Commission Implementing Regulation (EU) 2017/1795 of 5 October 2017 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Brazil, Iran, Russia and Ukraine and terminating the investigation on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Serbia

COMMISSION IMPLEMENTING REGULATION (EU) 2017/1795

of 5 October 2017

imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Brazil, Iran, Russia and Ukraine and terminating the investigation on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Serbia

THE EUROPEAN COMMISSION,

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)], and in particular Article 9(4) thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 7 July 2016, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports into the Union of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Brazil, Iran, Russia, Serbia and Ukraine ('the countries concerned') on the basis of Article 5 of Regulation (EU) 2016/1036 of the European Parliament and of the Council ('the basic Regulation'). It published a Notice of Initiation in the *Official Journal of the European Union*[(2)] ('the Notice of Initiation').

(2) The investigation was initiated following a complaint lodged on 23 May 2016 by the European Steel Association ('Eurofer' or 'the complainant') on behalf of more than 90 % of the total Union production of certain hot-rolled flat products of iron, non-alloy or other alloy steel.

1.2. Interested parties

(3) In the Notice of Initiation, the Commission invited interested parties to come forward in order to participate in the investigation. It specifically informed the complainant, other known Union producers, the known exporting producers, the authorities of the countries concerned, known importers, suppliers and users, traders and associations known to be concerned about the initiation and invited them to participate.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/1795. (See end of Document for details)*

(4) Interested parties were given the opportunity to make their views known in writing and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings. All interested parties who so requested and showed that there were particular reasons why they should be heard were granted a hearing.

1.3. **Sampling**

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

(a) *Sampling of Union producers*

(6) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected a sample on the basis of the highest representative production and sales volumes whilst ensuring a geographical spread. The Commission invited interested parties to comment on the provisional sample, but no comments were received.

(7) As a result, the final sample consisted of six Union producers located in five different Member States. It accounts for over 45 % of Union production.

(b) *Sampling of unrelated importers*

(8) The Commission asked unrelated importers to provide the information specified in the Notice of Initiation in order to decide whether sampling was necessary and, if so, to select a sample. All of the seven importers which came forward were members of a consortium named 'Consortium for Imports of Hot-Rolled Flats' ('the Consortium'). This Consortium has been established *ad hoc* for the purpose of the investigation by more than 30 users and unrelated importers mainly but not exclusively located in Italy. They consist mainly of SMEs.

(9) Stemcor London Ltd, member of the Consortium volunteered to fully cooperate by submitting a questionnaire reply. This unrelated importer was located in London, UK and traded the product concerned for a value amounting to more than 30 million GBP during the investigation period. This unrelated importer was visited on spot.

(c) *Sampling of exporting producers*

(10) Given the small number of known exporting producers in Iran, Russia, Serbia and Ukraine no sampling was envisaged for those countries.

(11) Given the potentially large number of exporting producers in Brazil, the Commission asked all exporting producers in Brazil to provide the information specified in the Notice of Initiation in order to decide whether sampling was necessary and, if so, to select a sample. In addition, the Commission asked the Mission of Brazil to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(12) Five producers provided the information and agreed to be included in the sample. The Commission found that two of these companies were related and therefore considered them as one (group of) exporting producers.

(13) In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three exporting producers on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers and the Brazilian authorities were consulted on the selection of the sample. No comments were received.

(14) The selected sample represents 97,3 % of the total exports of Brazil to the Union as reported by the four cooperating exporting producers.

1.4. **Replies to the questionnaire**

(15) The Commission sent questionnaires to the complainant, all sampled Union producers, all known exporting producers in Iran, Russia, Serbia and Ukraine and the three sampled producers in Brazil, to users and importers that made themselves known within the deadlines set out in the Notice of Initiation.

(16) Questionnaire replies were received from Eurofer, the six sampled Union producers and their related steel service centres, one user on behalf of the Consortium, one sampled unrelated importer and nine groups of exporting producers in the countries concerned.

(17) Furthermore, the Consortium submitted comments after the initiation of this proceeding. In addition, several other users, mainly from Poland and the Baltic States, the Employers' Confederation of Latvia and the Association of Mechanical Engineering and Metalworking Industries of Latvia also submitted comments after the initiation of the proceeding.

1.5. **Verification visits**

(18) The Commission sought and verified all the information deemed necessary for a 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 companies:

Union producers:

— ThyssenKrupp Steel Europe AG, Duisburg, Germany
— Tata Steel IJmuiden BV, Velsen-Noord, the Netherlands
— Tata Steel UK Limited, Port Talbot, South Wales, United Kingdom
— ArcelorMittal Mediterranee SAS, Fos-sur-Mer, France
— ArcelorMittal Atlantique Et Lorraine, Dunkerque, France
— ArcelorMittal España SA, Gozón, Spain

User:

— Marcegaglia Carbon Steel Spa, Gazoldo degli Ippoliti, Italy

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/1795. (See end of Document for details)*

Unrelated importer:

— Stemcor London Ltd, London, UK

Exporting producer in Iran:

— Mobarakeh Steel Company, Mobarakeh, Esfahan, Iran

Related trader in the Union:

— Tara Steel Trading GmbH, Dusseldorf, Germany

Exporting producers in Russia:

— 'Public Joint Stock Company Magnitogorsk Iron & Steel Works' ('PJSC MMK' or 'MMK'), Magnitogorsk

— Novolipetsk Steel, (hereinafter also referred to as 'NLMK'), Lipetsk

— PAO Severstal, ('Severstal') Cherepovets.

Related steel service centre/trader/importer in the Union:

— SIA Severstal Distribution, Riga, Latvia

Related traders/importers outside the Union:

— NOVEX Trading (Swiss) SA ('Novex'), Lugano, Switzerland

— MMK Steel Trade AG, Lugano, Switzerland

— Severstal Export GmbH ('SSE'), Lugano, Switzerland.

Exporting producer in Serbia:

— Zelezara Smederevo d.o.o., Smederevo, Serbia

Related importer in the Union:

— Pikaro, s.r.o., Kosice, Slovakia

Exporting producers in Ukraine:

Metinvest Group

— Integrated Iron and Steel Works 'Zaporizhstal', PJSC, Zaporozhye, Ukraine

— Ilyich Iron and Steel Works of Mariupol, PJSC, Mariupol, Ukraine (verified remotely from the offices of Metinvest International SA, Geneva, Switzerland)

Related trader in Ukraine:

— Limited Liability Company Metinvest-SMC, LLC, Kiev, Ukraine

Related trader outside the Union:

— Metinvest International SA, Geneva, Switzerland

Related importer in the Union:

— Ferriera Valsider S.p.A, Vallese di Oppeano VR, Italy

Exporting producers in Brazil

— ArcelorMittal Brasil S.A, Serra, Brazil

— Companhia Siderúrgica Nacional, São Paulo, Brazil

— Usinas Siderúrgicas de Minas Gerais S.A., Belo Horizonte, Brazil

Related steel service centre/trader/importer in the Union:

— Lusosider Aços Planos S.A, Lisbon, Portugal

1.6. **Investigation period and period considered**

(19) The investigation of dumping and injury covered the period from 1 July 2015 to 30 June 2016 ('the investigation period').The examination of trends relevant for the assessment of injury covered the period from 1 January 2013 to the end of the investigation period ('the period considered').

1.7. **Registration of imports**

(20) On 11 October 2016, the complainant submitted a request for registration of imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel from the countries concerned under Article 14(5) of the basic Regulation. On 21 November 2016, the complainant provided updated import data concerning its request for registration. After carefully analysing the request and supporting data, the Commission concluded that the conditions for registration were only fulfilled in respect of imports from Brazil and Russia.

(21) Accordingly, on 6 January 2017, the Commission published a Commission Implementing Regulation making imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in Brazil and Russia subject to registration[(3)] as of 6 January 2017 onwards.

1.8. **Subsequent procedure**

(22) On 4 April 2017, the Commission informed all interested parties through an information document ('the Information Document') that it would continue the investigation without imposing provisional measures on imports into the Union of the product concerned originating in the countries concerned. The Information Document contained the essential facts and considerations on the basis of which the Commission decided to continue the investigation without the imposition of provisional measures.

(23) Subsequent to the disclosure of the Information Document, interested parties made written submissions providing comments on the information and findings disclosed. Interested parties who requested to be heard were also granted a hearing.

(24) On 4 May 2017, a hearing in the presence of the Hearing Officer in trade proceedings was held with the complainant. On 15 May 2017, hearings were held with two Russian exporting producers, namely MMK and PAO Severstal. On 1 June 2017, a hearing took place with the Consortium. On 8 June 2017, a second hearing was held with the complainant. Moreover, on 13 June 2017, a hearing was held with the Ukrainian exporting producer Metinvest Group.

(25) The Commission considered all oral and written comments to the Information Document submitted by interested parties before reaching its final determination. These comments are addressed in this regulation.

(26) In addition, the Commission requested users who came forward at initiation stage to provide more data on the mechanical engineering sector and other sectors in