Commission Implementing Regulation (EU) 2017/1444 of 9 August 2017 imposing a provisional anti-dumping duty on imports of certain corrosion resistant steels originating in the People's Republic of China

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imposing a provisional anti-dumping duty on imports of certain corrosion resistant steels originating in the People's Republic of China

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)], and in particular Article 7 thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 9 December 2016, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports into the Union of certain corrosion resistant steels ('CRS') originating in the People's Republic of China ('PRC' or 'the country concerned') on the basis of Article 5 of Regulation (EU) 2016/1036 ('the basic Regulation'). It published a Notice of Initiation in the *Official Journal of the European Union*[(2)] ('the Notice of Initiation').

(2) The Commission initiated the investigation following a complaint lodged on 25 October 2016 by the European Steel Association ('Eurofer' or 'the complainant') on behalf of producers representing more than 53 % of the total Union production of CRS. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Registration

(3) Following the request of 24 May 2017 by the complainant, supported by the required evidence, the Commission published on 8 July 2017 Implementing Regulation (EU) 2017/1238[(3)] making imports of certain corrosion resistant steels products originating in the PRC subject to registration as of 9 July 2017.

(4) The Commission had sufficient *prima facie* evidence justifying the need to register imports as imports and market shares from the country concerned had

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sharply increased after the investigation was initiated and concluded that the conditions pursuant to Article 14(5) of the basic Regulation had been met.

1.3. **Interested parties**

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

(6) 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.

1.4. **Analogue country producers**

(7) For the purpose of selecting an analogue country, the Commission contacted producers in Brazil, Canada, India, Japan, South Korea, Taiwan, Turkey, Ukraine and the USA, informed them about the initiation and invited them to participate.

(8) In the Notice of Initiation, the Commission informed interested parties that it provisionally chose Canada as a third market economy country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation.

1.5. **Sampling**

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

1.5.1. *Sampling of Union producers*

(10) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of the highest representative production and sales volumes whilst ensuring a geographical spread. This provisional sample consisted of four Union producers located in four different Member States and accounted for over 30 % of Union production of corrosion resistant steels. The Commission invited interested parties to comment on the provisional sample.

(11) Two companies wrote to explain that they were unable to complete the necessary questionnaire. Whilst maintaining their support for the complaint they withdrew from the preliminary sample.

(12) The Commission assessed the impact of the exclusion of these two companies in the sample and concluded that, with the inclusion of two other companies, the sample was still representative of the situation of the Union industry.

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(13) The largest of the two companies which asked not to be sampled submitted in its request that it was under government control and for sale by public offering under a tender procedure. Considering these facts, the Commission concluded that the company's inclusion would influence the financial micro-indicators of the sample in a significant negative manner, particularly in the light of the considerable production and sales quantities involved.

(14) The other company explained that it was actively cooperating in other antidumping proceedings and cited a lack of resources for managing also the current case. Taking into consideration the fact that the company could be replaced without prejudice to the representativity of the sample, the Commission concluded it was reasonable and proportional to accept the company's request not to be part of the sample.

(15) The Commission therefore notified parties that two other companies were selected to the sample and again asked for comments from interested parties.

(16) Eurofer submitted comments and suggested adding a fifth company in order to improve the sample's geographical representativity. However, after analysing these comments, the Commission concluded that the revised sample was sufficiently representative because it accounted for 29 % of Union production of corrosion resistant steels and was located in four different Member States. Moreover, the proposed company did not diversify in terms of sampled groups of companies. Additionally, the proposed fifth company did not add sufficient volumes of production and sales in order to justify its inclusion. The Commission therefore confirmed the revised sample of four companies. Nevertheless, the company was visited in the interest of obtaining more insight in the highly competitive and changing situation of the Italian market, both in terms of competition from other Union producers and from Chinese imports.

1.5.2. *Sampling of importers*

(17) 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.

(18) Only two importers provided the requested information and agreed to be included in the sample. Therefore, it was decided to abandon the sampling exercise and both companies were sent an importers questionnaire. Only one of them submitted a questionnaire reply.

1.5.3. *Sampling of exporting producers*

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

(20) Sixteen (groups of) exporting producers in the country concerned provided the requested information within the time limits provided for 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 groups 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 concerned and the authorities of the country concerned were consulted on the selection of the sample. No comments were received.

1.6. **Individual treatment**

(21) Three groups of exporting producers in the PRC, composed of several individual undertakings, requested individual treatment under Article 17(3) of the basic Regulation.

(22) The examination of these individual treatment requests during the provisional stage of the investigation was not possible in light of the large number of companies to be examined, the number of different locations to be visited, the timeline of the investigation and the resources available on the Commission's side. Indeed, as indicated in section 1.9 below, the Commission has already verified a total of 17 individual companies which form part of the three groups selected for the sample. Due to the resulting workload, the questionnaire replies of important importers related to one of the sampled parties could also not be verified at the provisional stage and these verifications will need to be carried out at a later stage. Carrying out the assessment of three additional groups of companies at this stage would have been unduly burdensome and prevented the completion of the investigation within the strict time limits imposed by the basic Regulation.

(23) One of the group companies requesting individual treatment claimed that their product range was not reflected in the sample selected by the Commission. However it should be noted that product range covered in the sample is representative of the imports concerned.

(24) The Commission will decide whether to grant individual treatment at the definitive stage of the investigation.

1.7. **Market economy treatment ('MET') claim forms**

(25) For the purposes of Article 2(7)(b) of the basic Regulation, the Commission sent MET claim forms to all the exporting producers in the PRC selected to be in the sample and to non-sampled cooperating exporting producers that wished to apply for an individual dumping margin. None of the three sampled groups of exporting producers returned MET claim forms. Although the requests for individual examination have been provisionally rejected, the Commission will assess the MET claim forms submitted by two groups of non-sampled cooperating exporting producers in case it decides it is possible to accept their request for an individual examination at definitive stage.

1.8. **Replies to the questionnaire**

(26) The Commission sent questionnaires to the complainant, the sampled Union producers and the importers/users that came forward, the sampled exporting producers and the exporting producers that requested individual examination, as well as the potential analogue country producers.

(27) Questionnaire replies were received from Eurofer, four Union producers, and one importer/user, three groups of exporting producers in the PRC, three non-sampled groups of cooperating exporting producers that requested individual examination and one group of producers in an analogue country.

1.9. **Verification visits**

(28) 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 companies/association:

Association:

— Eurofer, Brussels, Belgium

Union producers:

— Tata Steel IJmuiden B.V., IJmuiden, Netherlands

— ArcelorMittal Belgium N.V., Ghent, Belgium

— ArcelorMittal Atlantique et Lorraine SAS., Dunkirk, France

— ArcelorMittal Poland Group., Dabrowa Górnicza, Poland

— ArcelorMittal Piombino S.p.A., Piombino, Italy

Unrelated importer/user in the Union:

— Joris Ide N.V., Zwevezele, Belgium (part of the Kingspan Group, Kingscourt, Ireland)

Exporting producers in the PRC and related traders/importers:

Hebei Iron and Steel Group ('HBIS'):

— Hesteel Co., Ltd Handan Branch, Handan, Hebei, PRC.

— Handan Iron & Steel Group Han-Bao Co., Ltd, Handan, Hebei, PRC.

— Handan Iron And Steel Group Import And Export Co., Ltd, Handan, Hebei, PRC.

— Hesteel Hong Kong Co., Limited; Handan, Hebei, PRC.

— Hebei Iron & Steel Group (Shanghai) International Trade Co., Ltd, Handan, Hebei, PRC.

— Hesteel (Singapore) Pte. Ltd, Handan, Hebei, PRC.

— Hesteel Co., Ltd Tangshan Branch, Tangshan, Hebei, PRC.

— Tangshan Iron & Steel Group High Strength Automotive Strip Co., Ltd, Tangshan, Hebei, PRC.

— Tangshan Iron & Steel Group Co., Ltd, Tangshan, Hebei, PRC.