



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a
COUNCIL REGULATION (EC)

amending Regulation (EC) No 1015/94 imposing a definitive anti-dumping duty
on imports of television camera systems originating in Japan

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. The Council, by Regulation (EC) No 1015/94, imposed a definitive anti-dumping duty on imports of television camera systems originating in Japan.
2. The Council excluded certain models of professional cameras from the application of the anti-dumping duty; these exempt models were listed in an Annex attached to the abovementioned Council Regulation.
3. Several exporters informed the Commission about the intended introduction into the Community market of either successor or new camera models and asked the Commission to establish whether they would fall within the scope of the anti-dumping duty and to amend the Annex accordingly.
4. The complainant Community industry asked the Commission to confirm that a new camera model which is furnished with four CCDs (Charge-Coupled Devices), instead of three, as described in the product definition, should fall within the scope of the anti-dumping duty.
5. The Commission, in a review of Regulation No 1015/94 pursuant to Article 14(3) of Regulation (EEC) No 2423/88, consulted on both issues all interested parties, providing them with the relevant technical documentation.
6. The Commission, after examining all the products and taking into account the comments submitted by all interested parties, concluded that:
 - (a) all successor/new models should be excluded from the scope of the anti-dumping duty;
 - (b) the four CCDs should be subject to the anti-dumping duty.

Therefore the Commission is now proposing to:

- (a) replace the Annex with an amended version, which contains both old and new exempted professional camera models;
- (b) amend the product definition in such a way that also the four-CCD camera can be covered by the application of the anti-dumping duty.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 3283/94 of 22 December 1994 on protection against dumped imports from countries not members of the European Community⁽¹⁾, as last amended by Regulation (EC) No 1251/95⁽²⁾, and in particular Article 23 thereof,

Having regard to Council Regulation (EEC) No 2423/88 of 11 July 1988 on protection against dumped or subsidized imports from countries not members of the European Economic Community⁽³⁾, as last amended by Regulation (EC) No 522/94⁽⁴⁾, and in particular Article 14 thereof,

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

Whereas:

A. PREVIOUS PROCEDURE

- (1) The Council, by Regulation (EC) No 1015/94⁽⁵⁾, imposed a definitive anti-dumping duty on imports of television camera systems originating in Japan.
- (2) The Council specifically excluded from the scope of the anti-dumping duty the professional cameras listed in the Annex to that Regulation (hereinafter "the Annex"), representing high-end professional cameras technically falling within the product definition under Article 1(2) of Regulation (EC) No 1015/94 but which cannot be regarded as broadcast cameras.

B. REVIEW PROCEDURE

- (3) Subsequently, several exporters made it known to the Commission that they intended to introduce new models of professional cameras into the Community market, which in their view should be added to the list of camera models in the Annex exempted from the anti-dumping duty.
- (4) The Japanese producer, Ikegami, announced the introduction into the Community market of a broadcast camera (HK-466/P) which is furnished with four sensors (Charge-Coupled Devices, CCDs), instead of three CCDs, as described in the product definition for broadcast cameras under Article 1(2) of Regulation (EC) No 1015/94. The complainant Community producers (hereinafter "the Community

(1) OJ No L 349, 31.12.1994, p. 1.

(2) OJ No L 122, 2.6.1995, p. 1.

(3) OJ No L 209, 2.8.1988, p. 1.

(4) OJ No L 66, 10.3.1994, p. 10.

(5) OJ No L 111, 30.4.1994, p. 106.

industry") requested the inclusion of this camera within the scope of the anti-dumping duty since they claimed that it was a like product, and provided technical specifications.

- (5) The Commission commenced a review of Regulation (EC) 1015/94 in June 1994, limited to determining whether the new products fall within the scope of the present proceeding.

C. RESULTS OF THE REVIEW

- (a) **Successor or new models**
- (6) The Commission informed all parties concerned about the possibility of applying for inclusion in the Annex of new or successor models.
- (7) The following companies made applications in respect of the new and the successor models listed below and supplied the relevant technical information.

Successor models:

(I) Hitachi

- camera head HV-C20 and submodel HV-C20M;
- camera head Z-ONE-D and submodels (A), (B) and (C);
- camera control units RU-Z2, RC-Z1, RC-Z11, RC-Z2, RC-Z21;
- camera adaptors CA-Z1, CA-Z2, CA-Z1SJ, CA-Z1SP, CA-Z1M, CA-Z1M2, CA-Z1HB, CA-C10, CA-C10SP, CA-C10SJA, CA-C10M, CA-C10B;
- view finder GM-50 (A).

(II) Ikegami

- camera head HC-390;
- viewfinder VF 15-39;
- camera adaptor CA-390.

(III) JVC

- camera head KY-27CECH;
- camera control unit RM-P270EG.

(IV) Matsushita

- camera head WV-F-565HE;
- viewfinder WV-VF42E;
- remote control units WV-RC550/G and WV-RC550/B.

(V) Sony

- camera head family DXC-637 P in the configurations DXC-637PK, DXC-637PL, DXC-637PH, PVW-637PK and PVW-637PL;
- view finders DXF-601CE, DXF-40BCE and DXF-50BCE.

New models:

(VI) JVC

- camera head KH-100U: it is intended to be used in a closed circuit system (such as lecture halls, exhibition rooms and theatres). It can only be used in the Japanese High Definition Standard (Hi-Vision) and cannot be employed under the current European broadcast standard (PAL or SECAM).

- (8) The Commission provided the Community industry concerned with the technical details of all of the models listed above and asked them to give their comments regarding the classification as professional cameras.

The Community industry confirmed that all of the models mentioned under point 7 above were either successors to professional camera models which were already excluded from the application of the duty or new models of professional cameras.

- (9) The Commission carried out a technical examination which for the successor models included a physical comparison with the predecessor models. On the basis of this technical examination and in the light of the comments made by the interested parties concerned, it is concluded that all models listed in point 7 above are either professional cameras and related equipment which replace or update models previously listed in the Annex, or new models of professional cameras. It follows that they should be exempt from the application of the anti-dumping duty and that the Annex should be amended accordingly.

(b) The four-CCD camera

- (10) The Commission asked Ikegami to supply information on its new four-CCD camera and to comment on the request of the Community industry. Ikegami provided technical details and explanations regarding the four-CCD camera. On this basis, all interested parties concerned were invited to make their comments.

Ikegami's position

- (11) From the formal point of view, Ikegami argued that the four-CCD camera was not covered by the anti-dumping proceeding, since no complaint had been lodged in regard to it and it had not submitted to investigations at that time. Regulation (EC) No 1015/94 concerns only camera heads with three sensors. Ikegami further argued that a review could not alter the scope of the proceedings, which was defined in the Notice of Initiation and in the provisional and definitive duty regulations.
- (12) As far as the technical aspects are concerned, Ikegami claimed that the four-CCD camera is not a like product comparable to three-CCD cameras, since a completely new technology was employed. Two of the CCDs are intended to pick up the light for the colour green. Ikegami submitted a memorandum showing that scientific research on the use of two CCDs for the green channel had already started in 1991 and claimed it to be a technical development which had been envisaged before the imposition of the anti-dumping duty and which was therefore not related to the application of the imposed anti-dumping duty.

Ikegami pointed out that the four-CCD system offers a number of advantages over three-CCD cameras:

- a higher resolution of the whole image;
- a better modulation-depth;
- a higher dynamic range;
- less aliasing;
- the reduction of chromatic aberration of the lenses.

- (13) From the market perspective, Ikegami claimed that four-CCD cameras formed a separate market segment, being the only products optimized for 16:9 Pal-Plus production, and that, with the introduction of the new HK-466/P, a new market segment would be created. In conclusion, Ikegami took the view that this product could not cause injury to the three-CCD Community industry.

Comments from other exporters

- (14) Only one exporter commented stating that the new four-CCD cameras did not show any substantial change as compared with the three-CCD cameras and that except for the four-CCD camera head containing certain new parts, all the other components were identical; the exporter was of the view that this product could therefore be regarded as equivalent to the three-CCD systems.

Comments from the Community industry

- (15) As regards the technical aspects, the Community industry stated that the addition of one CCD did not have any significant impact on the nature of the product as a broadcast camera. They affirmed that the double CCD in halfpixel offset is only an intermediate solution, merely representing a way of temporarily overcoming technological problems. The four CCD technology may represent an improvement in the performance of Ikegami's cameras, but not in the whole market. The existence of a different approach known as the Dynamic Pixel Management (DPM) technology was mentioned as a way of obtaining the same results in terms of vertical/horizontal resolutions.
- (16) From a market perspective, the Community industry asserted that the four-CCD will not create any separate market segment, as it would target the same users as the three-CCD cameras currently do. They conclude that the four-CCD camera is not a new product, nor is it creating a new market segment. Consequently, it should fall within the scope of Regulation (EC) No 1015/94.

Conclusion

- (17) From a formal point of view, the product definition given under Article 1(2) of Regulation (EC) No 1015/94 referred to three-CCD cameras solely in order to differentiate the products covered by the proceeding from single-CCD cameras (camcorders), which are excluded. However, four-CCD cameras fall within the single category of product concerned and would have been expressly mentioned in the description of the product subject to the investigation, had they been known then to exist. Thus it is not a question of extension of the scope of the proceeding but merely a clarification of the product definition.

- (18) From a technical point of view, the four-CCD camera is a like product. Ikegami's new four-CCD camera offers an equivalent performance, compared to the three-CCD camera system, since the addition of one CCD does not bring any substantial change to the technology employed in three-CCD cameras. It can be concluded that the four-CCD camera is only one possible technical solution to be regarded as an "internal" evolution which has been developed by one competitor in order to face growing competition and technical complexity in the camera market.
- (19) From a market perspective, the four-CCD camera does not target a separate new market segment, being a broadcast product which will be potentially bought by the same users which are currently using three-CCD broadcast cameras.
- (20) For the reasons stated above, four-CCD cameras should be subject to the anti-dumping duty imposed. Therefore Regulation (EC) No 1015/94 should be amended accordingly.
- (21) Since the scope of the review has been limited to the issue of the classification of new products, the conclusion of this review should not affect the determination of the expiry date of Regulation (EC) No 1015/94 under Article 15(1) of Regulation (EEC) No 2423/88,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1015/94 is amended as follows:

1. In point (a) of Article 1(2), the words "three sensors" are replaced by the words "three or more sensors".
2. The Annex is replaced by the Annex hereto.

Article 2

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

However, point 2 of Article 1 shall apply with effect from 1 May 1994.

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

Done at Brussels,

For the Council
The President

ANNEX

Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adaptors
SONY	DXC-M7PH DXC-M7P DXC-M7PH DXC-M7PK/1 DXC-M7P/1 DXC-M7PH/1 DXC-327PK DXC-327PL DXC-327PH DXC-327APK DXC-327APL DXC-327AH DXC-537PK DXC-537PL DXC-537PH DXC-537APK DXC-537APL DXC-537APH EVW-537PK EVW-327PK DXC-637P DXC-637PK DXC-637PL DXC-637PH PVW-637PK PVW-637PL	DXF-3000CE DXF-325CE DXF-501CE DXF-M3CE DXF-M7CE DXF-40CE DXF-40ACE DXF-50CE DXF-601CE DXF-40BCE DXF-50BCE	CCU-M3P CCU-M5P CCU-M7P	RM-M7G	-	CA-325P CA-325AP CA-325B CA-327P CA-537P CA-511 CA-512P CA-513
IKEGAMI	HC-340 HC-300 HC-230 HC-240 HC-210 HC-390	VF15-21/22 VF-4523 VF 15-39	MA-200/230	RCU-240	-	CA-340 CA-300 CA-230 CA-390

Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adaptors
HITACHI	Z-ONE Z-ONE A (L) Z-ONE A (H) Z-ONE A (F) Z-ONE A Z-ONE B (L) Z-ONE B (H) Z-ONE B (F) Z-ONE B Z-ONE B (M) Z-ONE B (R) FP-C10 (B) FP-C10 (C) FP-C10 (D) FP-C10 (G) FP-C10 (L) FP-C10 (R) FP-C10 (S) FP-C10 (V) FP-C10 (F) FP-C10 FP-C10 A FP-C10 A (A) FP-C10 A (B) FP-C10 A (C) FP-C10 A (D) FP-C10 A (F) FP-C10 A (G) FP-C10 A (H) FP-C10 A (L) FP-C10 A (R) FP-C10 A (S) FP-C10 A (T) FP-C10 A (V) FP-C10 A (W) Z-ONE C (M)	GM-5 (A) GM-5-R2 (A) GM-5-R2 GM-50	RU-Z1 (B) RU-Z1 (C) RU-Z1 RC-C11 RU-Z2 RC-Z1 RC-Z11 RC-Z2 RC-Z21			CA-Z1 CA-Z2 CA-Z1SJ CA-Z1SP CA-Z1M CA-Z1M2 CA-Z1HB CA-C10 CA-C10SP CA-C10SJA CA-C10M CA-C10B

Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adaptors
HITA CHI (cont'd)	Z-ONE C (R) Z-ONE C (F) Z-ONE C HV-C20 HV-C20M Z-ONE-D Z-ONE-D (A) Z-ONE-D (B) Z-ONE-D (C)					

Company name	Camera heads	Viewfinder	Camera control unit	Operational control unit	Master control unit (*)	Camera adaptors
MATSUSHITA	WV-F700 WV-F700A WV-F700SHE WV-F700ASHE WV-F700BHE WV-F700ABHE WV-F700MHE WV-F350 WV-F350HE WV-F350E WV-F350AE WV-F350DE WV-F350ADE WV-F500HE* WV-F-565HE	WV-VF65BE WV-VF40E WV-VF65BE WV-VF39E WV-VF65BE WV-VF40E WV-VF65BE* WV-VF40E* WV-VF42E	WV-RC700/B WV-RC700/G WV-RC700A/B WV-RC700A/G WV-RC36/B WV-RC36/G WV-RC37/B WV-RC37/G WV-CB700E WV-CB700AE WV-CB700E* WV-CB700AE* WV-RC700/B* WV-RC700/G* WV-RC700A/B* WV-RC700A/G* WV-RC550/G WV-RC550/B			WV-AD700SE WV-AD700ASE WV-AD700ME WV-AD250E WV-AD500E*
JVC	KY-35E KY-27ECH KY-19ECH KY-17FITECH KY-17BECH KY-F30FITE KY-F30BE KY-27CECH KH-100U	VF-P31E VF-P550E VF-P10E VP-P115E VF-P400E VP-P550BE	RM-P350EG RM-P200EG RM-P300EG RM-LP80E RM-LP821E RM-LP35U RM-LP37U RM-P270EG			KA-35E KA-B35U KA-M35U KA-P35U KA-27E KA-20E KA-P27U KA-P20U KA-B27E KA-B20E KA-M20E KA-M27E

(*) Also called Master setup unit (MSU) or Master control panel (MCP)

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