

## COMMISSION REGULATION (EEC) No 3752/87

of 15 December 1987

instituting a system for the authorization of imports into Italy and Spain of certain kinds of slide fasteners originating in Taiwan

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 288/82 of 5 February 1982 on common rules for imports<sup>(1)</sup>, as last amended by Regulation (EEC) No 1243/85<sup>(2)</sup>, and in particular Article 15 (1) thereof,

After consultations within the Advisory Committee set up by the above Regulation,

Whereas :

#### A. Procedure

- (1) The Commission was informed on 7 April 1987 by the Spanish authorities and on 15 April 1987 by the Italian authorities that imports into Spain and Italy of slide fasteners and parts thereof originating in Taiwan, and in particular those with scoops not of base metal, had increased and would continue to do so in such quantities and in such manner that there was, or threatened to be, serious injury to national industries.
- (2) The Spanish and Italian requests were supported by evidence regarding the trend of imports and the terms on which they were taking place, in particular with regard to prices. Information had also been supplied regarding the effects of such imports on the slide fastener industry.
- (3) Having decided, after consultations, that the evidence in its possession was sufficient to justify the initiation of an investigation, the Commission accordingly announced, in a notice published in the *Official Journal of the European Communities*<sup>(3)</sup>, the initiation of a Community investigation in respect of imports into Spain and Italy of the products concerned originating in Taiwan, and commenced the investigation.
- (4) The Commission officially informed the producers and importers known to be involved and gave all parties concerned the opportunity to make known their views in writing and to request a hearing.

Arguments were presented on behalf of the Italian producers by the Associazione Nazionale Industria Meccanica Varia ed Affine (ANIMA). Information was also supplied by Taiwan Zippers Manufacturers Association and by the main Spanish and Italian importers.

- (5) In the course of its investigation, the Commission endeavoured to gather and verify all the information it regarded as necessary. Since imports from Taiwan represent virtually all imports into Spain and Italy of slide fasteners originating in non-member countries, the Commission's investigation concentrated on products from Taiwan. It made on-the-spot checks at the premises of the following companies :

#### *Spanish producers :*

- Areito SA, Vitoria,
- Cremalleras Rubi, Barcelona,
- Yoshida Española SA, Tarragona ;

#### *Italian producers :*

- Lanfranchi SpA, Palazzolo,
- Sarem-Meras, Vimercate ;

#### *Italian importers :*

- Textil-Import du Ugo e Clemente Orsa & CSAS, Milano,
  - Italchiusure Srl, Milano,
  - Texxil SNC, Seregno ;
- (6) Price comparisons made related to the period 1 October 1986 to 30 September 1987.

#### B. Products and industries concerned

- (7) The products which are the subject of the investigation are slide fasteners falling within Common Customs Tariff subheading 98.02 ex B and, more particularly, those corresponding to NIMEXE codes No 98.02-51 and 55 and Combined Nomenclature codes 9607 19 00 and 9607 20 91.
- (8) The Commission investigation showed, whether with regard to import trends, prices or the impact of imports on the Spanish and Italian industries, that most of the imports into Spain and Italy concerned only slide fasteners with scoops not of base metal.

<sup>(1)</sup> OJ No L 35, 9. 2. 1982, p. 1.

<sup>(2)</sup> OJ No L 113, 30. 4. 1986, p. 1.

<sup>(3)</sup> OJ No C 123, 9. 5. 1987, p. 3.

## C. Slide fasteners

- (9) Imports of slide fasteners with scoops not of base metal originating in Taiwan were as follows:

	1985	1986	1987 (nine months)
Spain	639	8 937	16 168
Italy	23 912	46 308	44 162

This has resulted in an increase in the market share held by Taiwanese exports from 0,1 % in 1984 to 47 % in 1987 (nine months) on the Spanish market and from 8 % in 1984 to 48 % in 1987 (nine months) on the Italian market. In view of this trend, of the substantial production capacity in Taiwan and of foreseeable demand in the Community, it is clear that unless adequate protective measures are taken the increase in imports originating in Taiwan will continue at the current pace, which would in itself constitute a source of material injury.

- (10) Resale prices on the Spanish market of slide fasteners with non-metal scoops imported from the non-member country in question were about 50 % below the prices charged by Spanish producers.

The same resale prices on the Italian market were about 60 % below the prices charged by Italian producers.

This price undercutting has forced the Spanish and Italian producers to cut their prices to a level which does not cover their cost of production and to abandon market share to the Taiwanese exporters. Their share of the Spanish market fell from 99 % in 1984 to 49 % in 1987 (nine months) and their share of the Italian market fell from 81 % in 1984 to 39 % in 1987 (nine months). The situation of the Spanish and Italian producers has deteriorated as a result and their financial results have been adversely affected, with most of the firms concerned making losses, which have grown during the period of the investigation.

The rate of utilization of production capacity fell in Spain from 72 % in 1984 to 60 % in 1987 (nine months) and in Italy from 59 % in 1984 to 50 % in 1987 (nine months). Employment has continued to fall; in Spain it fell from 978 units in 1984 to 800 units in 1987 (nine months) and in Italy from

1 800 units in 1984 to 1 600 units in 1987 (nine months).

The current attempt to restructure this sector, particularly in Spain, is severely compromised by the difficulties caused by extremely aggressive competition from imports originating in Taiwan, particularly in terms of prices, and the restructuring effort may fail as the firms concerned are deprived of the finance needed to achieve that objective.

- (11) Both the increase in imports originating in Taiwan and the prices charged for such imports are thus a cause of material injury to the Spanish and Italian industry concerned.

To eliminate that injury and prevent further injury from being caused to the Spanish and Italian producers, measures need to be adopted to protect those markets for a limited period so as to impede the harmonious development of world trade as little as possible while at the same time enabling the Spanish and Italian firms concerned to plan their modernization programmes.

- (12) The quantitative limits applicable to imports into Spain and Italy of slide fasteners with scoops not of base metal originating in Taiwan have been fixed by reference to imports into Spain and Italy during the period from 1 April 1985 to 31 March 1987.

- (13) To ensure that those quantitative limits are observed, the Spanish and Italian authorities should subject imports of the products in question originating in Taiwan to a system of import authorizations to be issued within the quantitative limits laid down by this Regulation.

- (14) Since the investigation showed that the increased penetration of imports originating in Taiwan was concentrated on the two markets in question, Community interests can be safeguarded without taking any immediate protective measures in the other Member States,

HAS ADOPTED THIS REGULATION:

*Article 1*

1. Entry for free circulation in Spain or Italy of the products specified below originating in Taiwan shall be subject to presentation of an import authorization to be issued by the Spanish or Italian authorities, as appropriate, within the following limits:

*(Million metres)*

CCT heading No	NIMEXE code	Description	Limit	
			Spain	Italy
98.02 ex B	98.02-51 and 55	Slide fasteners with scoops not of base metal	4,6	33,3

This import authorization shall be valid only in the Member State in which it was issued.

2. The import authorization referred to in paragraph 1 shall be issued automatically, free of charge, within a maximum of five working days from the date of the request presented by the importer, subject to the annual quantitative limits for the Member State in question.

*Article 2*

The Community investigation to re-examine the trend of imports into Spain and Italy of certain kinds of slide fasteners originating in Taiwan is hereby terminated.

*Article 3*

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

It shall be applicable from 16 December 1987 to 31 December 1988.

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

Done at Brussels, 15 December 1987.

*For the Commission*  
Willy DE CLERCQ  
*Member of the Commission*

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