Commission Implementing Regulation (EU) 2017/1238 of 7 July 2017 making imports of certain corrosion resistant steels originating in the People's Republic of China subject to registration

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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 14(5) thereof,

After informing the Member States,

Whereas:

(1) On 9 December 2016, the European Commission ('the Commission') announced by a notice published in the *Official Journal of the European Union*[(2)], the initiation of an anti-dumping proceeding concerning imports of certain corrosion resistant steels originating in the People's Republic of China ('China') following a complaint lodged on 25 October 2016 by EUROFER ('the complainant') on behalf of producers representing more than 25 % of the total Union production of certain corrosion resistant steels.

1. PRODUCT CONCERNED

(2) The product under investigation is certain corrosion resistant steels ('CRS') originating in the People's Republic of China.

(3) CRS consist in flat-rolled products of iron or alloy steel or non-alloy steel; aluminium killed; plated or coated by hot dip galvanisation with zinc and/or with aluminium, and no other metal; chemically passivated; containing by weight: 0,015 % or more but not more than 0,170 % of carbon, 0,015 % or more but not more than 0,100 % of aluminium, not more than 0,045 % of niobium, not more than 0,010 % of titanium and not more than 0,010 % of vanadium; presented in coils, cut-to-length sheets and narrow strips.

The following products are excluded:

— those of stainless steel, of silicon-electrical steel, and of high-speed steel;

— those not further worked than hot-rolled or cold-rolled (cold-reduced).

(4) The product concerned currently falls within the following CN codes ex 7210 41 00, ex 7210 49 00, ex 7210 61 00, ex 7210 69 00, ex 7212 30 00, ex 7212 50 61, ex 7212 50 69, ex 7225 92 00, ex 7225 99 00, ex 7226 99 30 and ex 7226 99 70 (TARIC

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/1238. (See end of Document for details)*

codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 22, 7225 99 00 35, 7225 99 00 92, 7226 99 30 10, 7226 99 70 94).

2. REQUEST

(5) The registration request pursuant to Article 14(5) of the basic Regulation was made by the complainant on 24 May 2017. The complainant requested that imports of the product concerned are made subject to registration so that measures may subsequently be applied against those imports from the date of such registration.

3. GROUNDS FOR THE REGISTRATION

(6) According to Article 14(5) of the basic Regulation, the Commission may direct the customs authorities to take the appropriate steps to register imports, so that measures may subsequently be applied against those imports. Imports may be made subject to registration following a request from the Union industry, which contains sufficient evidence to justify such action.

(7) The complainant claims that registration is justified as the product concerned continues to be dumped and that importers were well aware of dumping practices which stretched over an extended period of time and were causing injury to the Union industry. The complainant further claims that Chinese imports are causing injury to the Union industry and that there was a substantial increase in the level of these imports, even following the investigation period, which would seriously undermine the remedial effect of the anti-dumping duty, if such a duty is to be applied.

(8) The Commission considers that the importers were indeed aware, or should have been aware of the exporters' dumping practices. Sufficient *prima facie* evidence in this regard was contained in the complaint and this was spelled out in the notice of initiation for this proceeding[3]. The non-confidential version of the complaint estimated dumping margins of 50 % for Chinese imports. The evidence of dumping in the complaint is based on a comparison between the normal values, based on the pricing information of a producer in Canada chosen as an analogue country, and export price (at ex-works level) of the product concerned when sold for export to the Union. The Chinese export price was determined on the basis of information quoted by Chinese exporting producers in the Union market from August 2012 to April 2016.

(9) Given the extent of the dumping that may be occurring, it is reasonable to assume that the importers would be aware, or should have been aware, of the situation.

(10) In addition, the complainant provided in both the complaint and the request for registration sufficient evidence in form of press releases in which the dumping practices by Chinese exporters are described and which *prima facie* could and should not have been ignored by importers. The review request also referred to trade defence measures including anti-dumping currently applicable in third countries.

(11) Since the initiation of the proceeding in December 2016, a further increase of over 50 % is observed when comparing the average monthly volumes imported during

the period October 2015 to September 2016 (i.e. the investigation period) with the period January to April 2017 (i.e. the period following the initiation). Additional prima facie evidence demonstrated increases in market share and stockpiling.

(12) Furthermore, in the complaint there is sufficient *prima facie* evidence that injury is being caused, and in the submissions made in the framework of the investigation, including the registration request, there is evidence that additional injury would be caused by a continued rise in these imports. In light of the timing, the increase in volume of the dumped imports and other circumstances (such as the excess capacity in China and pricing behaviour of the Chinese exporters which are demonstrated in the original complaint) would likely seriously undermine the remedial effect of any definitive duties, unless such duties would be applied retroactively. In addition, in view of the initiation of the current proceeding and taking into account the developments of Chinese imports in terms of prices and volumes hitherto, it is reasonable to assume that the level of imports of the product concerned may further increase prior to the adoption of provisional measures, if any, and inventories may be rapidly built up by the importers.

4. PROCEDURE

(13) In view of the above, the Commission has concluded that the complainant provided sufficient *prima facie* evidence to justify making imports of the product concerned subject to registration in accordance with Article 14(5) of the basic Regulation.

(14) All interested parties are invited to make their views known in writing and to provide supporting evidence. Furthermore, the Commission may hear interested parties, provided that they make a request in writing and show that there are particular reasons why they should be heard.

5. REGISTRATION

(15) Pursuant to Article 14(5) of the basic Regulation imports of the product concerned should be made subject to registration for the purpose of ensuring that, should the investigation result in findings leading to the imposition of anti-dumping duties, those duties can, if the necessary conditions are fulfilled, be levied retroactively on the registered imports in accordance with Article 10(4) of the basic Regulation.

(16) The complainant estimates in the complaint an average dumping margin of approximately 50 % and an average underselling margin of 37,8 % - 41,0 % for the product concerned. The estimated amount of possible future liability is set for China at the level of underselling estimated on the basis of the complaint, i.e. from 37,8 % to 41,0 % on the CIF import value of the product concerned.

6. PROCESSING OF PERSONAL DATA

(17) Any personal data collected in the context of this registration will be treated in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council[4],

HAS ADOPTED THIS REGULATION: