Changes to legislation: *Commission Implementing Regulation (EU) 2017/1141 is up to date with all changes known to be in force on or before 27 July 2021. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Commission Implementing Regulation (EU) 2017/1141 of 27 June 2017 imposing a definitive countervailing duty on imports of certain stainless steel bars and rods originating in India following an expiry review under Article 18 of Regulation (EU) 2016/1037 of the European Parliament and the Council

COMMISSION IMPLEMENTING REGULATION (EU) 2017/1141

of 27 June 2017

imposing a definitive countervailing duty on imports of certain stainless steel bars and rods originating in India following an expiry review under Article 18 of Regulation (EU) 2016/1037 of the European Parliament and the Council

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union[(1)] ('the basic Regulation'), and in particular Article 18 thereof,

Whereas:

1. PROCEDURE

1.1. Measures in force

(1) In April 2011, following an anti-subsidy investigation ('the original investigation'), the Council imposed by Implementing Regulation (EU) No 405/2011[(2)] ('the definitive Regulation'), a definitive countervailing duty on imports of certain stainless steel bars and rods ('SSB') currently falling within CN codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81 and 7222 20 89 and originating in India.

(2) The definitive Regulation imposed a countervailing duty at rates ranging between 3,3 % and 4,3 % on imports from the sampled exporting producers, 4,0 % on the non-sampled cooperating companies and a duty rate of 4,3 % on all other companies in India.

(3) In July 2013, following a partial interim review ('the interim review'), the Council changed by Implementing Regulation (EU) No 721/2013[(3)] ('the amending Regulation'), the duty rate applicable to Indian exporting producer Viraj Profiles Limited, Palghar, Maharashtra and Mumbai, Maharashtra ('Viraj') from 4,3 % to 0 % and revised the duty rate for all other companies from 4,3 % to 4,0 %.

1.2. Request for an expiry review

(4) In June 2015 the Commission published a notice of impending expiry of the countervailing measures on SSB originating in India in the *Official Journal of the European Union*[(4)].

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(5) On 28 January 2016 the European Steel Association ('Eurofer'), representing more than 25 % of the total production of SSB in the European Union ('the Union'), lodged a request for review under Article 18 of Council Regulation (EC) No 597/2009[5].

(6) Eurofer based their request on the grounds that the expiry of the measures would be likely to result in continuation of subsidisation and continuation or recurrence of injury to the Union industry.

1.3. **Initiation**

(7) Having determined that sufficient evidence existed for the initiation of an expiry review, on 27 April 2016 the Commission published a notice of initiation in the *Official Journal of the European Union*[6] ('the Notice of Initiation')

1.4. **Interested parties**

(8) The Commission invited in the Notice of Initiation all interested parties to contact it in order to participate in the investigation.

(9) In addition, the Commission specifically informed Eurofer; known Union producers and their associations; known importers and users of SSB in the Union; as well as the Government of India ('the GOI') and known exporting producers in India of the initiation of the expiry review and invited them to participate.

(10) All interested parties had the opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.4.1. *Sampling*

(11) In the Notice of Initiation, the Commission stated that it might sample interested parties, in accordance with Article 27 of the basic Regulation.

1.4.1.1. Sampling of Union producers

(12) The Commission stated in the Notice of Initiation that it had provisionally selected a sample of Union producers.

(13) In accordance with Article 27(1) of the basic Regulation the Commission selected the sample on the basis of the largest representative volume of sales that could be investigated in the time available, whilst ensuring a geographical spread.

(14) The provisionally selected sample consisted of three Union producers accounting for around 50 % of the total sales of cooperating Union producers. The Commission invited interested parties to comment on the provisional sample.

(15) The Commission was notified that one Union producer had reported sales between group members as sales to the Union and therefore replaced it with another Union producer. The final sample also covered around 50 % of total sales of cooperating Union producers.

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1.4.1.2. Sampling of importers

(16) The Commission invited in the Notice of Initiation importers and their representative associations to make themselves known and to provide specific information necessary to decide whether sampling was necessary and, if so, to select a sample. Two importers came forward.

1.4.1.3. Sampling of exporting producers

(17) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in India to provide the information specified in the Notice of Initiation. In addition, the Commission requested the authorities of India to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(18) Fourteen exporting producers/group of exporting producers, representing around 46 % of the total imports in the Union of SSB from India, provided the information requested in Annex I to the Notice of Initiation for the purpose of sampling. The Commission sampled three exporting producers/groups of exporting producers with the highest volume of export sales to the Union (representing 62 % of the volume of exports by the cooperating companies) that could reasonably be investigated within the time available.

(19) In accordance with Article 27(2) of the basic Regulation, all known exporting producers concerned, and the authorities of India, were consulted on the selection of the sample. No comments were made.

1.4.1.4. Users

(20) The Commission invited in the Notice of Initiation the users and their representative associations, and representative consumer organisations make themselves known and cooperate. No users in the Union or their associations came forward.

1.4.2. *Questionnaires and verification visits*

(21) The Commission sent questionnaires to all parties known to be concerned and to all other companies that made themselves known within the deadlines set out in the Notice of Initiation.

(22) This included the GOI, three sampled exporting producers in India, three sampled Union producers, two importers referred to in recital 16 above, Eurofer and another association of Union producers.

(23) Questionnaire replies were received from three sampled Union producers, Eurofer the GOI, and three sampled exporting producers in India.

(24) The Commission sought and verified all the information it deemed necessary for the determination of the likelihood of continuation or recurrence of subsidisation;

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and continuation or recurrence of injury; and whether maintaining the countervailing measures would not be against the Union interest.

(25) Verification visits under Article 26 of the basic Regulation were carried out at the premises of the GOI in Delhi, India and at the premises of Eurofer in Brussels, Belgium, and the following companies:

(a) Union producers:
- Ugitech SA, Ugine, France;
- Acerinox SA, Madrid, Spain;
- A.I. Olarra SA, Bilbao, Spain.

(b) Exporting producers in India:
- Chandan Steel Limited, Mumbai, India;
- Isinox Steel Limited, Mumbai, India;
- Venus Group:
  - Hindustan Inox Ltd, Mumbai, India;
  - Precision Metals, Mumbai, India;
  - Sieves Manufactures Pvt. Ltd, Mumbai, India;
  - Venus Wire Industries Pvt. Ltd, Mumbai, India.

1.5. Review investigation period and period considered

(26) The investigation of the likelihood of continuation or recurrence of subsidisation and injury covered the period from 1 April 2015 to 31 March 2016 (‘the RIP’).

(27) The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2012 to the end of the review investigation period (‘the period considered’).

2. PRODUCT UNDER REVIEW AND THE LIKE PRODUCT

2.1. Product concerned

(28) The product concerned is the same product as the one defined in the original investigation, that is stainless steel bars and rods, not further worked than cold-formed or cold-finished, other than bars and rods of circular cross-section of a diameter of 80 mm or more (‘SSB’ or ‘the product under review’), currently falling within CN codes 7222 20 21, 7222 20 29, 7222 20 31, 7222 20 39, 7222 20 81 and 7222 20 89 and originating in India (‘the product concerned’).

2.2. Like product

(29) The investigation showed that the following products have the same basic physical and technical characteristics as well as the same basic uses:
- the product concerned
- the product produced and sold in the Union by the Union industry.

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(30) The Commission concluded that these products are like products within the meaning of Article 2(c) of the basic Regulation.

3. LIKELIHOOD OF CONTINUATION OF SUBSIDISATION

3.1. Introduction

(31) In accordance with Article 18(1) of the basic Regulation, the Commission examined whether the expiry of the existing measures would be likely to lead to a continuation of subsidisation.

(32) On the basis of the information contained in the review request, the following schemes, which allegedly involve the granting of subsidies, were investigated:

Nationwide schemes

(a) Advance Authorisation Scheme (AAS)

(b) Duty Drawback Scheme (DDS)

(c) Duty Entitlement Passbook Scheme (DEPBS)

(d) Duty Free Import Authorisation (DFIA)

(e) Exemption of Export Credit from Interest Taxes

(f) Export Credit Scheme (ECS)

(g) Export Promotion Capital Goods Scheme (EPCGS)

(h) Loan Guarantees and direct transfers of funds from the Government of India

(i) Merchandise Exports from India Scheme (MEIS)

Regional schemes

(j) Package Scheme of Incentives (PSI)

(k) Regional Subsidies

(33) The schemes listed in points (a), (c), (d), (g) and (i) above are based on the Foreign Trade (Development and Regulation) Act 1992 (No 22 of 1992) which entered into force on 7 August 1992 (‘Foreign Trade Act’). The Foreign Trade Act authorises the GOI to issue notifications regarding the export and import policy. These are summarised in ‘Foreign Trade Policy’ documents, which are issued by the Ministry of Commerce every 5 years and updated regularly. Two Foreign Trade Policy documents are relevant for the review investigation period of this investigation: Foreign Trade Policy 2009-2014 (‘FTP 09-14’) and Foreign Trade Policy 2015-2020 (‘FTP 15-20’). The latter entered into force in April 2015. The GOI also sets out the procedures governing FTP 09-14 and FTP 15-20 in a ‘Handbook of Procedures, Volume I, 2009-2014’ (‘HOP I 04-09’) and a ‘Handbook of Procedures, Volume I,