the investigation revealed that the depreciation methods used in the audited accounts have been utilised historically. For that reason the Commission did not use the reported figures, although legitimate for tax reasons, but used instead the producer's/exporter's normal depreciation method.

- (25) Both producers/exporters purchased from related companies a substantial part of their materials used in the production of capacitors. It was claimed by the producers/exporters that the inter-company prices should be used when calculating the cost of production on the ground that these sales were made at market prices and included a profit. For provisional measures these inter-company prices have been used for the calculation of dumping. However, the Commission has not yet finalised its investigation whether the inter-company prices can form a reliable basis to determine the cost of

production and a final conclusion will only be made at the definitive stage of the investigation.

Export price

- (26) In all cases where exports of LAECs were made to independent customers in the Community, the export price was established in accordance with Article 2(8) of the Basic Regulation, i.e. on the basis of export prices actually paid or payable.
- (27) However, in most cases the export price was made to a related party. In those cases the export price was constructed pursuant to Article 2(9) of the Basic Regulation, i.e. on the basis of the price at which the imported products were first resold to an independent buyer.
- (28) In such cases, adjustments were made for all costs incurred between importation and resale and for profits accruing, in order to establish a reliable export price, at the Community frontier level.
- (29) The profit margin was provisionally established on the basis of the information made available by a number of independent importers in the Community, i.e. on average slightly above 5 % on turnover.

Comparison

- (30) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting price comparability in accordance with Article 2(10) of the Basic Regulation.

Level of trade

- (31) One producer/exporter requested an allowance for differences in level of trade based on Article 2(10)(d)(ii) of the Basic Regulation. The producer/exporter stated that a related company performed, on the domestic market, certain functions which are carried out on the export market by its European sales subsidiaries. The company claimed that when constructing the export price pursuant to Article 2(9) of the Basic Regulation, certain costs incurred by the related sales subsidiaries in the Community are deducted from the price paid by the first independent customer which are not deducted from the domestic price, thus bringing

the constructed export price to a different level of trade as compared to the normal value. According to the producer/exporter, this difference in the level of trade between the domestic and export market requires therefore an adjustment to its normal value in order to allow a proper comparison between normal value and export price.

In this respect the following should be noted. The practice of reconstructing the export price by deducting the costs incurred by the related importers brings the price of a sale to the first independent customer to the level of an arms' length price at the Community border. In the present case the resale price from the related importers was found to be at the level of prices charged to distributors or to companies using the capacitors in their production of electronic goods, i.e. end users. No price difference was found between these two sales channels. A deduction of the costs incurred in selling to the two categories of customers results in an export price which is nearer to that of the manufacturer in the chain of distribution. On the domestic market the producer/exporter claimed that its related sales company made its sales through identical sales channels as in the Community, i.e. to distributors and to the user industry of capacitors. However, the producer/exporter itself pointed out that the distributors on the domestic market and the independent distributors on the Community market were not quite comparable as the latter group identified more closely with retailers.

Moreover, as already pointed out above, the on-spot investigation revealed that the exporting producer in question failed to report a substantial part of its domestic sales (see recital (13)). The Commission was therefore unable to verify the prices and also the level of trade of these sales and could not sufficiently ascertain the allegations of the producer/exporter regarding domestic and export levels of trade.

Article 2(10)(d)(ii) of the Basic Regulation states that when an existing difference in level of trade on the export and the domestic market cannot be quantified because of the absence of the relevant levels on the domestic market of the exporting country, a special adjustment may be granted. Despite the inability of the producer/exporter to

provide the requisite evidence in support of the claim for a level of trade allowance and the observations presented above, the Commission acknowledges that the level of trade on the domestic market may not correspond exactly to that on the export market and that the reconstructed export price is nearer to the manufacturer in the distribution chain. In order to take account of this to ensure so far as possible that the price comparison is made at the appropriate level, the Commission has adjusted normal value by 10 % of the gross margin of the producer/exporter in question.

Credit costs

- (32) An adjustment to normal value was claimed by one producer/exporter in respect of credit costs. The investigation revealed that the amounts of credit costs were inflated by applying an artificially high internal company interest rate. An adjustment was therefore only granted on the basis of an interest rate for short-term loans found in the audited accounts of the producer/exporter concerned.
- (33) Other allowances for differences in import charges, transport, insurance, handling charges, discounts and commissions have been granted where applicable and justified, i.e. when a claim was made within the time limits set for that purpose, and when the party concerned could demonstrate the effect of any alleged difference on prices and price comparability.

Dumping margin

- (34) According to Article 2(11) of the Basic Regulation, the weighted average normal value by type was compared with the weighted average export price.
- (35) The comparison, as described above, showed the existence of dumping. The provisional dumping margins expressed as a percentage of the cif import price at the Community border are the following:

— Matsushita Electronic Components Corporation of America (Knoxville, USA),	19,9 %,
— United Chemi-con Corporation (Illinois, USA),	24,6 %.

Dumping margin for non-cooperating companies

- (36) For non-cooperating companies, a dumping margin was determined on the basis of the facts available.

Since the overall level of cooperation was high, it was considered appropriate to set the dumping margin for the non-cooperating companies at the level of the highest dumping margin established for an investigated producer/exporter. There is no reason to believe that a non-cooperating producer had dumped at a lower level. This approach was also considered necessary in order to avoid creating a bonus for non-cooperation and an opportunity for circumvention.

The margin, expressed as a percentage of the cif import price at the Community border, is the following: 25,5 %.

Thailand

- (37) No company replied to the questionnaire for producers/exporters.

In view of the non-cooperation from the producers/exporters in Thailand the dumping margin had to be established in accordance with Article 18 of the Basic Regulation on the basis of the facts available. In this respect it should be noted that the information available was limited. As far as the export prices from Thailand were concerned statistical information was only available for a wider product range. Moreover, since this product is commonly sold by the domestic producers directly to industrial users and not via traders it was not possible to obtain reliable price information on the Thai domestic market. The only information which was made available to the Commission was the one provided in the complaint and it was therefore provisionally decided to use this information for the determination of dumping.

- (38) On this basis, the margin, expressed as a percentage of the import price at the Community border, is 39,5 %.

D. COMMUNITY INDUSTRY**Community production**

- (39) Four large producers of LAECs, i.e. Philips, BHC Aerovox Ltd (United Kingdom), Vishay Roederstein GmbH (Germany) and Siemens-Matsushita Components GmbH & Co., KG (Germany), as well

as some small to medium-sized producers are established in the Community.

- (40) One of the large producers, Siemens-Matsushita Components GmbH & Co. KG (München, Germany) is a joint venture between a German company and a Japanese company and is related to one of the exporting producers in the USA. Therefore, this producer was excluded from the Community industry, in accordance with Article 4(1) of the Basic Regulation on the grounds that through its relationship this producer was shielded from the injurious effects of dumped imports. It should be noted that this producer was also excluded from the Community industry in the two previous proceedings concerning LAECs.

- (41) Some producers/exporters claimed that one of the complaining Community producers, Philips, could not be considered as part of the Community industry, on the grounds that another company within the Philips group, namely Philips Consumer Electronics BV, had been importing LAECs from the USA during the investigation period.

The investigation revealed that Philips Consumer Electronics BV, which bought around 40 % of Philip's output and was its biggest traditional customer, had imported LAECs from the USA during the investigation period, as components for its own production of electronic products. It was noted that the LAECs imported were used by Philips Consumer Electronics BV exclusively as components for its own production of electronic products and that the imported LAEC were never resold on the Community market.

The choice of Philips Consumer Electronics BV to be partly supplied by US exporters was made possible by the structuring of the Philips Group in different profit centres, which are all independent and free to source their materials from any producers which can give the best market conditions. This choice did not presuppose that the primary interest of Philips went from producing to importing.

For these reasons, it was considered that the imports made by Philips Consumer Electronics BV can be viewed as a perfectly legitimate business decision, since it imported the dumped products only to a limited extent, continuing to rely on its parent company for a majority of its requirements. These imports were considered as a necessary commercial measure until the time when fair conditions of competition were restored in the Community market.

It was therefore concluded that no reasonable grounds existed to exclude Philips from the Community industry. It should be noted that the same conclusion was reached in recitals (10) to (12) of Commission Regulation (EEC) No 1451/92 imposing provisional anti-dumping measures on imports of LAECs originating in Japan ⁽¹⁾.

- (42) One of the exporting producers further argued that Philips should be excluded from the definition of the Community industry, since it is related to a producer in the USA, North American Philips, which is active in the production of LAECs.

Information made available to the Commission indicated that North American Philips only produced for the North American market and that this producer did not export LAECs to the Community during the investigation period.

Therefore, the Commission concluded that Philips should not be excluded from the Community production.

- (43) Based on the above, the Community production consisted of all companies producing LAECs in the Community, with the exception of Siemens-Matsushita Components GmbH & Co., KG (Germany). These companies are hereinafter referred to as 'the Community producers'.

Community industry

- (44) As mentioned above, two Community producers actively supported the complaint. However, one of these two complainant producers, BHC Aerovox Ltd, could not submit the information requested within the deadlines set and was, therefore, excluded from the scope of the Community industry.
- (45) Another large Community producer, Vishay Roederstein GmbH (Germany), expressed support for the complaint but did not complete the questionnaire of the Commission.
- (46) One small to medium-sized Community producer, Trobo SA (Spain), expressed support for the complaint, but did not provide full information to the Commission. All other small to medium-sized Community producers remained silent.

- (47) In these circumstances, the situation of the sole co-operating complainant Community producer, Philips, was considered. It accounted for 41 % of the total estimated Community production of the product subject to investigation in the Community and thus constituted a major proportion of Community production pursuant to Article 5(4) of the Basic Regulation. Consequently, this producer will hereinafter be referred to as the 'Community industry' within the meaning of Article 4(1) of the Basic Regulation.

E. INJURY

Preliminary remarks

- (48) The geographical scope of the investigation was the Community as composed at the time of the initiation of the proceeding, i.e. the Community of fifteen Member States.
- (49) It should be noted that the analysis of any injury suffered by the Community industry has to be made in the light of the existing anti-dumping measures imposed in 1992 and in 1994 in respect of imports of the product concerned from Japan, the Republic of Korea and Taiwan. As stated above, these measures, which consist of anti-dumping duties, are currently under review.

Community consumption

- (50) Consumption was calculated as the sum of the sales made by the Community industry in the Community, an estimate of the Community sales of the other Community producers and the company excluded from the Community production as well as the volume of imports into the Community.
- (51) As regards the volume of imports, account was taken of the fact that the CN code within which LAECs fall embraces other types of capacitors not covered by the present proceeding and that, therefore, no precise figures concerning total imports of the product concerned could be obtained from the Eurostat statistics.

As concerns the volume of imports from the countries concerned, it was based on an estimate provided by the Community industry, adjusted to take account of the verified information submitted by the cooperating exporting producers in the countries concerned and the importers in the Community.

⁽¹⁾ OJ L 152, 4. 6. 1992, p. 22.

- (52) On the above basis, Community consumption increased between 1993 and 1995 from 70,7 million units to 89,2 million units, then declined to 82,5 million units in the investigation period. Overall consumption increased by 17 % over the period considered.

Imports on the Community market from the countries concerned

Cumulation of the effects of the dumped imports

- (53) The Commission examined whether imports of LAECs originating in the USA and Thailand should be assessed cumulatively, in accordance with Article 3(4) of the Basic Regulation.

- (54) In this respect, one of the co-operating exporting producers argued against the cumulation and claimed that the increase of the imports originating in Thailand over the period considered had been far more important than the increase of the imports originating in the USA and that LAECs of Thai origin were sold in the Community at prices significantly below the prices of LAECs originating in the USA.

- (55) The Commission examined these arguments, taking account of the conditions of Article 3(4) of the Basic Regulation, according to which the effects of imports shall be cumulatively assessed only if it is determined that:

- the margin of dumping established in relation to the imports from each country is more than *de minimis* as defined in Article 9(3) and that the volume of imports from each country is not negligible, and
- a cumulative assessment of the effects of the imports is appropriate in the light of the conditions of competition between imported products and the conditions between the imported products and the like Community product.

- (56) On this basis, the following provisional conclusions have been made:

- as stated in recitals (35) and (37), the dumping margins found for the two countries concerned were above the *de minimis* level and, as stated in recital (58), the volume of imports to the Community from these countries could not be considered as negligible,
- as regards the conditions of competition, the investigation demonstrated that LAECs imported from the countries concerned, considered on a type by type basis, were alike in all their essential physical and technical characteristics and thus interchangeable. Consequently,

it was found that these LAECs competed with each other and with the like product manufactured by the Community industry also as these products were sold through comparable sales channels.

- (57) In the light of the above, the Commission considered that all the criteria set out in Article 3(4) of the Basic Regulation were met. The imports from the countries concerned were therefore examined cumulatively.

Volume and market share of the dumped imports

- (58) The volume of the cumulated dumped imports into the Community of LAECs originating in the USA and in Thailand increased by 51 % over the whole period considered, i.e. from 11 million units in 1993 to 16,9 million units in 1995 and then remained stable at 16,6 million units in the investigation period. Their cumulated market share increased from 15,6 % in 1993 to 20,2 % in the investigation period, an increase of 4,6 percentage points.

Prices of the dumped imports

- (59) The investigation has shown that the average sales prices of the dumped imports from the countries concerned were significantly below the sales prices of the Community industry throughout the whole period considered.

- (60) For the purposes of the determination of price undercutting, a comparison was made, on a type-by-type basis, between the prices charged by the producers/exporters concerned to unrelated importers in the Community or, where applicable, the prices of the producers'/exporters' related importers to the first independent customers in the Community and the prices of the Community industry to independent buyers.

- (61) For the type comparison, the following criteria were used, i.e. the capacitance, the rated voltage, the operating temperature and the type of terminal style configuration. These criteria are the principal influences on the sales prices and the customer's purchasing decision. Where, on the basis of the above criteria, no identical exported and Community produced types were found, closely resembling ones were used.

(62) The two American producers/exporters claimed that the size of the LAECs should also be taken into account when comparing imported types with types produced by the Community industry, because the cost of an LAEC would be directly related to its dimension.

In this respect, it should be noted that the necessary information to address this claim was made available to the Commission only at a late stage of the proceeding. A preliminary examination of this information showed that the undercutting levels for similar types were comparable, whether or not the size of the imported LAECs was taken into consideration. Therefore, for the purposes of the provisional determination of undercutting, the size of the LAECs was not considered. However, this matter will be further examined.

(63) As regards the imports originating in the USA, transactions from the cooperating producers/exporters or, where applicable, transactions from the producers'/exporters' related importers were used. These represented a large proportion of the total imports into the Community from this country as reported by Eurostat. For the products originating in Thailand, in the absence of any cooperation from exporting producers in this country, prices of the dumped imports were established by reference to the information available, namely the purchase prices of LAECs originating in Thailand for the two cooperating unrelated importers in the Community.

(64) As regards the sales made by the Community industry, due to the large number of different types of LAECs, the price comparison was made on the basis of a selection of transactions representing approximately 70 % of the volume of sales of all types of LAECs made by the Community industry.

(65) The sales prices of the Community industry considered were adjusted, where necessary, to ex-works level. As far as the comparison of sales prices of export transactions made directly to unrelated customers is concerned, adjustments were also made to the producers'/exporters' selling prices to take account of customs duty paid and an allowance in respect of post importation costs and profit. All prices were compared after excluding all discounts and rebates and at a comparable level of trade.

(66) As a result of this comparison, the following weighted average price undercutting, expressed as a percentage of the Community producer's prices, were found:

- USA: between 0 % and 25 %, on average 9 %,
- Thailand: between 0 % and 41 %, on average 12 %.

Situation of the Community industry

Sales volume of the Community industry

(67) The volume of sales of the Community industry on the Community market increased between 1993 and 1995 from an indexed 100 to an indexed 118, but then decreased to an indexed 88 in the investigation period, i.e. an overall decrease of 12 % over the period considered.

Market share

(68) The development of sales volume compared to that of the Community consumption shows that the market share held by the Community industry decreased from an indexed 100 in 1993 to an indexed 75 in the investigation period.

Production, capacity and capacity utilisation

(69) Production by the Community industry increased between 1993 and 1995 from an indexed 100 to an indexed 123, then decreased to an indexed 98 in the investigation period. This represents an overall decrease in production output of 2 % over the period considered. However, this output decreased by nearly 20 % between 1995 and the investigation period during which the abovementioned earlier increase was nullified.

(70) Capacity increased by 21 % between 1993 and 1995, remained stable through 1996 but then increased by a further 15 % in the investigation period. It should be noted that the increase in capacity between 1993 and 1995 was in line with the development of the apparent consumption on the Community market over that period of time. The increase in capacity in the investigation period was due to the development of a new range of so-called 'radial' LAECs.

(71) Assessed in the light of the development of production and capacity, capacity utilisation increased between 1993 and 1994, from an indexed 100 to an indexed 109, but declined steadily thereafter to an indexed 72 in the investigation period.

Stocks

- (72) The evolution of the stocks held by the Community industry showed an irregular trend. These stocks increased between 1993 and 1995 from an indexed 100 to an indexed 168, then declined in 1996 to approximately an indexed 125 and increased again in the investigation period, to an indexed 252. The number of days of sales represented by the stocks held by the Community industry nearly tripled over the period considered.

Evolution of prices

- (73) The average sales prices of the Community industry to unrelated parties increased between 1993 and the investigation period by 44 %. During the same time, average export prices from the USA and Thailand increased respectively by 49 % and 58 %. Despite this increase, prices from the exporting countries concerned undercut significantly the Community industry's prices during the investigation period. When assessing these figures, it should be borne in mind that the consumption of the product concerned substantially increased from 1993 to the investigation period, that the evolution of average selling prices is heavily dependent on the product mix and that the price development on the Community market was influenced by the imposition of previous anti-dumping measures.

Profitability

- (74) The financial results of the Community industry, expressed as a percentage of net sales, showed a loss of close to 6 % in 1993. These results then improved and in 1995 the Community industry recorded a profit of close to 7 %. However, after 1995 the situation significantly deteriorated and it was found that in the investigation period the Community industry was approximately at break-even point.

It should be noted that the increase in profitability between 1993 and 1995 coincided with the period immediately following the imposition of anti-dumping measures on imports of certain LAECs originating in Japan (1992) and in Taiwan and the Republic of Korea (1994). It also coincided with a period of growing sales, both in volume and in value, and of increasing production levels.

On the other hand, the decline in profitability after 1995 should be seen in the light of the Community industry's decline in sales, which triggered a signifi-

cant drop in production and a decline in the usage of capacity installed, with a consequent increase of unit costs. Indeed, the share of fixed costs in the unit cost of production increased and other SG&A costs increased as well, as a result of the more difficult market conditions.

Investments

- (75) Yearly investments made by the Community industry increased between 1993 and 1996 from an indexed 100 to an indexed 576. Investments ceased in the investigation period.

Employment

- (76) Employment levels in the Community industry for the product concerned declined during the period considered by 26 %, as a result of a higher efficiency on one hand and of a general restructuring on the other hand, due to the declining financial results after 1995.

Productivity

- (77) Productivity of the Community industry, measured as output per person employed, increased between 1993 and 1995 from an indexed 100 to an indexed 128, essentially as a result of the decline in employment and the increase in production levels. Productivity declined after 1995, due to the strong decrease in production, but went up again in the investigation period, further to an additional decline in employment. Overall, productivity increased by 26 % during the period considered.

Conclusion

- (78) The investigation has shown that the Community industry has suffered significant price pressure throughout the period considered from the imports originating in the USA and Thailand, which were entering the Community market in growing quantities and which undercut the Community industry's selling prices by up to respectively 25 % and 41 % in the investigation period. In addition, the Community industry has endured a considerable drop in sales, market share and production, at a time of growing demand on the Community market (+17 %).

- (79) Furthermore, the Community industry's financial situation, after an improvement between 1993 and 1995, was unsatisfactory and largely insufficient to

maintain investments and R&D, since a break-even situation was found for the investigation period. It should be noted in particular that injurious dumping from the USA and Thailand took place at a time when the industry was recovering from past dumping.

- (80) Finally, employment levels decreased continuously over the whole period considered.
- (81) Overall, it should be noted that the situation of the Community industry particularly deteriorated in the later years of the period considered (1995 to the end of the investigation period).
- (82) In the light of the foregoing analysis, the Commission has provisionally concluded that the Community industry has suffered material injury within the meaning of Article 3(1) of the Basic Regulation.

F. CAUSATION OF INJURY

Preliminary remarks

- (83) The Commission examined whether the material injury suffered by the Community industry was caused by the dumped imports from the countries concerned or whether other factors had caused that injury.

For this purpose, it is recalled that the Commission already established in previous Regulations on imports of LAECs into the Community that the Community market for this product is transparent and price sensitive. As a consequence, the mere availability of low-priced dumped imports on this market has a perceptible and immediate impact on its overall situation.

Effects of the dumped imports

- (84) The investigation has shown that the decline in sales, market share and production levels suffered by the Community industry during the period considered coincided with a significant increase of the volume and market share of the dumped imports from the countries concerned. Indeed, the volume of these imports increased by 51 % and their market share gained nearly five percentage points over the period considered, from an indexed 100 in 1993 to an indexed 129 in the investigation period. At the same time, the sales of the Community industry declined by 12 % and its market share declined from an indexed 100 in 1993 to an indexed 75 in the investigation period.

- (85) Furthermore, it was found that the imports from the countries concerned significantly undercut the Community industry's prices. As stated above, given the price sensitivity of the market, any downward pressure on prices tends to have an immediate impact on the market.

- (86) As concerns the Community industry's financial situation, it should be borne in mind that at the beginning of the period considered, this industry was still recovering from past dumping from imports of certain LAECs originating in Japan, Taiwan and the Republic of Korea and was making losses.

In 1994 and 1995, the Community industry's financial situation improved. This improvement also coincided with the imposition of anti-dumping measures on imports of LAECs from Japan, Taiwan and the Republic of Korea. It is also to be noted that, during this time, due notably to a growing demand on the Community market, the Community industry was able to increase its sales volume and prices. This industry also increased production, as well as productivity and reduced costs of production and selling expenses. This enabled the Community industry to show profits in 1995.

From 1995 onwards, the profitability of the Community industry deteriorated again, despite an increase in average selling prices, comparable to the increase of the average selling prices of the imports concerned. This decline was essentially due to a decline in sales, which caused a drop in production and a consequent decrease in capacity utilisation and, until 1996, in productivity. Unit selling costs increased as well, due to the difficulties faced by the Community industry to market its products.

- (87) Moreover, the Community industry could not sufficiently benefit from the effect of the abovementioned anti-dumping measures, as the re-establishment of undistorted trading conditions and the recovery of this industry from past injury was undermined, from 1995 onwards, by the dumped imports from the USA and Thailand. These imports remained stable in volume terms between 1995 and the investigation period, despite a decline in consumption and, therefore, increased their market share. In this respect, it should be noted that most of the producers/exporters located in the USA and in Thailand are related to Japanese manufacturers of LAECs.

- (88) Finally, it should be noted that, as a result of the declining financial results and of restructuring efforts, employment levels decreased continuously over the period considered.

Other factors

- (89) The Commission examined whether the material injury suffered by the Community industry could have been caused by factors other than the dumped imports. In particular, the Commission looked at the trend in consumption in the Community market, the performance of the Community industry and its marketing strategy, as well as the evolution and impact of imports from third countries not included in the present proceeding.

Community consumption

- (90) One of the cooperating producers/exporters claimed that the decline in sales suffered by the Community industry after 1995 was due to a general downturn in the economic cycle of the LAECs market.

It should be noted that the Community consumption declined by 8 % between 1995 and the investigation period and that, during the same period, the sales of the Community industry decreased by 25 %, i.e. a far larger decrease than the Community consumption. Moreover, between 1995 and the investigation period, despite the decline in consumption, the cumulated dumped imports originating in the USA and Thailand remained stable in volume terms at the high level of 1995 but increased their market share.

Performance of the Community industry

- (91) Some of the producers/exporters argued that the injury suffered by the Community industry was not due to the dumped imports, but resulted from a general lack of performance of the Community industry. In particular, the following comments were raised:

- (92) It was argued that the producers/exporters were more cost-efficient and more productive than the Community industry and that this advantage in terms of costs of production enabled these producers/exporters to sell LAECs at lower prices.

However, without examining the issue as to whether the producers/exporters concerned actually enjoyed any kind of cost advantages, it

must be stressed that, as stated above, as a result of increasing imports made from the countries concerned by the present investigation at dumped prices, the Community industry could not make full use of its production capacity and was materially injured. In these circumstances, it is considered that, irrespective of any cost advantages, even if these were accepted, this dumping of the producers/exporters caused injury to the Community industry.

- (93) It was further claimed that the Community industry was less advanced in product innovation and miniaturisation as compared to the producers/exporters in the countries concerned and that, as a result of this delay, the Community industry's product range was not as complete as the exporting producers' range, which rendered the Community industry's products less attractive to customers.

The Commission compared the product ranges offered by the co-operating parties. This comparison showed that, during the investigation period, the Community industry offered a wide range of products, largely comparable with regard to physical and technical characteristics as well as applications and uses to that of the producers/exporters, including miniaturised types. It was also found that, as is the usual practice in this industry, the Community industry was able to produce 'special' or 'custom' designs, according to specific needs of specific customers. It was also found that the Community industry introduced, at the beginning of the investigation period, new series of miniaturised LAECs, largely comparable to the miniaturised imported products.

- (94) Finally, the producers/exporters claimed that the Community industry sold overspecified LAECs in terms of lifetime. This over-specification resulted in substantially higher selling prices than those of the producers/exporters concerned.

The results of the investigation have shown that the Community industry manufactured LAECs in accordance with the specifications requested by their customers. Moreover, it was found that the catalogue lifetime specifications of the Community industry were not always based on the same criteria as compared to the those of the producers/exporters, as different ways existed to express the lifetime of LAECs (e.g. 'total load life', 'test life', 'endurance', etc), depending on the measurement criteria used. In this respect, no evidence was provided that the

alleged overspecification of the Community industry's products resulted from anything other than the different criteria used to measure the lifetime. Therefore, in these circumstances, the argument cannot be considered as being substantiated and the allegations of these producers/exporters cannot be accepted.

Marketing strategy

- (95) One of the cooperating producers/exporters claimed that the Community industry focused its marketing strategy on end-users and neglected other sales channels, notably distributors. It was further claimed that, since end-users generally exert a much stronger downwards pressure on prices, this explained the losses incurred by the Community industry.

However, it was found that the Community industry sold a significant proportion of its output to distributors. Moreover, no differences between the Community industry's and the producers'/exporters' sales prices to end users and to distributors could be identified. Therefore, this claim could not be accepted.

Imports from other third countries

- (96) It was found that the overall market share of imports from third countries not concerned by this proceeding increased by four percentage points during the period considered. The Commission examined in particular imports from Japan, the Republic of Korea and Taiwan, which represented approximately 90 % of the imports from countries other than the USA and Thailand in the investigation period and account for nearly the entire above increase in the market share of other third countries.
- (97) The imports of LAECs originating in Japan, the Republic of Korea and Taiwan are currently subject to anti-dumping measures, which are under review.

Since the cumulated market share of Japanese, Korean and Taiwanese imports increased during the period considered from 35 % to 38,9 % and since it was found that the average sales prices of these imports were below those of the Community industry, it cannot be excluded that these imports contributed to the injury sustained by the Community industry, despite the anti-dumping measures in force.

Conclusion

- (98) Although it cannot be excluded that some of the imports from other third countries and the recent reduction of Community consumption may have contributed to the loss in market share and the

disadvantageous situation of the Community industry, the investigation has also shown that these factors were not such as to break the causal link between the imports subject to the investigation and the material injury suffered by the Community industry.

This conclusion is drawn in particular given the decline in sales and the loss of market share of the Community industry, over a period during which demand in the Community increased globally, which coincided with a notable increase in the volume of imports originating in the USA and Thailand, at prices which undercut those of the Community industry. Consequently, in a period where the Community industry was trying to recover from past dumping practises from other third countries it was unable to benefit from the increased demand on the Community market, but it was also unable to benefit from the economies of scale which would have resulted from an increased sales volume, if the Community industry could have maintained its market share. Moreover, as a result of this decline in sales, the average profitability of the Community industry was again on the decline after 1995 and so were employment levels and investments. Therefore, it is concluded that dumped imports from the countries concerned caused material injury to the Community industry during the period considered.

G. COMMUNITY INTEREST

Preliminary remarks

- (99) The Commission provisionally examined, on the basis of the information submitted, whether, despite the dumping and injury findings, compelling reasons exist which would lead to the conclusion that it is not in the Community interest to impose measures in the present case.

For this purpose, the Commission has considered the impact of the imposition and non-imposition of measures for all parties involved in the proceeding.

Collection of information

- (100) In order to assess the impact of the measures currently in force, the Commission requested information from all interested parties known, including parties in the upstream industries, the Community producers, importers/distributors and the users. It should be noted that no replies were received from the upstream industries.

Community industry

Nature and structure of the Community industry

- (101) It is recalled that, although the Community industry only consists of Philips, other Community producers, large and small to medium-sized companies, are spread over most Member States.

While the large producers are part of internationally diversified groups, the smaller Community producers are for the largest part family-owned small to medium-sized companies.

- (102) Replies to the Community interest questionnaire were only provided by the Community industry and by a smaller producer located in Spain, which expressed support for the imposition of anti-dumping measures.

Viability of the Community industry

- (103) The present investigation has shown that, between 1993 and 1995, the financial situation of the Community industry, which was recovering from past dumping, improved notably, essentially because of restructuring and rationalisation efforts made by the Community industry. The growing demand and a general price increase in the Community coinciding with the imposition of anti-dumping measures in 1992 and in 1994. The industry also proved its technological commitment by introducing a new range of so-called 'radial' LAECs in 1996 and miniaturised LAECs types near the beginning of the investigation period. This demonstrated that the Community industry is still viable, provided that fair conditions of competition are restored. After 1995, as a result of the dumped imports and the decline in volume of sales, market share and production levels resulting thereof, the financial situation of the Community industry worsened again. At the end of the investigation period, the financial results of the Community industry indicated a break even situation, which is not sufficient to ensure a proper return on cumulated investments and R&D.

Effects of the existing measures

- (104) Concerning the anti-dumping measures currently in force on the imports of LAECs originating in Japan, Taiwan and the Republic of Korea, it should be noted that, between 1993 and 1995, coinciding with the imposition of these measures, the

Community industry was able to improve its financial situation, notably through an increase in sales prices and sales volumes. During this same period, the cumulated market share of the imports originating in the abovementioned countries remained stable at 35 %.

- (105) After 1995, the cumulated market share of the imports originating in Taiwan and the Republic of Korea remained stable. As regards Japan, the volume of imports originating from that country and their relative market share increased, despite a decline in Community consumption. However, it should be stressed that the anti-dumping measures applicable on the imports of LAECs originating in Japan cover a narrower range of LAECs than that covered in the present proceeding concerning imports from the USA and Thailand. Therefore, the Japanese producers/exporters have been able to continue to sell a number of types of LAECs on the Community market, without paying any anti-dumping duties.

Effects of the imposition or non-imposition of measures on imports originating in the USA and Thailand

- (106) While the Community industry was in process of recovering from past injurious dumping, it was confronted to the impact of the dumped imports originating in the USA and Thailand.

If such dumped imports are allowed to continue further, the Community industry will face a further deterioration of its already weakened position with the strong possibility of partial or total shut-down. This would leave the Community without at least one major player, with a consequent loss of research and development and employment. More importantly, given the size of the Community industry, this may influence future conditions of competition.

- (107) On the other hand, from the experience of the existing measures on Japan, Taiwan and the Republic of Korea, it can reasonably be expected that, if measures were imposed, the Community industry should be able to increase its sales volumes and its market share and thus its production levels and its production capacity utilisation. This would in turn lead to substantially lower costs per unit and to an improvement of its financial situation.

Likely effects of the imposition of measures on the importers/distributors

- (108) Only two importers in the Community, not related to producers/exporters, cooperated in the proceeding. They submitted that the imposition of measures in the current proceeding would have deleterious effects on the importers of the product concerned in the Community.
- (109) The investigation showed that, for both these unrelated importers, LAEC only represented a small proportion of their activities, in terms of turnover and profit contribution. It is therefore concluded that, in the circumstances and in the absence of any other substantiated comments, the imposition of measures in the present proceeding would only have a minimal impact.

Likely effects of the imposition of measures on the users of the product concerned

- (110) Two categories of users were identified:
- the manufacturers of power supply devices. These power supplies are then incorporated in finished consumer electronics goods,
 - the manufacturers of finished electronics goods.
- (111) As regards the manufacturers of power supplies, according to the information available, this industry employs some 12 000 people and represents a total turnover of approximately ECU 1 500 million. Submissions were received from a number of companies accounting for approximately 9 % of total industry's turnover and employment and whose consumption of LAECs in the investigation period accounted for approximately 5 % of the total Community consumption, according to available information. These companies expressed strong concerns over the imposition of measures in the present proceeding. These companies argued that the imposition of measures would result in a significant increase in purchase costs, which could force a significant number of companies to delocalise production outside the Community, with a consequent significant loss of employment.
- (112) The examination of the facts has shown that the cost of an LAEC represents approximately 4 % of the total cost of a power supply device. It was also found that the weighted average profitability, expressed as a percentage of net sales, of the

companies which submitted information was more than 18 % in the investigation period.

- (113) While the Commission acknowledges that the consumer electronic industry is highly competitive and that every reduction in cost is important, it must be stressed that the lower prices being offered by the producers/exporters in the countries concerned are the result of unfair trading practices, which are injurious and detrimental to the Community manufacturing industry. Moreover, no information was submitted which would indicate that power supply manufacturers delocalised production outside the Community as a result of measures being imposed on imports originating in Japan, in the Republic of Korea and Taiwan.
- (114) As regards the manufacturers of finished consumer electronics goods, one large producer of monitor display products submitted that the imposition of anti-dumping measures on LAECs would result in increased purchase costs and could therefore affect their manufacturing operations in the Community. However, the Community interest analysis performed in the previous proceedings concerning LAECs, has demonstrated that the cost of an LAEC in the total cost of a finished consumer product, rarely exceeds 1 %. No information has been provided to the Commission in the present proceeding, which would contradict this finding.
- (115) In these circumstances, it is concluded that the impact on final users should duties be imposed on LAECs can be considered as negligible in view of the low share of costs represented by capacitors in the total cost of the end product. It should be noted that the same conclusion was reached in all the other previous anti-dumping proceedings concerning imports of LAECs.

Conclusion on Community interest

- (116) Given the rate of increase of the imports from the USA and Thailand over the period considered and the behaviour of the producers/exporters on the Community market to constantly and significantly undercut the prices of the Community industry and to take market share away from the Community industry, there is a likelihood that, in the absence of measures, this trend will continue and further aggravate the injury caused to the Community producers.

- (117) The effects of the imposition of measures can be expected to enable the Community industry to improve profitability through increased production levels, with consequent beneficial effects on the competitive conditions on the Community market and the reduction of the threat of closures and reductions in employment. The beneficial effects are also expected to assist the Community producers to finance investments and R&D in order to become even more competitive on the market.
- (118) As regards the users and distributors, any expected price increase would only create limited disadvantages.
- (119) In balancing all the interests involved, the Commission has taken special consideration of the fact that the Community industry might be forced to shut down if correction to the unfair trading practices by the producers/exporters is not provided and the medium-term advantages for the user industry of being supplied at lower prices might then disappear. Indeed, in all likelihood, the disappearance of one important Community producer may influence the total level of competition on the Community market.
- (120) It is, therefore, concluded that no compelling reasons exist which would indicate that it is not in the Community interest to impose provisional duties.

H. PROVISIONAL DUTY

Injury elimination level

- (121) Having established that the dumped imports under consideration have caused material injury to the Community industry and that it is not against the Community interest to take action, the measures envisaged should be imposed at a level sufficient to eliminate the injury caused by these imports without exceeding the dumping margins found.
- (122) The removal of such injury requires that the prices of the dumped imports should be increased to a non-injurious level.

For the purposes of calculating the necessary price increase, i.e. the injury margin, the Commission considered that the prices of the dumped imports had to be compared with selling prices reflecting the total costs of production including SG&A

expenses of the Community industry plus a reasonable level of profit.

On this basis, the weighted average export prices for those product types used in the determination of price undercutting were compared, for the investigation period, with the actual weighted average selling prices charged by the Community industry increased, where appropriate, to cover production cost plus a profit margin of 12 % of turnover. The export prices used and the adjustments made for the purpose of this determination were the same as those described in recitals (60) to (65).

The profit margin of 12 % was considered, for the purpose of a preliminary determination, to be the appropriate profit margin, this being the profit margin used for the injury margin determination in the previous proceeding concerning imports of LAECs originating in Japan. The Commission did not find any changed circumstances in the Community market since the investigation in that proceeding which could justify a change in the profit level chosen.

Moreover, it should be noted that this level of profit margin is lower than the average profit margins realised by the cooperating producers/exporters concerned.

- (123) For non-cooperating exporting producers in the USA, the injury margin was determined on the basis of the facts available, i.e. the highest injury margin found for cooperating companies.
- (124) For the producers/exporters in Thailand, none of which cooperated, the injury margin was based on the information supplied by the cooperating unrelated importers in the Community. In addition, the highest injury margin found was applied to the share of imports not covered by these cooperating unrelated importers. On that basis, a total weighted average injury margin was then computed for the totality of the Thai imports concerned.

Results of the calculation

- (125) The above comparison showed the following injury elimination levels for each producer/exporter, expressed as a percentage of the net, free-at-Community-frontier price:

Country	Company	Injury margins
USA	Matsushita Electronic Components Corporation of America (Knoxville, USA)	27,8 %
	United Chemi-con Corporation (Illinois, USA)	28,9 %
	Other manufacturers	28,9 %
Thailand	All Companies (non-cooperation)	39,4 %

Provisional anti-dumping duty

- (126) In the light of the foregoing, it is considered that provisional anti-dumping duties should be imposed on the level of the dumping margins found, but should not be higher than the injury margins set out in recital (125) above. The proposed provisional duty rates (in % on the cif Community border, customs duty unpaid) are as follows:

Country	Company	Provisional duty
USA	Matsushita Electronic Components Corporation of America (Knoxville, USA)	19,9 %
	United Chemi-con Corporation (Illinois, USA)	24,6 %
	Other Manufacturers	24,6 %
Thailand	All (non-cooperation)	39,4 %

I. RIGHTS OF INTERESTED PARTIES

- (127) In the interest of sound administration, a period should be fixed within which the interested parties which made themselves known within the time limit specified in the notice of initiation may make their views known in writing and request a hearing. Furthermore, it should be stated that the findings made for the purpose of this Regulation are provisional and may have to be considered for the purpose of any definitive duty,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is hereby imposed on imports of large electrical capacitors, non-solid, aluminium electrolytic, with a CV product (capacitance multiplied by rated voltage) between 8 000 and 550 000 micro-coulombs (μC) at a voltage of 160 V or more, falling within CN code ex 8532 22 00 (Taric codes: 8532 22 00 11; 8532 22 00 13; 8532 22 00 91 and 8532 22 00 93) originating in the United States of America and Thailand.

2. The rate of the provisional anti-dumping duty applicable to the net, free-at-Community-frontier price, before duty, shall be as follows for products originating in:

Country	Provisional duty	Taric additional code
United States of America	24,6 %	8 900
Thailand	39,4 %	—

The above rates shall not apply to the products manufactured by the company listed below, which shall be subject to the following rate of anti-dumping duty:

Country	Company	Provisional duty	Taric additional code
United States of America	Matsushita Electronic Components Corporation of America	19,9 %	8682

3. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

4. The release for free circulation in the Community of the product referred to in paragraph 1 shall be subject to the provision of a security, equivalent to the amount of the provisional duty.

Article 2

Pursuant to Article 20(1) of Regulation (EC) No 384/96, the parties who made themselves known within the time limit specified in the notice of initiation may make their views known in writing and apply to be heard orally by the Commission within 15 days of the date of entry into force of this Regulation.

Pursuant to Article 21(4) of Regulation (EC) No 384/96, the parties who made themselves known within the time limit specified in the notice of initiation concerned may comment on the application of this Regulation within one month of the date of its entry into force.

Article 3

Article 1 of this Regulation shall apply for a period of six months.

Article 4

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

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

Done at Brussels, 27 August 1998.

For the Commission

Leon BRITTAN

Vice-President

COMMISSION REGULATION (EC) No 1846/98
of 27 August 1998
fixing the export refunds on milk and milk products

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 804/68 of 27 June 1968 on the common organisation of the market in milk and milk products ⁽¹⁾, as last amended by Regulation (EC) No 1587/96 ⁽²⁾, and in particular Article 17 (3) thereof,

Whereas Article 17 of Regulation (EEC) No 804/68 provides that the difference between prices in international trade for the products listed in Article 1 of that Regulation and prices for those products within the Community may be covered by an export refund within the limits resulting from agreements concluded in accordance with Article 228 of the Treaty;

Whereas Regulation (EEC) No 804/68 provides that when the refunds on the products listed in Article 1 of the abovementioned Regulation, exported in the natural state, are being fixed account must be taken of:

- the existing situation and the future trend with regard to prices and availabilities of milk and milk products on the Community market and prices for milk and milk products in international trade,
- marketing costs and the most favourable transport charges from Community markets to ports or other points of export in the Community, as well as costs incurred in placing the goods on the market of the country of destination,
- the aims of the common organisation of the market in milk and milk products which are to ensure equilibrium and the natural development of prices and trade on this market,
- the limits resulting from agreements concluded in accordance with Article 228 of the Treaty, and
- the need to avoid disturbances on the Community market, and
- the economic aspect of the proposed exports;

Whereas Article 17 (5) of Regulation (EEC) No 804/68 provides that when prices within the Community are being determined account should be taken of the ruling prices which are most favourable for exportation, and that

when prices in international trade are being determined particular account should be taken of:

- (a) prices ruling on third country markets;
- (b) the most favourable prices in third countries of destination for third country imports;
- (c) producer prices recorded in exporting third countries, account being taken, where appropriate, of subsidies granted by those countries; and
- (d) free-at-Community-frontier offer prices;

Whereas Article 17 (3) of Regulation (EEC) No 804/68 provides that the world market situation or the specific requirements of certain markets may make it necessary to vary the refund on the products listed in Article 1 of the abovementioned Regulation according to destination;

Whereas Article 17 (3) of Regulation (EEC) No 804/68 provides that the list of products on which export refunds are granted and the amount of such refunds should be fixed at least once every four weeks; whereas the amount of the refund may, however, remain at the same level for more than four weeks;

Whereas, in accordance with Article 12 of Commission Regulation (EC) No 1466/95 of 27 June 1995 on specific detailed rules for the application of export refunds on milk and milk products ⁽³⁾, as last amended by Regulation (EC) No 897/98 ⁽⁴⁾, the refund granted for milk products containing added sugar is equal to the sum of the two components; whereas one is intended to take account of the quantity of milk products and is calculated by multiplying the basic amount by the milk products content in the product concerned; whereas the other is intended to take account of the quantity of added sucrose and is calculated by multiplying the sucrose content of the entire product by the basic amount of the refund valid on the day of exportation for the products listed in Article 1(1)(d) of Council Regulation (EEC) No 1785/81 of 30 June 1981 on the common organisation of the markets in the sugar sector ⁽⁵⁾, as last amended by Regulation (EC) No 1148/98 ⁽⁶⁾; whereas, however, this second component is applied only if the added sucrose has been produced using sugar beet or cane harvested in the Community;

⁽¹⁾ OJ L 148, 28. 6. 1968, p. 13.

⁽²⁾ OJ L 206, 16. 8. 1996, p. 21.

⁽³⁾ OJ L 144, 28. 6. 1995, p. 22.

⁽⁴⁾ OJ L 126, 29. 4. 1998, p. 22.

⁽⁵⁾ OJ L 177, 1. 7. 1981, p. 4.

⁽⁶⁾ OJ L 159, 3. 6. 1998, p. 38.

Whereas the level of refund for cheeses is calculated for products intended for direct consumption; whereas the cheese rinds and cheese wastes are not products intended for this purpose; whereas, to avoid any confusion in interpretation, it should be specified that there will be no refund for cheeses of a free-at-frontier value less than ECU 230,00 per 100 kilograms;

Whereas Commission Regulation (EEC) No 896/84 ⁽¹⁾, as last amended by Regulation (EEC) No 222/88 ⁽²⁾, laid down additional provisions concerning the granting of refunds on the change from one milk year to another; whereas those provisions provide for the possibility of varying refunds according to the date of manufacture of the products;

Whereas for the calculation of the refund for processed cheese provision must be made where casein or caseinates are added for that quantity not to be taken into account;

Whereas it follows from applying the rules set out above to the present situation on the market in milk and in particular to quotations or prices for milk products within the Community and on the world market that the refund should be as set out in the Annex to this Regulation;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Milk and Milk Products,

HAS ADOPTED THIS REGULATION:

Article 1

1. The export refunds referred to in Article 17 of Regulation (EEC) No 804/68 on products exported in the natural state shall be as set out in the Annex.
2. There shall be no refunds for exports to destination No 400 for products falling within CN codes 0401, 0402, 0403, 0404, 0405 and 2309.
3. There shall be no refunds for exports to destinations No 022, 024, 028, 043, 044, 045, 046, 052, 404, 600, 800 and 804 for products falling within CN code 0406.

Article 2

This Regulation shall enter into force on 28 August 1998.

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

Done at Brussels, 27 August 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

⁽¹⁾ OJ L 91, 1. 4. 1984, p. 71.

⁽²⁾ OJ L 28, 1. 2. 1988, p. 1.

ANNEX

to the Commission Regulation of 27 August 1998 fixing the export refunds on milk and milk products

(in ECU/100 kg net weight unless otherwise indicated)

Product code	Destination (°)	Amount of refund	Product code	Destination (°)	Amount of refund
0401 10 10 9000	970	2,327	0402 21 91 9900	+	136,76
	***	—	0402 21 99 9100	+	103,34
0401 10 90 9000	970	2,327	0402 21 99 9200	+	104,05
	***	—	0402 21 99 9300	+	105,34
0401 20 11 9100	970	2,327	0402 21 99 9400	+	112,58
	***	—	0402 21 99 9500	+	115,09
0401 20 11 9500	970	3,597	0402 21 99 9600	+	124,73
	***	—	0402 21 99 9700	+	130,38
0401 20 19 9100	970	2,327	0402 21 99 9900	+	136,76
	***	—	0402 29 15 9200	+	0,7400
0401 20 19 9500	970	3,597	0402 29 15 9300	+	0,9054
	***	—	0402 29 15 9500	+	0,9538
0401 20 91 9100	970	4,551	0402 29 15 9900	+	1,0262
	***	—	0402 29 19 9200	+	0,7400
0401 20 91 9500	+	—	0402 29 19 9300	+	0,9054
0401 20 99 9100	970	4,551	0402 29 19 9500	+	0,9538
	***	—	0402 29 19 9900	+	1,0262
0401 20 99 9500	+	—	0402 29 91 9100	+	1,0334
0401 30 11 9100	+	—	0402 29 91 9500	+	1,1258
0401 30 11 9400	970	10,50	0402 29 99 9100	+	1,0334
	***	—	0402 29 99 9500	+	1,1258
0401 30 11 9700	970	15,77	0402 91 11 9110	+	—
	***	—	0402 91 11 9120	+	—
0401 30 19 9100	+	—	0402 91 11 9310	+	11,31
0401 30 19 9400	+	—	0402 91 11 9350	+	13,85
0401 30 19 9700	970	15,77	0402 91 11 9370	+	16,84
	***	—	0402 91 19 9110	+	—
0401 30 31 9100	+	38,32	0402 91 19 9120	+	—
0401 30 31 9400	+	59,85	0402 91 19 9310	+	11,31
0401 30 31 9700	+	66,00	0402 91 19 9350	+	13,85
0401 30 39 9100	+	38,32	0402 91 19 9370	+	16,84
0401 30 39 9400	+	59,85	0402 91 31 9100	+	—
0401 30 39 9700	+	66,00	0402 91 31 9300	+	19,91
0401 30 91 9100	+	75,22	0402 91 39 9100	+	—
0401 30 91 9400	+	110,55	0402 91 39 9300	+	19,91
0401 30 91 9700	+	129,01	0402 91 51 9000	+	—
0401 30 99 9100	+	75,22	0402 91 59 9000	+	—
0401 30 99 9400	+	110,55	0402 91 91 9000	+	63,94
0401 30 99 9700	+	129,01	0402 91 99 9000	+	63,94
0402 10 11 9000	+	74,00	0402 99 11 9110	+	—
0402 10 19 9000	+	74,00	0402 99 11 9130	+	—
0402 10 91 9000	+	0,7400	0402 99 11 9150	+	—
0402 10 99 9000	+	0,7400	0402 99 11 9310	+	0,2555
0402 21 11 9200	+	74,00	0402 99 11 9330	+	0,3067
0402 21 11 9300	+	90,54	0402 99 11 9350	+	0,4077
0402 21 11 9500	+	95,38	0402 99 19 9110	+	—
0402 21 11 9900	+	102,60	0402 99 19 9130	+	—
0402 21 17 9000	+	74,00	0402 99 19 9150	+	—
0402 21 19 9300	+	90,54	0402 99 19 9310	+	0,2555
0402 21 19 9500	+	95,38	0402 99 19 9330	+	0,3067
0402 21 19 9900	+	102,60	0402 99 19 9350	+	0,4077
0402 21 91 9100	+	103,34	0402 99 31 9110	+	—
0402 21 91 9200	+	104,05	0402 99 31 9150	+	0,4245
0402 21 91 9300	+	105,34	0402 99 31 9300	+	0,3832
0402 21 91 9400	+	112,58	0402 99 31 9500	+	0,6600
0402 21 91 9500	+	115,09	0402 99 39 9110	+	—
0402 21 91 9600	+	124,73	0402 99 39 9150	+	0,4245
0402 21 91 9700	+	130,38	0402 99 39 9300	+	0,3832

Product code	Destination (*)	Amount of refund	Product code	Destination (*)	Amount of refund
0402 99 39 9500	+	0,6600	0404 90 29 9160	+	130,38
0402 99 91 9000	+	0,7522	0404 90 29 9180	+	136,76
0402 99 99 9000	+	0,7522	0404 90 81 9100	+	0,7400
0403 10 11 9400	+	—	0404 90 81 9910	+	—
0403 10 11 9800	+	—	0404 90 81 9950	+	0,2555
0403 10 13 9800	+	—	0404 90 83 9110	+	0,7400
0403 10 19 9800	+	—	0404 90 83 9130	+	0,9054
0403 10 31 9400	+	—	0404 90 83 9150	+	0,9538
0403 10 31 9800	+	—	0404 90 83 9170	+	1,0262
0403 10 33 9800	+	—	0404 90 83 9911	+	—
0403 10 39 9800	+	—	0404 90 83 9913	+	—
0403 90 11 9000	+	72,75	0404 90 83 9915	+	—
0403 90 13 9200	+	72,75	0404 90 83 9917	+	—
0403 90 13 9300	+	89,73	0404 90 83 9919	+	—
0403 90 13 9500	+	94,53	0404 90 83 9931	+	0,2555
0403 90 13 9900	+	101,68	0404 90 83 9933	+	0,3067
0403 90 19 9000	+	102,44	0404 90 83 9935	+	0,4077
0403 90 31 9000	+	0,7275	0404 90 83 9937	+	0,4245
0403 90 33 9200	+	0,7275	0404 90 89 9130	+	1,0334
0403 90 33 9300	+	0,8973	0404 90 89 9150	+	1,1258
0403 90 33 9500	+	0,9453	0404 90 89 9930	+	0,4601
0403 90 33 9900	+	1,0168	0404 90 89 9950	+	0,6600
0403 90 39 9000	+	1,0244	0404 90 89 9990	+	0,7522
0403 90 51 9100	970	2,327	0405 10 11 9500	+	165,85
	***	—	0405 10 11 9700	+	170,00
0403 90 51 9300	+	—	0405 10 19 9500	+	165,85
0403 90 53 9000	+	—	0405 10 19 9700	+	170,00
0403 90 59 9110	+	—	0405 10 30 9100	+	165,85
0403 90 59 9140	+	—	0405 10 30 9300	+	170,00
0403 90 59 9170	970	15,77	0405 10 30 9500	+	165,85
	***	—	0405 10 30 9700	+	170,00
0403 90 59 9310	+	38,32	0405 10 50 9100	+	165,85
0403 90 59 9340	+	59,85	0405 10 50 9300	+	170,00
0403 90 59 9370	+	66,00	0405 10 50 9500	+	165,85
0403 90 59 9510	+	75,22	0405 10 50 9700	+	170,00
0403 90 59 9540	+	110,55	0405 10 90 9000	+	176,22
0403 90 59 9570	+	129,01	0405 20 90 9500	+	155,49
0403 90 61 9100	+	—	0405 20 90 9700	+	161,71
0403 90 61 9300	+	—	0405 90 10 9000	+	216,00
0403 90 63 9000	+	—	0405 90 90 9000	+	170,00
0403 90 69 9000	+	—	0406 10 20 9100	+	—
0404 90 21 9100	+	74,00	0406 10 20 9230	037	—
0404 90 21 9910	+	—		039	—
0404 90 21 9950	+	11,31		099	22,83
0404 90 23 9120	+	74,00		400	22,83
0404 90 23 9130	+	90,54		***	37,68
0404 90 23 9140	+	95,38		037	—
0404 90 23 9150	+	102,60	0406 10 20 9290	039	—
0404 90 23 9911	+	—		099	21,24
0404 90 23 9913	+	—		400	15,29
0404 90 23 9915	+	—		***	35,05
0404 90 23 9917	+	—		037	—
0404 90 23 9919	+	—		039	—
0404 90 23 9931	+	11,31		099	21,24
0404 90 23 9933	+	13,85		400	15,29
0404 90 23 9935	+	16,84		***	35,05
0404 90 23 9937	+	19,91		037	—
0404 90 23 9939	+	20,81	0406 10 20 9300	039	—
0404 90 29 9110	+	103,34		099	9,329
0404 90 29 9115	+	104,05		400	7,834
0404 90 29 9120	+	105,34		***	15,39
0404 90 29 9130	+	112,58			
0404 90 29 9135	+	115,09			
0404 90 29 9150	+	124,73			

Product code	Destination (*)	Amount of refund	Product code	Destination (*)	Amount of refund
0406 10 20 9610	037	—	0406 20 90 9990	+	—
	039	—	0406 30 31 9710	037	—
	099	30,98		039	—
	400	30,98		099	9,536
	***	51,11		400	8,346
0406 10 20 9620	037	—		***	17,88
	039	—	0406 30 31 9730	037	—
	099	31,42		039	—
	400	31,42		099	13,99
	***	51,83		400	12,25
0406 10 20 9630	037	—		***	26,24
	039	—	0406 30 31 9910	037	—
	099	35,06		039	—
	400	35,06		099	9,536
	***	57,86		400	8,346
0406 10 20 9640	037	—		***	17,88
	039	—	0406 30 31 9930	037	—
	099	51,54		039	—
	400	48,35		099	13,99
	***	85,03		400	12,25
0406 10 20 9650	037	—		***	26,24
	039	—	0406 30 31 9950	037	—
	099	42,95		039	—
	400	25,44		099	20,36
	***	70,86		400	17,81
0406 10 20 9660	+	—		***	38,17
0406 10 20 9830	037	—	0406 30 39 9500	037	—
	039	—		039	—
	099	15,93		099	13,99
	400	13,38		400	12,25
	***	26,28		***	26,24
0406 10 20 9850	037	—	0406 30 39 9700	037	—
	039	—		039	—
	099	19,31		099	20,36
	400	16,22		400	17,81
	***	31,87		***	38,17
0406 10 20 9870	+	—	0406 30 39 9930	037	—
0406 10 20 9900	+	—		039	—
0406 20 90 9100	+	—		099	20,36
0406 20 90 9913	037	—		400	17,81
	039	—		***	38,17
	099	35,62	0406 30 39 9950	037	—
	400	31,59		039	—
	***	58,77		099	23,02
0406 20 90 9915	037	—		400	21,14
	039	—		***	43,16
	099	47,01	0406 30 90 9000	037	—
	400	42,12		039	—
	***	77,56		099	24,15
0406 20 90 9917	037	—		400	21,14
	039	—		***	45,28
	099	49,94	0406 40 50 9000	037	—
	400	44,75		039	—
	***	82,41		099	54,55
0406 20 90 9919	037	—		400	32,98
	039	—		***	90,00
	099	55,82			
	400	50,02			
	***	92,10			

Product code	Destination (*)	Amount of refund	Product code	Destination (*)	Amount of refund
0406 40 90 9000	037	—	0406 90 33 9951	037	—
	039	—		039	—
	099	56,01		099	36,20
	400	32,98		400	20,01
	***	92,42		***	59,72
0406 90 13 9000	037	—	0406 90 35 9190	037	28,95
	039	—		039	28,95
	099	60,16		099	61,40
	400	60,16		400	61,40
	***	99,26		***	101,30
0406 90 15 9100	037	—	0406 90 35 9990	037	—
	039	—		039	—
	099	62,17		099	54,68
	400	62,17		400	40,19
	***	102,58		***	90,22
0406 90 17 9100	037	—	0406 90 37 9000	037	—
	039	—		039	—
	099	62,17		099	60,16
	400	62,17		400	60,16
	***	102,58		***	99,26
0406 90 21 9900	037	—	0406 90 61 9000	037	40,61
	039	—		039	40,61
	099	61,63		099	65,82
	400	44,53		400	57,27
	***	101,68		***	108,59
0406 90 23 9900	037	—	0406 90 63 9100	037	37,12
	039	—		039	37,12
	099	36,51		099	63,89
	400	18,57		400	63,89
	***	75,31		***	105,42
0406 90 25 9900	037	—	0406 90 63 9900	037	29,52
	039	—		039	29,52
	099	36,98		099	48,93
	400	21,16		400	48,93
	***	76,25		***	80,75
0406 90 27 9900	037	—	0406 90 69 9100	+	—
	039	—	0406 90 69 9910	037	—
	099	33,48		039	—
	400	18,57		099	48,93
	***	69,06		400	48,93
0406 90 31 9119	037	—		***	80,75
	039	—	0406 90 73 9900	037	—
	099	38,17		039	—
	400	25,56		099	52,63
	***	62,99		400	52,63
0406 90 33 9119	037	—		***	86,83
	039	—	0406 90 75 9900	037	—
	099	38,17		039	—
	400	25,56		099	51,97
	***	62,99		400	22,27
0406 90 33 9919	037	—		***	85,75
	039	—	0406 90 76 9300	037	—
	099	34,36		039	—
	400	20,33		099	34,88
	***	56,69		400	20,12
				***	71,94

Product code	Destination (*)	Amount of refund	Product code	Destination (*)	Amount of refund
0406 90 76 9400	037	—	0406 90 85 9999	+	—
	039	—	0406 90 86 9100	+	—
	099	40,07	0406 90 86 9200	037	—
	400	23,22		039	—
	***	82,65		099	29,74
0406 90 76 9500	037	—		400	27,65
	039	—		***	61,34
	099	38,60	0406 90 86 9300	037	—
	400	23,22		039	—
	***	79,62		099	30,78
0406 90 78 9100	037	—		400	30,30
	039	—		***	63,48
	099	32,73	0406 90 86 9400	037	—
	400	18,14		039	—
	***	67,50		099	34,58
0406 90 78 9300	037	—		400	34,28
	039	—		***	71,32
	099	40,07	0406 90 86 9900	037	—
	400	20,12		039	—
	***	82,65		099	43,80
0406 90 78 9500	037	—		400	40,24
	039	—		***	90,34
	099	40,07	0406 90 87 9100	+	—
	400	23,22	0406 90 87 9200	037	—
	***	82,65		039	—
0406 90 79 9900	037	—		099	24,78
	039	—		400	24,78
	099	30,31		***	51,11
	400	19,23	0406 90 87 9300	037	—
	***	62,51		039	—
0406 90 81 9900	037	—		099	28,27
	039	—		400	28,02
	099	53,71		***	58,31
	400	47,61	0406 90 87 9400	037	—
	***	88,63		039	—
0406 90 85 9910	037	28,95		099	30,66
	039	28,95		400	30,66
	099	59,27		***	63,25
	400	59,27	0406 90 87 9951	037	—
	***	97,79		039	—
0406 90 85 9991	037	—		099	42,19
	039	—		400	42,19
	099	54,68		***	87,04
	400	40,19	0406 90 87 9971	037	—
	***	90,22		039	—
0406 90 85 9995	037	—		099	42,07
	039	—		400	34,41
	099	51,97		***	86,78
	400	21,16	0406 90 87 9972	099	16,03
	***	85,75		400	13,67
				***	33,07

Product code	Destination (*)	Amount of refund	Product code	Destination (*)	Amount of refund
0406 90 87 9973	037	—	2309 10 19 9100	+	—
	039	—	2309 10 19 9200	+	—
	099	37,66	2309 10 19 9300	+	—
	400	24,08	2309 10 19 9400	+	—
	***	77,68	2309 10 19 9500	+	—
0406 90 87 9974	037	—	2309 10 19 9600	+	—
	039	—	2309 10 19 9700	+	—
	099	42,07	2309 10 19 9800	+	—
	400	24,08	2309 10 70 9010	+	—
	***	86,78	2309 10 70 9100	+	13,85
0406 90 87 9979	037	—	2309 10 70 9200	+	18,47
	039	—	2309 10 70 9300	+	23,09
	099	36,51	2309 10 70 9500	+	27,70
	400	24,08	2309 10 70 9600	+	32,32
	***	75,31	2309 10 70 9700	+	36,94
0406 90 88 9100	+	—	2309 10 70 9800	+	40,63
0406 90 88 9105	037	—	2309 90 35 9010	+	—
	039	—	2309 90 35 9100	+	—
	099	52,46	2309 90 35 9200	+	—
	400	30,30	2309 90 35 9300	+	—
	***	86,56	2309 90 35 9400	+	—
0406 90 88 9300	037	—	2309 90 35 9500	+	—
	039	—	2309 90 35 9700	+	—
	099	31,84	2309 90 39 9010	+	—
	400	30,30	2309 90 39 9100	+	—
	***	52,55	2309 90 39 9200	+	—
2309 10 15 9010	+	—	2309 90 39 9300	+	—
2309 10 15 9100	+	—	2309 90 39 9400	+	—
2309 10 15 9200	+	—	2309 90 39 9500	+	—
2309 10 15 9300	+	—	2309 90 39 9600	+	—
2309 10 15 9400	+	—	2309 90 39 9700	+	—
2309 10 15 9500	+	—	2309 90 39 9800	+	—
2309 10 15 9700	+	—	2309 90 70 9010	+	—
2309 10 19 9010	+	—	2309 90 70 9100	+	13,85
			2309 90 70 9200	+	18,47
			2309 90 70 9300	+	23,09
			2309 90 70 9500	+	27,70
			2309 90 70 9600	+	32,32
			2309 90 70 9700	+	36,94
			2309 90 70 9800	+	40,63

(*) The code numbers for the destinations are those set out in the Annex to Commission Regulation (EC) No 2317/97 (OJ L 321, 22.11.1997, p. 19). However:

— '099' covers all destination codes from 053 to 096 inclusive,

— '970' covers the exports referred to in Articles 34(1)(a) and (c) and 42(1)(a) and (b) of Commission Regulation (EEC) No 3665/87 (OJ L 351, 14.12.1987, p. 1).

For destinations other than those indicated for each 'product code', the amount of the refund applying is indicated by ***.

Where no destination ('+') is indicated, the amount of the refund is applicable for exports to any destination other than those referred to in Article 1(2) and (3).

NB: The product codes and the footnotes are defined in Commission Regulation (EEC) No 3846/87 (OJ L 366, 24.12.1987, p. 1), as amended.

COMMISSION REGULATION (EC) No 1847/98
of 27 August 1998

**fixing the maximum export refund on barley in connection with the invitation to
tender issued in Regulation (EC) No 1078/98**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals ⁽¹⁾, as last amended by Regulation (EC) No 923/96 ⁽²⁾,

Having regard to Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules for the application of Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals ⁽³⁾, as last amended by Regulation (EC) No 2052/97 ⁽⁴⁾, and in particular Article 4 thereof,

Whereas an invitation to tender for the refund and/or the tax for the export of barley to all third countries was opened pursuant to Commission Regulation (EC) No 1078/98 ⁽⁵⁾;

Whereas Article 7 of Regulation (EC) No 1501/95 provides that the Commission may, on the basis of the tenders notified, in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92, decide to fix a maximum export refund taking account of the criteria referred to in Article 1 of Regulation (EC) No

1501/95; whereas in that case a contract is awarded to any tenderer whose bid is equal to or lower than the maximum refund, as well as to any tenderer whose bid relates to an export tax;

Whereas the application of the abovementioned criteria to the current market situation for the cereal in question results in the maximum export refund being fixed at the amount specified in Article 1;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

For tenders notified from 21 to 27 August 1998, pursuant to the invitation to tender issued in Regulation (EC) No 1078/98, the maximum refund on exportation of barley shall be ECU 53,75 per tonne.

Article 2

This Regulation shall enter into force on 28 August 1998.

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

Done at Brussels, 27 August 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

⁽¹⁾ OJ L 181, 1. 7. 1992, p. 21.

⁽²⁾ OJ L 126, 24. 5. 1996, p. 37.

⁽³⁾ OJ L 147, 30. 6. 1995, p. 7.

⁽⁴⁾ OJ L 287, 21. 10. 1997, p. 14.

⁽⁵⁾ OJ L 154, 28. 5. 1998, p. 20.

COMMISSION REGULATION (EC) No 1848/98**of 27 August 1998****fixing the maximum export refund on common wheat in connection with the invitation to tender issued in Regulation (EC) No 1079/98**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals ⁽¹⁾, as last amended by Regulation (EC) No 923/96 ⁽²⁾,

Having regard to Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules for the application of Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals ⁽³⁾, as last amended by Regulation (EC) No 2052/97 ⁽⁴⁾, and in particular Article 4 thereof,

Whereas an invitation to tender for the refund and/or the tax for the export of common wheat to all third countries was opened pursuant to Commission Regulation (EC) No 1079/98 ⁽⁵⁾;

Whereas Article 7 of Regulation (EC) No 1501/95 provides that the Commission may, on the basis of the tenders notified, in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92, decide to fix a maximum export refund taking account of the criteria referred to in Article 1 of Regulation (EC) No

1501/95; whereas in that case a contract is awarded to any tenderer whose bid is equal to or lower than the maximum refund, as well as to any tenderer whose bid relates to an export tax;

Whereas the application of the abovementioned criteria to the current market situation for the cereal in question results in the maximum export refund being fixed at the amount specified in Article 1;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

For tenders notified from 21 to 27 August 1998, pursuant to the invitation to tender issued in Regulation (EC) No 1079/98, the maximum refund on exportation of common wheat shall be ECU 35,48 per tonne.

Article 2

This Regulation shall enter into force on 28 August 1998.

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

Done at Brussels, 27 August 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

⁽¹⁾ OJ L 181, 1. 7. 1992, p. 21.

⁽²⁾ OJ L 126, 24. 5. 1996, p. 37.

⁽³⁾ OJ L 147, 30. 6. 1995, p. 7.

⁽⁴⁾ OJ L 287, 21. 10. 1997, p. 14.

⁽⁵⁾ OJ L 154, 28. 5. 1998, p. 24.

COMMISSION REGULATION (EC) No 1849/98
of 27 August 1998

fixing the export refunds on cereals and on wheat or rye flour, groats and meal

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 1766/92 of 30 June 1992 on the common organisation of the market in cereals⁽¹⁾, as last amended by Commission Regulation (EC) No 923/96⁽²⁾, and in particular Article 13 (2) thereof,

Whereas Article 13 of Regulation (EEC) No 1766/92 provides that the difference between quotations or prices on the world market for the products listed in Article 1 of that Regulation and prices for those products in the Community may be covered by an export refund;

Whereas the refunds must be fixed taking into account the factors referred to in Article 1 of Commission Regulation (EC) No 1501/95 of 29 June 1995 laying down certain detailed rules under Council Regulation (EEC) No 1766/92 on the granting of export refunds on cereals and the measures to be taken in the event of disturbance on the market for cereals⁽³⁾, as last amended by Regulation (EC) No 2052/97⁽⁴⁾;

Whereas, as far as wheat and rye flour, groats and meal are concerned, when the refund on these products is being calculated, account must be taken of the quantities of cereals required for their manufacture; whereas these quantities were fixed in Regulation (EC) No 1501/95;

Whereas the world market situation or the specific requirements of certain markets may make it necessary to vary the refund for certain products according to destination;

Whereas the refund must be fixed once a month; whereas it may be altered in the intervening period;

Whereas it follows from applying the detailed rules set out above to the present situation on the market in cereals, and in particular to quotations or prices for these products within the Community and on the world market, that the refunds should be as set out in the Annex hereto;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Cereals,

HAS ADOPTED THIS REGULATION:

Article 1

The export refunds on the products listed in Article 1 (a), (b) and (c) of Regulation (EEC) No 1766/92, excluding malt, exported in the natural state, shall be as set out in the Annex hereto.

Article 2

This Regulation shall enter into force on 28 August 1998.

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

Done at Brussels, 27 August 1998.

For the Commission

Karel VAN MIERT

Member of the Commission

⁽¹⁾ OJ L 181, 1. 7. 1992, p. 21.

⁽²⁾ OJ L 126, 24. 5. 1996, p. 37.

⁽³⁾ OJ L 147, 30. 6. 1995, p. 7.

⁽⁴⁾ OJ L 287, 21. 10. 1997, p. 14.

ANNEX

to the Commission Regulation of 27 August 1998 fixing the export refunds on cereals and on wheat or rye flour, groats and meal

(ECU / tonne)			(ECU / tonne)		
Product code	Destination (1)	Amount of refund	Product code	Destination (1)	Amount of refund
1001 10 00 9200	—	—	1101 00 11 9000	—	—
1001 10 00 9400	01	0	1101 00 15 9100	01	48,50
1001 90 91 9000	—	—	1101 00 15 9130	01	45,50
1001 90 99 9000	03	25,50	1101 00 15 9150	01	42,00
	02	0	1101 00 15 9170	01	39,00
1002 00 00 9000	03	45,00	1101 00 15 9180	01	36,00
	02	55,00	1101 00 15 9190	—	—
1003 00 10 9000	—	—	1101 00 90 9000	—	—
1003 00 90 9000	03	43,75	1102 10 00 9500	01	75,00
	02	0	1102 10 00 9700	—	—
1004 00 00 9200	—	—	1102 10 00 9900	—	—
1004 00 00 9400	—	—	1103 11 10 9200	01	0 (2)
1005 10 90 9000	—	—	1103 11 10 9400	—	— (2)
1005 90 00 9000	03	45,00	1103 11 10 9900	—	—
	02	0	1103 11 90 9200	01	0 (2)
1007 00 90 9000	—	—	1103 11 90 9800	—	—
1008 20 00 9000	—	—			

(1) The destinations are identified as follows:

- 01 All third countries,
- 02 Other third countries,
- 03 Switzerland, Liechtenstein.

(2) No refund is granted when this product contains compressed meal.

NB: The zones are those defined in amended Commission Regulation (EEC) No 2145/92 (OJ L 214, 30. 7. 1992, p. 20).

CORRIGENDA

Corrigendum to Commission Decision 98/510/EC of 29 July 1998 amending Decision 97/778/EC to update the list of border inspection posts agreed for veterinary checks

(Official Journal of the European Communities L 227 of 14 August 1998)

On pages 25 and 26 of the Annex, in the 'Country: Germany' section:

for:

1	2	3	4	5
'Bad Schandau Dresden Friedrichstadt	0153499	F	HC, NHC'	

read:

1	2	3	4	5
'Dresden Friedrichstadt	0153499	F	HC, NHC'	

And insert in alphabetical order between Cuxhaven and Düsseldorf:

for:

1	2	3	4	5
'Düsseldorf		A	HC, NHC'	

read:

1	2	3	4	5
'Düsseldorf	0151999	A	HC, NHC'	

for:

1	2	3	4	5
'Furth im Wald-Schafberg	0153399	F	HC-NT, NHC-NT'	

read:

1	2	3	4	5
'Furth im Wald-Bahnhof	0153399	F	HC-NT, NHC-NT'	

for:

1	2	3	4	5
‘Weil/Rhein Mannheim	0153299	F	HC, NHC	
Weil/Rhein Mannheim	0149199	R	HC, NHC	U, E, O’

read:

1	2	3	4	5
‘Weil/Rhein	0149199	R	HC, NHC	U, E, O
Weil/Rhein Mannheim	0153299	F	HC, NHC’	