Commission Implementing Regulation (EU) 2019/687 of 2 May 2019 imposing a definitive anti-dumping duty on imports of certain organic coated steel products originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council

COMMISSION IMPLEMENTING REGULATION (EU) 2019/687

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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) The Council, by Implementing Regulation (EU) No 214/2013[(2)], imposed definitive anti-dumping duties on imports of certain organic coated steel products originating in the People's Republic of China ('China', 'the PRC' or 'the country concerned'). The anti-dumping duties currently in force range from 0 % to 26,1 % ('the original measures'). The investigation that led to the imposition of the original measures will hereinafter be referred to as 'the original investigation'.

(2) The Council, by Implementing Regulation (EU) No 215/2013[(3)], also imposed countervailing duties on imports of certain organic coated steel products originating in China. The countervailing duties currently in force range from 13,7 % to 44,7 %.

(3) The level of the combined duties ranges from 13,7 % to 58,3 %.

1.2. Initiation of an expiry review

(4) Following the publication of a notice of impending expiry of the definitive anti-dumping measures in force[(4)], on 13 December 2017 the Commission received a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of Regulation (EU) 2016/1036 ('the basic Regulation'). The request was lodged by The European Steel Association ('EUROFER') on behalf of producers representing more than 70 % of the total Union production of certain organic coated steel products ('the

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applicant'). The request was based on the grounds that the expiry of the definitive anti-dumping measures would be likely to result in recurrence of dumping and injury to the Union industry.

(5) On 14 March 2018, the Commission announced, by a notice published in the *Official Journal of the European Union*[5] ('the Notice of Initiation'), the initiation of an expiry review of the anti-dumping measures applicable pursuant to Article 11(2) of the basic Regulation.

(6) The Commission, by a notice published in the *Official Journal of the European Union* on 14 March 2018[6], also announced the initiation of an expiry review pursuant to Article 18 of Regulation (EU) 2016/1037 of the European Parliament and of the Council[7] of the definitive countervailing measures in force with regard to the product concerned originating in China.

1.3. **Investigation**

1.3.1. *Review investigation period and period considered*

(7) The investigation of a continuation or recurrence of dumping covered the period from 1 January 2017 to 31 December 2017 ('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*

(8) In the Notice of Initiation, the Commission invited all interested parties to participate in the investigation. In addition, the Commission officially advised 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 China, the known unrelated importers in the Union, unrelated users in the Union known to be concerned and the authorities in the exporting country.

(9) 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*

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

1.3.3.1. Sampling of Union producers

(11) 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, 21 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 production and sales of the like product in the Union. The sampled Union producers accounted for 28 % of the estimated total production of the Union industry and for 27 % of the total sales volume of the Union industry to unrelated customers in the Union during the review investigation period. The Commission invited interested parties to comment on the provisional sample. No comments were received and the provisional sample was thus confirmed. The sample was considered representative for the Union industry.

1.3.3.2. Sampling of importers

(12) The request to initiate the expiry review identified nine unrelated importers which were invited to provide sampling information. None of them came forward.

1.3.3.3. Sampling of exporting producers in China

(13) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all known exporting producers in China 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 exporting producers, if any, that could be interested in participating in the investigation.

(14) Two exporting producers returned the sampling forms but none of them produced organic coated steel products as defined in the Notice of Initiation. A third exporting producer made itself known six weeks after the deadline for replies to the sampling form. This exporting producer was given interested party status, but was considered non-cooperating since it never replied to the sampling form or attempted to reply to the exporting producer's questionnaire.

(15) Therefore, there was no cooperation by exporting producers in China.

1.3.4. *Questionnaires and verification visits*

(16) The Commission sent questionnaires to the three sampled Union producers, the applicant and the Government of China (‘GOC’). Replies to the questionnaires were received from the three sampled Union producers and the applicant.

(17) 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:

— ArcelorMittal Belgium, Belgium

— Marcegaglia Carbon Steel SpA, Italy

— Tata Steel Maubeuge SA, France

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(b) Association of Union producers:

— EUROFER, Belgium

1.3.5. *Procedure for the determination of the normal value under Article 2(6a) of the basic Regulation*

(18) In view of the sufficient evidence available at the initiation of the investigation tending to show the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission considered it appropriate to initiate the investigation on the basis of Article 2(6a) of the basic Regulation.

(19) Consequently, in order to collect the necessary data for the eventual application of Article 2(6a) of the basic Regulation, in the Notice of Initiation the Commission invited all exporting producers the country concerned to provide the information requested in Annex III to the Notice of the Initiation regarding the inputs used for producing the product under review. The same two exporting producers that sent sampling replies also submitted the information requested in Annex III. Since they did not produce the product under review, no replies relevant to the product under review were received.

(20) In order to obtain information it deems necessary for its investigation with regard to the alleged significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission also sent a questionnaire to the GOC. No reply was received from the GOC.

(21) In the Notice of Initiation, the Commission also invited all interested parties to make their views known, submit information and provide supporting evidence regarding the appropriateness of the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of this Notice in the *Official Journal of the European Union*. No submissions or additional evidence were received in that respect by the GOC or the exporting producers.

(22) In the Notice of Initiation, the Commission also specified that, in view of the evidence available, it may need to select an appropriate representative country pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks.

(23) On 13 April 2018, the Commission published a first note for the file ('the Note of 13 April 2018')[8] seeking the views of the interested parties on the relevant sources that the Commission may use for the determination of the normal value, in accordance with Article 2(6a)(e) second ident of the basic Regulation. In that note, the Commission provided a list of all factors of production such as materials, energy and labour used in the production of the product under review by the exporting producers. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified six possible representative countries: Argentina, Colombia, Malaysia, Mexico, Thailand and South Africa.

(24) The Commission gave all interested parties the opportunity to comment. The Commission received comments only from the applicant. Neither the authorities of the country concerned nor any of the exporting producers provided comments.

(25) The Commission addressed the comments received by the applicant on the Note of 13 April 2018 in a second note on the sources for the determination of the normal value of 3 July 2018 ('the Note of 3 July 2018')[9]. The Commission also established the list of factors of production and concluded that, at that stage, Mexico was the most appropriate representative country under Article 2(6a)(a), first indent of the basic Regulation. The Commission invited interested parties to comment. The Commission received comments only from the applicant. This Regulation addresses those comments.

1.3.6. *Subsequent procedure*

(26) On 22 February 2019, the Commission made the disclosure of the essential facts and considerations on the basis of which it intended to impose anti-dumping duties ('final disclosure'). All parties were granted a period within which they could make comments on the disclosure.

(27) No parties made any comments on the final disclosure.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

(28) The product concerned by this expiry review is the same as the one in the original investigation, that is certain organic coated steel products, i.e. flat-rolled products of non-alloy and alloy steel (not including stainless steel) which are painted, varnished or coated with plastics on at least one side, excluding so-called 'sandwich panels' of a kind used for building applications and consisting of two outer metal sheets with a stabilising core of insulation material sandwiched between them, excluding those products with a final coating of zinc-dust (a zinc-rich paint, containing by weight 70 % or more of zinc), and excluding those products with a substrate with a metallic coating of chromium or tin; currently falling within CN codes ex 7210 70 80, ex 7212 40 80, ex 7225 99 00, ex 7226 99 70 (TARIC codes 7210 70 80 11, 7210 70 80 91, 7212 40 80 01, 7212 40 80 21, 7212 40 80 91, 7225 99 00 11, 7225 99 00 91, 7226 99 70 11 and 7226 99 70 91), and originating in China ('the product under review' or 'OCS').

(29) The product under review is obtained by applying an organic coating to flat-rolled steel products. The organic coating provides protection, and aesthetic and functional properties to steel products.

(30) OCS are mainly used in the construction sector and for further processing in products used in construction. Other applications include home appliances.

2.2. Like product

(31) No interested parties commented on the like product. Hence, as established in the original investigation, this expiry review investigation confirmed that product