

## COMMISSION DECISION

of 27 May 1999

## terminating the countervailing duty proceeding on imports of polypropylene binder or baler twine originating in Saudi Arabia

*(notified under document number C(1999) 1356)*

(1999/351/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2026/97 of 6 October 1997<sup>(1)</sup> on protection against subsidised imports from countries not members of the European Community, and in particular Article 14 thereof,

After consulting the Advisory Committee,

Whereas:

## A. PROCEDURE

## 1. Initiation

- (1) Following a complaint lodged on 12 June 1998 by Eurocord on behalf of producers representing a major proportion of the Community production of polypropylene binder or baler twine, the Commission initiated an anti-subsidy proceeding concerning imports of these products originating in Saudi Arabia<sup>(2)</sup>.

The complaint contained evidence of subsidisation of the said product, and of material injury resulting therefrom, which was considered sufficient to justify the initiation of a proceeding.

## 2. Investigation

- (2) The Commission officially advised the exporting producers and importers known to it, the Government of the Kingdom of Saudi Arabia and the complainant Community producers of the initiation of the proceeding. Interested parties were given the opportunity to make their views known in writing and to request a hearing. All parties who so requested were granted a hearing.
- (3) The Commission sent questionnaires to the government of the exporting country, all known exporting producers and importers, as well as to the complainant Community producers.
- (4) The Commission sought and verified all the information it deemed necessary, and carried out

verification visits at the premises of the following companies:

(a) *Complainant Community producers*

- Teufelberger, Linz, Austria
- Ostend Stores, Oostende, Belgium
- Cordex, Esmoriz, Portugal
- Cotesi, Carvalhos, Portugal
- Exporplas, Cortegaca, Portugal
- Sicor, Cortegaca, Portugal
- Pippo Tuote Oy, Outokumpu, Finland
- Irish Ropes, Kildare, Ireland

(b) *Government of the Kingdom of Saudi Arabia*

The Government of the Kingdom of Saudi Arabia submitted a completed questionnaire response which was verified in Riyadh. The ministries/agencies involved were:

- Ministry of Finance and National Economy
- Saudi Arabian Monetary Agency
- Department of Zakat and Income Tax
- Ministry of Industry and Electricity
- Ministry of Petroleum and Natural Resources
- Saudi Industrial Development Fund
- Ministry of Commerce
- Ministry of Planning
- Saudi Airlines
- General Ports Corporation

(c) *Exporting producer*

Saudi Yarn and Knitting Technology Factory (Synthec), a division of NAFA Enterprises Ltd, Riyadh.

- (5) The investigation period for the determination of subsidization was from 1 January 1997 to 31 December 1997. The examination of injury covered the period from January 1994 to the end of the investigation period. Both periods coincide with the same periods used to carry out the investigation concerning the anti-dumping proceeding of imports of polypropylene binder or baler twine originating in the Czech Republic, Hungary and Saudi Arabia (see Section C below).

<sup>(1)</sup> OJ L 288, 21.10.1997, p. 1.

<sup>(2)</sup> OJ C 233, 25.7.1998, p. 25.

## B. PRODUCT UNDER CONSIDERATION AND LIKE PRODUCT

### 1. The product under consideration

- (6) The product under consideration is polypropylene binder or baler twine (hereinafter referred to as 'twines'). These twines are used in the agricultural sector, notably for binding bundles to be picked up by automatic balers or similar machines. The product is manufactured in different thicknesses (runnages) and with different specifications in respect of, for example, knot and tensile strength, number of twists/turns per meter, colour, ultraviolet stabilisation and fibrillation. The investigation has shown that, notwithstanding the different thicknesses and specifications of the product under consideration, all twines constitute a single product for the purposes of the investigation. The product under consideration is currently classifiable within CN code ex 5607 41 00.

### 2. Like product

- (7) Twines produced and sold by the Community industry on the Community market were found to be alike to the imports from the exporting country concerned in their basic physical and technical characteristics and in their uses. The same is true with regard to the product manufactured and sold on the domestic market of the exporting country concerned. All these products are, therefore, like products, as defined by Article 1(5) of Regulation (EC) No 2026/97 (hereinafter referred to as 'the basic Regulation').

## C. RELATED ANTI-DUMPING PROCEDURE

- (8) On 28 February 1998 <sup>(1)</sup>, subsequent to the lodging of a complaint by Eurocord on behalf of Community producers representing a major proportion of the Community production of twines in January 1998, the Commission announced the initiation of an anti-dumping proceeding concerning imports of twines originating in the Czech Republic, Hungary and Saudi Arabia.
- (9) In view of the findings of the investigation as set out in Council Regulation (EC) No 603/99 <sup>(2)</sup> (see recital 68 *and seq.*) which are based on the same investigation period as the present investigation and thus on the same price and cost information provided by the exporting producer and the Community industry, the proceeding concerning imports originating in Saudi Arabia was terminated by Commission Decision 1999/215/EC <sup>(3)</sup> without the imposition of measures.

## D. DEVELOPING COUNTRY STATUS

- (10) While Saudi Arabia is not a member of the WTO, the Basic Regulation, in particular Article 14(5)(a) thereof, does not differentiate between Members and non-Members. For the purposes of the WTO Agreement on Subsidies and Countervailing Measures, Saudi Arabia would normally be treated as a developing country.

## E. SUBSIDIES

- (11) Since the findings of the investigation (see Section F) showed that the injury caused by the sole Saudi Arabian exporting producer was considered to be negligible, it was not necessary to establish findings relating to subsidies.

## F. INJURY

- (12) On the basis of the methodology described in recital 71 of Council Regulation (EC) No 603/99 and, as set out in recital (9), using identical price and cost data, the injury caused by the sole Saudi exporting producer was also considered to be negligible during the investigation period in the present investigation. In any event, the injury margin is below 2 %, which is the *de minimis* threshold for developing countries established by Article 14(5)(a) of the basic Regulation.

## G. CONCLUSION

- (13) Article 14(3) of the basic Regulation provides that there shall be immediate termination of a proceeding where it is determined that the injury is considered negligible. It is therefore proposed that the proceeding be terminated,

HAS ADOPTED THIS DECISION:

### *Sole Article*

The countervailing proceeding concerning imports into the Community of polypropylene binder or baler twine of polyester fibres currently classifiable within CN code ex 5607 41 00 and originating in Saudi Arabia is hereby terminated.

Done at Brussels, 27 May 1999.

*For the Commission*

Leon BRITTAN

*Vice-President*

<sup>(1)</sup> OJ C 65, 28.2.1998, p. 8.

<sup>(2)</sup> OJ L 75, 20.3.1999, p. 1.

<sup>(3)</sup> OJ L 75, 20.3.1999, p. 34.