Commission Implementing Regulation (EU) 2020/508 of 7 April 2020 imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan

COMMISSION IMPLEMENTING REGULATION (EU) 2020/508

of 7 April 2020

imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union[(1)] ('the basic Regulation'), and in particular Article 7 thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 12 August 2019, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports into the Union of certain hot rolled stainless steel sheets and coils ('SSHR' or 'the product under investigation') originating in Indonesia, the People's Republic of China ('PRC') and Taiwan ('the countries concerned'), on the basis of Article 5 of Regulation (EU) 2016/1036. It published a Notice of Initiation in the *Official Journal of the European Union*[(2)] ('Notice of Initiation').

(2) The Commission initiated the investigation following a complaint lodged on 28 June 2019 by the European Steel Association ('Eurofer' or 'the complainant') on behalf of four Union producers representing the entirety of Union production of the product under investigation. The complaint contained evidence of dumping from the countries concerned and resulting material injury that was sufficient to justify the initiation of the investigation.

(3) The Commission made imports of the product concerned subject to registration under Article 14(5) of the basic Regulation by Commission Implementing Regulation (EU) 2020/104[(3)].

1.2. Interested parties

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/508. (See end of Document for details)*

(4) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the complainant, known exporting producers in the countries concerned and the authorities of the countries concerned, known importers and users in the Union about the initiation of the investigation, and invited them to participate.

(5) Interested parties had the opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings. The Commission received comments that are addressed in Sections 2.3 and 5.2.3.

1.3. **Sampling**

(6) In the Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.

1.3.1. *Sampling of Union producers*

(7) In the Notice of Initiation, the Commission stated that it had decided to limit to a reasonable number the Union producers that would be investigated by applying sampling, and that it had provisionally selected a sample of Union producers. The Commission selected the provisional sample on the basis of production and Union sales volumes reported by the Union producers in the context of the pre-initiation standing assessment analysis, taking also into account their geographical location. The provisional sample thus established consisted of three Union producers accounting for over 78 % of production and 88 % of sales in the Union of the like product, and located in three different Member States. Details of this provisional sample were made available in the file for inspection by interested parties, with the possibility for them to make comments. No comments were made.

(8) As a result of the above, the provisional sample of Union producers was confirmed. It consisted of Aperam Belgium ('Aperam'), Acciai Speciali Terni S.p.A. ('AST') and OTK Stainless Oy ('OTK'). The definitive sample is representative of the Union industry.

1.3.2. *Sampling of importers*

(9) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all known unrelated importers to provide the information specified in the Notice of Initiation.

(10) Two unrelated importers made themselves known as interested parties and provided the requested information. In view of the low number of replies received, sampling was not necessary. Both importers were invited to complete a questionnaire.

1.3.3. *Sampling of exporting producers in the countries concerned*

(11) Taking into account the number of known producers of the product concerned in the countries concerned, the Notice of Initiation provided only for sampling in the

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/508. (See end of Document for details)*

PRC and therefore, the Commission asked all Chinese exporting producers to provide the information specified in the Notice of Initiation to decide whether sampling was necessary and, if so, to select a sample.

(12) In addition, the Commission asked the Embassy of the Republic of Indonesia in Brussels, the Mission of the People's Republic of China to the European Union and the Taipei Representative Office in the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

1.3.3.1. *Indonesia*

(13) There were only two exporting producers in Indonesia known to the Commission at the initiation of the investigation. Therefore, the Commission did not intend to select a sample. No further exporting producers came forward. Consequently, the Commission carried out the investigation on the two exporting producers in Indonesia.

1.3.3.2. *The People's Republic of China*

(14) Five exporting producers in the PRC provided the information requested in the Notice of Initiation and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three companies, which could reasonably be investigated within the time available. The basis for the selection of the sample were the largest volumes of exports to the Union.

(15) In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned, and the authorities of the PRC, were consulted on the selection of the sample. No comments were made.

(16) Following the verification visits, given the shortcomings of the information provided by one sampled Chinese exporting producer, the Commission decided to disregard the information given by this producer on the basis of Article 18(1) of the basic Regulation[(4)].

(17) As a result of the above, the sample of the Chinese exporting producers was reduced to two companies, covering around 92 % of Chinese exports of the product concerned to the Union in the investigation period, which was still considered a high level of cooperation.

1.3.3.3. *Taiwan*

(18) In the Notice of Initiation, sampling was not foreseen for Taiwan as there was only one exporting producer known to the Commission. However, shortly before the initiation, the Commission was informed by the Taipei Representative Office in the European Union that there might be a total of 12 additional exporting producers of the product concerned in Taiwan. Therefore, upon initiation, the Commission asked the 13 parties to reply to sampling questions and, subsequently, to reply to a couple of other questions destined to clarify their role and exact activities. On that basis,

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2020/508. (See end of Document for details)*

the Commission could eventually identify two exporting producers of the product concerned in Taiwan. Therefore, sampling was not necessary.

(19) The two exporting producers represented around 56 % of the total volume of exports from Taiwan to the Union. The replies of 7 of the Taiwanese parties contacted by the Commission upon initiation revealed that these companies were in fact independent service centres and/or traders and that most if not all of the remaining Taiwanese exports to the Union were eventually made by these parties. These service centres did not have any hot-rolling or cold-rolling facilities and therefore did not qualify as a producer of the product concerned. In addition, their added value was minor in relation to the cost of their inputs. However, in view of the replies received from them on the questions referred to in recital (18) above, the Commission followed up by providing these parties with a concise questionnaire in order to obtain a sound understanding of the functioning of the Taiwanese domestic and export sales of the product under investigation.

1.4. **Individual examination**

(20) Originally, four Chinese exporting producers that returned the sampling form requested individual examination under Article 17(3) of the basic Regulation. The Commission made the questionnaire available online on the day of the initiation[(5)]. Moreover, when announcing the sample, the Commission informed the exporting producers that were not sampled that they were required to provide a questionnaire reply if they wished to be examined individually. However, none of the companies provided a questionnaire reply. Therefore, no individual examination was granted.

1.5. **Questionnaire replies and verification visits**

(21) The Commission sent a questionnaire concerning the existence of significant distortions in the PRC within the meaning of Article 2(6a)(b) of the basic Regulation to the Government of the People's Republic of China ('GOC').

(22) Furthermore, the complainant provided in the complaint sufficient *prima facie* evidence of raw material distortions in Indonesia and the PRC regarding the product concerned. Therefore, as announced in the Notice of Initiation, the investigation covered those raw material distortions to determine whether to apply the provisions of Article 7(2a) and 7(2b) of the basic Regulation with regard to Indonesia and the PRC. For this reason, the Commission sent additional questionnaires in this regard to the Government of Indonesia ('GOI') and the GOC.

(23) The Commission sent questionnaires to the three sampled Union producers, the complainant, the two unrelated importers and two users that had made themselves known, the nine exporting producers in the countries concerned and all other economic operators that made themselves known and requested a questionnaire. The same questionnaires had also been made available online[(6)] on the day of initiation.

(24) Questionnaire replies were received from the three sampled Union producers, two unrelated importers, two users, the two known exporting producers from Indonesia, the three sampled exporting producers from the PRC, the two exporting producers in Taiwan and an unrelated service centre in Taiwan. A questionnaire reply was also

received from the GOI. No reply was received from the GOC for any of the two questionnaires sent.

(25) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following parties:

(a) *Union producers and their association*

— Acciai Speciali Terni S.p.A., Terni, Italy ('AST')

— Aperam Stainless Belgium, Châtelet and Genk, Belgium ('Aperam')

— Outokumpu Stainless Oy, Tornio, Finland ('OTK')

— Eurofer, Brussels, Belgium.

(b) *Users in the Union*

— Marcegaglia Specialties S.p.A., Mantova, Italy ('Marcegaglia').

(c) *Exporting producers*

Exporting producers in Indonesia:

— PT Indonesia Tsingshan Stainless Steel, Jakarta ('ITSS')

— PT Indonesia Guang Ching Nickel and Stainless Steel Industry, Jakarta ('GCNS').

Exporting producers in the PRC:

— Shanxi Taigang Stainless Steel Co., Ltd., Taiyuan ('STSS'), its related exporter in the third country – Tisco Stainless Steel (H.K.) Ltd., HongKong ('Tisco HK'), and five related companies located in the PRC: Beijing Taigang Sales Co., Shanxi Taigang Bonded & Conprehensive, Taiyuan Iron & Steel (Group) Fly Ash Comprehensive Utilization Co. Ltd., Taiyuan Taigang Daming Metal Products Ltd., and Tianjin Tisco and TPCO Stainless Steel

— Fujian Fuxin Special Steel Co., Ltd., Ximen ('FSS')

— Zhenxhi Group Eastern Special Steel Co., Ltd., Jiaxing ('Zhenshi').

Exporting producers in Taiwan:

— Yieh United Steel Co. ('Yusco'); its related producer Tang Eng Iron Works Co. Ltd. ('Tang Eng'); its related service centre Yieh Mau Co. ('YMC'); and its related trader Yieh Co. Ltd. ('YCL'), Kaohsiung (together referred to as 'Yusco Group')

— Walsin Lihwa Co., Tainan ('Walsin').

Independent service centre in Taiwan:

— YC INOX Ltd., Changhua County ('YC INOX').