Commission Implementing Regulation (EU) 2019/1379 of 28 August 2019 imposing a definitive anti-dumping duty on imports of bicycles originating in the People's Republic of China as extended to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka, Tunisia, Cambodia, Pakistan and the Philippines, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) No 2016/1036

COMMISSION IMPLEMENTING REGULATION (EU) 2019/1379

of 28 August 2019

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THE EUROPEAN COMMISSION,

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

Having regard to Council 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 11(2) thereof,

Whereas:

1. PROCEDURE

1.1. Measures in force

(1) By Regulation (EEC) No 2474/93[(2)] ('the original investigation'), the Council imposed a definitive anti-dumping duty of 30,6 % on imports of bicycles originating in the People's Republic of China ('the PRC' or 'the country concerned'). Following an anti-circumvention investigation, this duty was extended by Council Regulation (EC) No 71/97[(3)] to imports of certain bicycles parts originating in the PRC. An 'exemption scheme' for certain bicycle parts was introduced by Commission Regulation (EC) No 88/97[(4)]. Several investigations followed since then, amending the initial measures.

(2) The measures currently in force are definitive anti-dumping duties imposed by Council Regulation (EU) No 502/2013[(5)]. The anti-dumping duties currently in force range from 0 % to 48,5 % ('the measures in force'). The investigation that led to the imposition of the measures in force will hereinafter be referred to as 'the previous review investigation'.

(3) The Council, by Implementing Regulation (EU) No 501/2013[(6)], also extended the measures on imports of bicycles originating in the PRC to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka and Tunisia, whether declared as originating in Indonesia, Malaysia, Sri Lanka and Tunisia or not. Several exemptions to

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genuine exporting producers in these countries were granted in the framework of this investigation.

(4) The Commission, by Implementing Regulation (EU) 2015/776[7], extended the measures on imports of bicycles originating in the PRC to imports of bicycles consigned from Cambodia, Pakistan and the Philippines, whether declared as originating in Cambodia, Pakistan and the Philippines or not. Several exemptions to genuine exporting producers in these countries were granted in the framework of this investigation.

(5) On 14 December 2017[8], the Court of Justice of the European Union confirmed the judgment of the General Court of the European Union that annulled the Regulation imposing the anti-dumping measures as far as the applicant, Giant Co. Ltd., was concerned. Therefore Giant Co. Ltd. is outside of the scope of the measures and did not fall within the scope of this investigation.

(6) The Commission, by Implementing Regulation (EU) 2018/49[9], amended the measures on imports of bicycles originating in the PRC following a new exporter review pursuant to Articles 11(4) and 13(4) of the basic Regulation.

1.2. **Initiation of an expiry review**

(7) Following the publication of a notice of impending expiry of the definitive anti-dumping measures in force[10], the European Bicycle Manufacturer's Association ('EBMA' or 'the applicant') lodged a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of the basic Regulation. The request was lodged on 5 March 2018. The applicant acts on behalf of EU bicycle producers representing more than 45 % of the total Union production of bicycles. The request was based on the grounds that the expiry of the measures would be likely to result in a continuation or recurrence of dumping and injury to the Union industry.

(8) On 4 June 2018, the Commission announced, by a notice published in the *Official Journal of the European Union*[11] ('the Notice of Initiation'), the initiation of an expiry review of the anti-dumping measures applicable to imports of bicycles originating in the People's Republic of China pursuant to Article 11(2) of the basic Regulation.

1.3. **Investigation**

1.3.1. *Review investigation period and period considered*

(9) The investigation of a likelihood of continuation or recurrence of dumping covered the period from 1 April 2017 to 31 March 2018 ('the review investigation period' or 'RIP'). The examination of the trends relevant for the assessment of the likelihood of continuation or recurrence of injury covered the period from 1 January 2014 to the end of the review investigation period ('the period considered').

1.3.2. *Interested parties*

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(10) In the Notice of Initiation, the Commission invited all interested parties to participate in the investigation. In addition, the Commission officially informed the following parties of the initiation of the expiry review: the applicant, the known producers in the Union and their relevant associations, the known exporting producers in the PRC, the known unrelated importers in the Union, the suppliers of parts and the association of users in the Union known to be concerned and the authorities in the PRC.

(11) All interested parties were invited to make their views known, submit information and provide supporting evidence within the time limits set out in the Notice of Initiation. Interested parties were also granted the opportunity to request in writing a hearing by the Commission investigation services and/or the Hearing Officer in trade proceedings.

1.3.3. *Sampling*

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

1.3.3.1. *Sampling of Union producers*

(13) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers, in accordance with Article 17(1) of the basic Regulation. Prior to the initiation, more than 70 Union producers had provided the information requested for the selection of the sample and expressed their willingness to cooperate with the Commission. On that basis, the Commission had provisionally selected a sample of three producers, which were found to be representative of the Union industry in terms of volume of sales and production of the like product in the Union. The sampled Union producers accounted for 22 % of the estimated total production of the Union industry and for 21 % of the total sales volume of the Union industry to unrelated customers in the Union during the period 1 January 2017 to 31 December 2017. The Commission invited the interested parties to comment on the provisional sample. No comments were received.

(14) Further to the initiation of the case, it appeared that a number of Union producers were sub-contracting partly or fully the production process to third-party companies operating under tolling agreements (‘tollers’). For this reason, the Commission requested additional information from the ten largest Union producers concerning their business models and production volumes. In light of the new information received, the Commission decided to include two more Union producers in the sample in order to cover the various business models applicable in the EU. The final sample covered 27 % of the estimated total production volume and 26 % of the estimated total sales volume to unrelated customers in the Union, during 2017. No further comments were received. The sample was considered representative for the Union industry.

1.3.3.2. *Sampling of unrelated importers*

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(15) In order to enable the Commission to decide whether sampling was necessary and, if so, to select a sample, all unrelated importers were invited to participate in this investigation. They were requested to make themselves known by providing the Commission with the information on their companies listed in the Annex II of the Notice of Initiation.

(16) In addition, 75 importers identified in the review request were contacted by the Commission at the stage of the initiation and were invited to explain their activity and to fill Annex II of the Notice of Initiation. None of them came forward.

1.3.3.3. *Sampling of producers in the PRC*

(17) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all known producers of the product under review in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the People's Republic of China to the European Union to identify and/or contact other producers, if any, that could be interested in participating in the investigation.

(18) Six exporting producers/producers came forward following the initiation of the proceeding, of which one subsequently withdrew its cooperation. Only two of the remaining five cooperating exporting producers/producers exported bicycles to the Union during the review investigation period.

(19) In accordance with Article 17(1) of the basic Regulation, the Commission selected a representative sample of three groups of exporting producers/producers based on the largest declared volume of exports, both to the EU and third countries, and production of the product under review during the review investigation period.

(20) On this basis, the three sampled groups of Chinese exporting producers/producers account for about 89 % of the overall declared production and sales of the five cooperating companies/groups of companies. In overall terms, the three sampled groups account for 18 % of the sales of bicycles from the PRC to the EU and 1 % of the production of bicycles in the PRC during the review investigation period.

(21) Parties were given the opportunity to comment on the proposed sample. The Commission received comments only from the applicant. First, the applicant claimed that the producers that came forward are not Chinese bicycle producers, as they are related to Taiwanese companies. Second, the applicant argued that the sampled companies and the companies that came forward are not typical Chinese bicycle producers, not being located in the three main centres of the Chinese bicycle industry. Third, the applicant argued that the sampled companies and the companies that came forward do not produce entry-level bicycles. Fourth, the applicant argued that two of the sampled companies are subject to an *ad valorem* anti-dumping duty of zero percent.

(22) The Commission noted that the applicant did not provide any evidence that the location would make a difference in the production types or costs nor that the selected companies do not produce entry-level bicycles. Moreover, the Commission

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could ascertain that the sampled exporting producers manufactured also entry-level bicycles.

(23) Moreover, in selecting the sample, the Commission was bound by the provisions of Article 17 of the basic Regulation to select a representative sample from the companies that came forward. Within those cooperation companies, the Commission clarified that despite the company ownership, location and product range, all the companies selected for the sample produced bicycles in the PRC during the review investigation period.

(24) The claims on sampling made by EBMA were therefore rejected.

1.3.3.4. *Questionnaires and verification visits*

(25) The Commission sent questionnaires to the five sampled Union producers, the three sampled exporting producers, the applicant and the Government of China ('GOC'). The five sampled Union producers, along with their ten tollers, the three sampled exporting producers and the applicant replied to the questionnaire.

(26) The Commission verified all the information it deemed necessary for a determination of the likelihood of a continuation or recurrence of dumping and injury and of the Union interest. Verification visits were carried out at the premises of the following interested parties:

(a) Union producers:
- Denver Bike, Italy
- Maxcom EOOD, Bulgaria
- MFC (Manufacture Française du Cycle), France
- RGVS Ibérica Lda, Decathlon group, Portugal
- Sprick Rowery Spółka z o.o., Poland

(b) Union tollers (sub-contractors)
- A. J. Maias SA, Portugal
- All Bike's SRL, Italy
- Andos Bike SRL, Italy
- G.L. Cicli Di Giraudo Lorena, Italy
- RTE SA, Portugal

(c) Exporting producers and their related companies:
- Ideal Bike Co., Ltd., Dongguan (the PRC)
- Advanced Sports International-China Ltd., Dongguan (the PRC)
- Econotrade Co. Ltd., Taichung (Taiwan)
- Top Sport International Co. Ltd., Taichung (Taiwan)
- Ideal Bike Corporation Co., Ltd., Taichung (Taiwan)
- Oyama Bicycles Co., Ltd., Taicang (the PRC)
- Universal Cycle Corporation Co., Ltd., Guangzhou (the PRC)