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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.4.2008
COM(2008) 166 final

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 397/2004 imposing a definitive anti-dumping duty on imports of cotton-type bed linen originating in Pakistan

(presented by the Commission)

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

This proposal concerns the application of Council Regulation (EC) No 384/96¹ on protection against dumped imports from countries not members of the European Community ('the basic Regulation') in the proceeding concerning imports of cotton-type bed linen originating in Pakistan.

- **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation which was carried out in line with the substantive and procedural requirements laid out in the basic Regulation.

- **Existing provisions in the area of the proposal**

Council Regulation (EC) No 397/2004², imposing a definitive anti-dumping duty on imports into the Community of cotton-type bed linen originating in Pakistan.

- **Consistency with other policies and objectives of the Union**

Not applicable.

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

The applicants and the Community industry have been informed of the findings of the examination and have had the opportunity to submit their comments.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

This proposal is the result of the implementation of the basic Regulation.

The basic Regulation does not make provision for a general impact assessment but contains an exhaustive list of conditions that have to be assessed.

¹ OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Council Regulation (EC) No 2117/2005 (OJ L 340, 23.12.2005, p. 17).

² OJ L 66, 4.3.2004, p. 1. Regulation as last amended by Council Regulation (EC) No 925/2007 (OJ L 202, 3.8.2007, p. 1).

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

By Regulation (EC) No 397/2004 the Council imposed a definitive anti-dumping duty on imports into the Community of cotton-type bed linen originating in Pakistan.

Given the large number of exporting producers, a sample was selected during the subsequent review investigation. This review was concluded by Council Regulation (EC) No 695/2006, establishing new individual duty rates ranging from 0 % to 8,5 %.

Other co-operating companies not included in the sample were attributed the weighted average duty rate of 5,8 %.

Article 1(4) of Regulation (EC) No 397/2004 gives the possibility to Pakistani exporting producers which meet the three criteria set out in the same Article to be granted the same treatment as the co-operating companies not included in the sample ('new exporting producer treatment' or 'NEPT').

Council Regulation (EC) No 925/2007 established the findings concerning eighteen Pakistani companies having requested NEPT. Four of these companies were granted NEPT while for the remaining fourteen companies the requests were rejected.

Thirteen additional Pakistani companies have subsequently requested NEPT and that their names be added to the list of companies subject to the weighted average duty of 5,8 %. It is proposed that two of these companies are granted NEPT while for the remaining eleven companies the requests are rejected.

It is therefore proposed that the Council adopt the attached proposal for a Regulation, which should be published in the *Official Journal of the European Union*.

- **Legal basis**

Council Regulation (EC) No 384/1996 of 22 December 1995 on protection against dumped imports from countries not members of the European Community ("the basic Regulation")³.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Community. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

Council Regulation (EC) No 397/2004 imposing the definitive anti-dumping duty on

³ OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Council Regulation (EC) No 2117/2005 (OJ L 340, 23.12.2005, p. 17).

imports of bed linen originating in Pakistan last amended by Council Regulation (EC) No 925/2007 leaves no scope for national decision.

Indication of how financial and administrative burden falling upon the Community, national governments, regional and local authorities, economic operators and citizens is minimized and proportionate to the objective of the proposal is not applicable.

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason(s).

The above-mentioned basic regulation does not foresee alternative options.

4) BUDGETARY IMPLICATION

The proposal has no implication for the Community budget.

Proposal for a

COUNCIL REGULATION

amending Regulation (EC) No 397/2004 imposing a definitive anti-dumping duty on imports of cotton-type bed linen originating in Pakistan

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/1996 of 22 December 1995 on protection against dumped imports from countries not members of the European Community (the 'basic Regulation')⁴,

Having regard to Article 1(4) of Council Regulation (EC) No 397/2004⁵ of 2 March 2004 imposing a definitive anti-dumping duty on imports of cotton-type bed linen originating in Pakistan,

Having regard to the proposal submitted by the Commission after consulting the Advisory Committee,

Whereas:

A. PREVIOUS PROCEDURE

- (1) By Regulation (EC) No 397/2004, the Council imposed a definitive anti-dumping duty on imports into the Community of cotton-type bed linen falling within CN codes ex 6302 21 00 (TARIC codes 6302 21 00 81, 6302 21 00 89), ex 6302 22 90 (TARIC code 6302 22 90 19), ex 6302 31 00 (TARIC code 6302 31 00 90) and ex 6302 32 90 (TARIC code 6302 32 90 19), originating in Pakistan. A country-wide anti-dumping duty of 13,1 % was imposed on all companies exporting the product concerned to the Community.
- (2) In May 2006, following an *ex officio* partial interim review pursuant to Article 11(3) of the basic Regulation, the Council, by Regulation (EC) No 695/2006⁶, amended Regulation (EC) No 397/2004 and established new duty rates ranging from 0 % to 8,5 % based on a new investigation period ('IP') between 1 April 2003 and 31 March 2004. Given the large number of cooperating exporting producers, a sample was established.

⁴ OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Council Regulation (EC) No 2117/2005 (OJ L 340, 23.12.2005, p. 17).

⁵ OJ L 66, 4.3.2004, p. 1. Regulation as last amended by Council Regulation (EC) No 925/2007 (OJ L 202, 3.8.2007, p. 1).

⁶ OJ L 121, 6.5.2006, p. 14.

- (3) The companies selected in the sample were attributed the individual duty rates established during the review investigation, while other co-operating companies not included in the sample were attributed the weighted average duty rate of 5,8 %. A duty rate of 8,5 % was imposed on companies which either did not make themselves known or did not co-operate in the investigation.
- (4) Article 1(4) of Regulation (EC) No 397/2004 gives the possibility to Pakistani exporting producers which meet the three criteria set out in the same Article to be granted the same treatment as the co-operating companies not included in the sample ('new exporting producer treatment' or 'NEPT').
- (5) Council Regulation (EC) No 925/2007 established the findings concerning eighteen Pakistani companies having requested NEPT. Four of these companies were granted NEPT, while the requests of the remaining fourteen companies were rejected.

B. NEW EXPORTING PRODUCERS' REQUESTS

- (6) Thirteen additional Pakistani companies have requested to be granted NEPT.
- (7) An examination was carried out to determine whether each applicant fulfils the criteria for being granted NEPT as set out in Article 1(4) of Council Regulation (EC) No 397/2004, by verifying that:
 - it did not export to the Community the product described in recital (1) above in the period between 1 April 2003 and 31 March 2004,
 - it is not related to any of the exporters or producers subject to the measures imposed by that Regulation and,
 - it has actually exported to the Community the product concerned after the investigation period on which the measures are based or it has entered into an irrevocable contractual obligation to export a significant quantity to the Community.
- (8) A questionnaire was sent to all applicants who were asked to supply evidence to demonstrate that they met the three criteria mentioned above.
- (9) Exporting producers fulfilling these three criteria may be granted the duty rate applicable to the co-operating companies not included in the sample, i.e. 5,8 %, pursuant to Article 1(4) of Council Regulation (EC) No 397/2004.

C. FINDINGS

COMPANIES WHICH HAVE SUBMITTED INCOMPLETE REPLIES

- (10) Three Pakistani companies requesting NEPT did not reply to the initial questionnaire. It was therefore not possible to verify whether these companies fulfilled the criteria set out in Article 1(4) of Council Regulation (EC) No 397/2004 and their request had to be rejected. These companies were informed that their application would not be considered any further and were given the opportunity to comment. No comments were received.

COMPANIES WHICH HAVE SUBMITTED A COMPLETE REPLY

- (11) For two Pakistani exporting producers, the examination of the information submitted showed that they had provided sufficient evidence to prove that they meet the three criteria set out in Article 1(4) of Council Regulation (EC) No 397/2004. Therefore, these two producers can be granted the duty rate applicable to the co-operating companies not included in the sample (i.e. 5,8 %) in accordance with Article 1(4) of Council Regulation (EC) No 397/2004 and be added to the list of exporting producers in the Annex to that Regulation.
- (12) One Pakistani company was found to be related to a company which had cooperated in the review investigation and which exported the product concerned during the IP. Therefore, this producer did not fulfil the second criterion set out in Article 1(4) of Council Regulation (EC) No 397/2004, and its request for NEPT was therefore rejected. This company was informed that its application could not be considered any further and was given the opportunity to comment, but it did not submit any additional information that could lead to a change in the findings.
- (13) Three Pakistani companies were found to have exported the product concerned during the IP. Therefore, these three producers did not fulfil the first criterion set out in Article 1(4) of Council Regulation (EC) No 397/2004 and their requests for NEPT were therefore rejected. These companies were informed that their application could not be considered any further and were given the opportunity to comment, but they did not submit any additional information that could lead to a change in the findings.
- (14) Three Pakistani companies were unable to prove that they had sold the product concerned to the Community after the IP or having entered into an irrevocable contractual obligation to export a significant quantity to the Community. Therefore, it could not be established whether these companies had exported the product concerned after the IP as set out in the third criterion in Article 1(4) of Council Regulation (EC) No 397/2004, and their requests for NEPT were therefore rejected. These companies were informed that their application could not be considered any further and were given the opportunity to comment, but they did not submit any additional information that could lead to a change in the findings.
- (15) One Pakistani company was unable to prove that it was a producer of the product concerned and did not supply any supporting evidence of any sales of the product concerned to the Community after the IP or having entered into an irrevocable contractual obligation to export a significant quantity to the Community. This applicant did not therefore meet the basic criterion of being an exporting producer and its application could therefore not be considered any further. This company was informed that its application could not be considered any further and were given the opportunity to comment, but did not submit any additional information that could lead to a change in the findings.
- (16) All the applicants and the Community industry were informed of the final findings of the examination and were given the opportunity to submit their comments.

D. CONCLUSION

- (17) In consideration of the findings mentioned in recital (11) above, two Pakistani exporting producers were found to fulfil the criteria set out in Article 1(4) of Council Regulation (EC) No 397/2004 to be granted NEPT. These companies should therefore

be added to the list of cooperating manufacturers in the Annex to Council Regulation (EC) No 397/2004 and be subject to the duty rate of 5,8 %. The requests submitted by the remaining eleven Pakistani companies should be rejected for the reasons outlined above,

HAS ADOPTED THIS REGULATION:

Article 1

The list of cooperating manufacturers in the Annex of Council Regulation (EC) No 397/2004 shall be replaced by the following:

Name	Address
A.B. Exports (PVT) Ltd	Off. No 6, Ground Floor, Business Center, New Civil Lines, Faisalabad
A.S.T. (PVT) Limited	Saba Square 2-C, Saba Commercial Street No 3, Phase V Extension, D.H. Authority, Karachi
Aala Processing Industries (PVT) LTD	5 KM Satyana Road Faisalabad 38000
Abdur Rahman Corporation (Pvt) Ltd	P-214 Muslim Town #1, Sarghoda Road, Faisalabad
Adil Waheed Garments	66-Zubair Colony, Jaranwala Road, Faisalabad
Afroze Textile Industries (Pvt) Ltd	LA 7/1-7, Block 22 F.B. Area, Karachi
Al Musawar Textile (PVT) Ltd	Atlas Street, Maqbool Road, Faisalabad
M/S Al-Ghani International	202 Bhaiwala, Ghona Road, Faisalabad
Al-Karam Textile Mills (PVT) Ltd	3rd floor, K.D.L.B. Building, 58-West Wharf Road, Karachi
Al-Latif	W,S, 24, Block-2, Azizabad, F.B. Area, Karachi-75950
Al-Noor Processing & Textile Mills	Sargodha Road, Near Bava Chak, Faisalabad
Al-Raheem Textile	F/40, Block-6, P.E.C.H.S.,

	Karachi
Ameer Enterprises	3rd floor, Bismillah Centre, Street No 2, Karkhana Bazar, Yanr Market, Faisalabad
Amsons Textile Mills (PVT) Ltd	D-14/B, S.I.T.E., Karachi
Amtex (Private) Limited	1-Km, Khurrianwala-Jaranwala Road, Faisalabad
Anjum Textile Mills (PVT) Ltd	Anjum Street, Nalka Kohala, Sarghoda Road, Faisalabad
Ansa Industries	Plot #16, Sector C-2 Karachi Exporting Processing Zone Landhi Industrial Area Karachi 74000
Apex Corporation	1-19, Arkay Square, PO Box 13373, Karachi
M/S Arif Textiles Private Limited	Karim Bibi Street, Bawa Chak, Sargodah Road Faisalabad
Arshad Corporation	1088/2, Jail Road Faisalabad 38000
Arzoo Textile Mills Ltd	2.6 km, Jaranwala Road, Khurrianwala, Faisalabad
Asia Textile Mills	D-156, S.I.T.E. Avenue, Karachi
Aziz Sons	D21/Karach, S.I.T.E., Karachi-75700
B.I.L. Exporters	15/5, Sector 12/C, North Karachi Industrial Area, Karachi
Baak Industries	P-107, Akbarabad, Near Allied Hospital, Faisalabad
Be Be Jan Pakistan Limited	Square No 7, Chak No 204/R.B., Faisalabad
Bela Textiles Ltd	A-29/A, S.I.T.E., Karachi
Bismillah Fabrics (PVT) Ltd	3 Km, Jhumbra Road, Khurrianwala, Faisalabad
Bismillah Textiles (PVT) Ltd	1. KM, Jaranwala Road, Khurrianwala,

	Faisalabad
Classic Enterprises	B-1/1, Sector 15, Korangi Industrial Area, Karachi
M/S Club Textile	Sargodha Road, Ali Block Faisalabad
Cotton Arts (PVT) Ltd	613/1, Dagrawaan Road, Faisalabad
D.L. Nash (Private) Ltd	11, Timber Pond, Keamari Road, Karachi-75620
Dawood Exports PVT Ltd	PO Box 532, Sarghoda Road, Faisalabad
Decent Textiles	P-1271, Abdullahpur, West Canal Road, Faisalabad
En Em Fabrics (Pvt) Ltd	10th Km, Sarghoda Road, Faisalabad
En Em Industries Ltd	10th Km, Sargodha Road, Faisalabad
Enn Eff Exports	4th floor, Business Centre, New Civil Lines, Faisalabad
Faisal Industries	Office 205, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi
Fashion Knit Industries	5-Business Centre, Ground Floor, Mumtaz Hassan Road, Karachi
Fateh Textile Mills Limited	PO Box No 69, Hali Road, S.I.T.E., Hyderabad
Gerpak Textile (PVT) Ltd	317 Clifton Centre, Schon Circle, Kehkashan Clifton, Karachi
Gohar Textile mills	208 Chak Road, Zia Town, Faisalabad
H.A. Industries (PVT) Ltd	10 KM, Jaranwala Road, Faisalabad
Haroon Fabrics (Private) Limited	P-121, Rafique Colony, Jail Road, Faisalabad
Hay's (PVT) Limited	A-33, (C), Textile Avenue, S.I.T.E., Karachi-75700

M/S Home Furnishings Limited	Plot No 1, 2, 10, 11, Sector IX-B., Karachi Export Processing Zone, Karachi
Homecare Textiles	D-115, S.I.T.E., Karachi
Husein Industries Ltd	HT-8 Landhi Industrial & Trading Estate, Landhi, Karachi
Ideal International	A-63/A, SIND Industrial Trading Estate, Karachi-75700
J.K. Sons Private Limited	3-1/A, Peoples Colony Jaranwala Road Faisalabad
Jaquard Weavers	811 Mahmoodabad Colony, Multan
Kam International	F-152, S.I.T.E., Karachi
Kamal Spinning Mills	4th KM, Jranwala Road, Khurrianwala, Faisalabad
Kausar Processing Industries (PVT) Ltd	P-61 Gole Chiniot Bazar, Faisalabad
Kausar Textile Industries (PVT) Ltd	Maqbool Road, Faisalabad
Khizra Textiles International	P-68, First Floor, Tawakal Cloth Market, Gol Chiniot Bazar, Faisalabad-38000
Kohinoor Textile Mills Limited	Peshawar Road, Rawalpindi
Latif International (PVT) Ltd	Street No 1, Abdullahpur, Faisalabad
Liberty Mills Limited	A/51-A, S.I.T.E., Karachi
M/s M.K. SONS Pvt Limited	2 KM, Khurrianwala, Jarranwala Road, Faisalabad
MSC Textiles (PVT) Ltd	P-19, 1st floor, Montgomery Bazar, Faisalabad
Mughanum (PVT) Ltd	P-162, Circular Road, Faisalabad
Mustaqim Dyeing & Printing Industries (Pvt) Ltd	D-14/A, Bada Board, S.I.T.E., Karachi
Naseem Fabrics	Suite #404, 4th floor, Faisalcomplex,

	Bilal Road, Civil Lines, Faisalabad
Nawaz Associates	87 D/1 Main Boulevard Gulberg III, Lahore
Nazir Industries	Suite 3, 7th floor, Textile Plaza, M.A. Jinnah Road, Karachi-74000
Niagara Mills (PVT) Ltd	Kashmir Road, Nishatabad, Faisalabad
Nina Industries Limited	A-29/A, S.I.T.E., Karachi
Nishitex Enterprises	P-224, Tikka Gali No 2, Y.Y. Plaza., 1st floor, Montgomery Bazar, Faisalabad
Parsons Industries (PVT) Ltd	E-53 S.I.T.E., Karachi
Popular Fabrics (PVT) Limited	Plot 115, Landhi Industrial Area, Karachi
Rainbow Industries	810/A, Khanewal Road, Multan
Rehman International	P-2, Al Rehman House, Ghulam Rasool Nagar Main Road, Sarfranz Colony, Faisalabad
Sadaqat Textile Mills Pvt Ltd	Sadaqat Street, Sarghoda Road, Faisalabad
Sadiq Siddique Co.	170-A, Latif Cloth Market, M.A. Jinnah Road, Karachi
Sakina Exports International	#313, Dada Chambers, M.A. Jinnah Road, Karachi-74000
Samira Fabrics (PVT) Ltd	401-403, Chapal Plaza, Hasrat Mohani Road, Karach
Sapphire Textile Mills Limited	313, 3rd floor, Cotton exchange Bldg. I.I., Chundrigar Road, Karachi
Shahzad Siddique (PVT) Ltd	4,5 KM, Khurainwala Jaranwala Road, Faisalabad
Shalimar Cotton Export (PVT) Ltd	Yousaf Chowk, Sarghoda Road, Faisalabad
Sharif Textiles Industries (PVT) Ltd	PO Box 265, Satiana Road,

	Faisalabad
Shercotex	39/c, Peoples Colony, Faisalabad
Sitara Textile Industries Limited	6- K.M., Sargodha Road, Faisalabad
South Asian Textile Inds.	Street No 3, Hamedabad Colony, Vehari Road, Multan
Sweety Textiles Pvt Ltd	P-237, 2nd floor, Hassan Arcade Montgomery Bazar, Faisalabad
Tex-Arts	P-22, 1st floor, Montgomery Bazar, Faisalabad
The Crescent Textile Mills Ltd	Sargodha Road, Faisalabad
Towellens Limited	WSA 30-31, Block 1, Federal B, Karachi
Union Exports (PVT) Limited	D-204/A, S.I.T.E., Karachi-75700
United Finishing Mills Ltd	2nd floor, Regency Arcade, The Mall, Faisalabad
United Textile Printing Industries (Pvt) Ltd	PO Box 194, Maqbool Road, Faisalabad
Wintex Exports PVT Ltd	P-17/A, Main Road, Sarfaraz Colony, Faisalabad
Zafar Fabrics (PVT) Limited	Chak No 119, J.B. (Samana), Sarghoda Road, Faisalabad
Zamzam Weaving and Processing Mills	Bazar 1, Razabad, Faisalabad
ZIS Textiles Private Limited	3Km Sheikhpaura Road Khurrianwala Faisalabad

Article 2

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

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

Done at Brussels,

*For the Council
The President*