Commission Implementing Regulation (EU) 2017/724 of 24 April 2017 imposing a definitive anti-dumping duty on imports of certain continuous filament glass fibre 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) 2017/724

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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 11(2) thereof,

Whereas:

1. PROCEDURE

1.1. Measures in force

(1) By Council Implementing Regulation (EU) No 248/2011[(2)], the Council imposed a definitive anti-dumping duty on imports of certain continuous filament glass fibre products originating in the People's Republic of China ('the PRC'). The duty, based on the injury elimination level, ranged between 7,3 % to 13,8 %.

(2) By Commission Implementing Regulation (EU) No 1379/2014[(3)], following an anti-subsidy investigation and a partial interim review of the anti-dumping measures, the Commission amended the original anti-dumping duty to values ranging between 0 % to 19,9 % and imposed an additional countervailing duty ranging between 4,9 % to 10,3 %.

(3) The resulting combined countervailing and anti-dumping measures in form of *ad valorem* duties therefore ranged between 4,9 % to 30,2 %.

1.2. Request for an expiry review

(4) Following the publication of a notice of impeding expiry of the anti-dumping measures in force, the Commission received a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of the basic Regulation.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/724. (See end of Document for details)*

(5) The request was lodged on 14 December 2015 by the European Glass Fibre Producers Association ('APFE') on behalf of producers representing more than 25 % of the total Union production of certain continuous filament glass fibre products.

(6) The request is based on the grounds that the expiry of the anti-dumping measures would be likely to result in continuation of dumping and recurrence of injury to the Union industry.

1.3. **Initiation of an expiry review**

(7) Having determined that sufficient evidence existed for the initiation of the review, the Commission initiated an expiry review[(4)] pursuant to Article 11(2) of the basic Regulation on 15 March 2016.

1.4. **Interested parties**

(8) In the Notice of Initiation of an expiry review, the Commission invited interested parties to participate in the investigation. In addition, the Commission specifically informed APFE, other known Union producers, the known exporting producers and the authorities of the PRC, known importers, suppliers and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.

(9) In the Notice of Initiation of an expiry review, the Commission stated that it envisaged using Turkey as a third market economy country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation. The Commission also stated that according to the information available to it, other market economy producers may be located, inter alia, in Egypt, Malaysia and Taiwan.

(10) The Commission sent notices to the authorities in Egypt, Japan, Malaysia, Taiwan, Turkey and the USA notifying them of the initiation of the investigation and requesting information on production and sale of certain continuous filament glass fibre products in those countries. Letters were then sent to all known producers asking for their cooperation with the review and enclosing a questionnaire.

(11) Interested parties had an opportunity to comment on the initiation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.5. **Sampling**

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

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

(14) Five exporting producers in the PRC provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission originally proposed a sample of three exporting producers, based on the largest volume of exports which could reasonably be investigated within the time available.

(15) In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned and the authorities of the PRC were consulted on the selection of the sample. No comments were made.

(16) Shortly after receiving the questionnaire, the largest of the three sampled companies withdrew its cooperation. The Commission replaced it by the next largest exporting producer based on the volume of exports.

Sampling of Union producers

(17) 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, the Commission selected the sample on the basis of the largest sales volumes on the Union market of the like product.

(18) This sample consisted of three company groups with manufacturing plants located in Belgium, France, Italy and Slovakia, representing around 74 % of the total sales on the Union market. The Commission invited interested parties to comment on the provisional sample. No comments were received. Therefore, the Commission concluded that the sample is representative of the Union industry.

Sampling of importers

(19) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked importers to provide the information specified in the Notice of Initiation.

(20) Eight importers provided the requested information 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 on the basis of the largest volume of imports into the Union. In accordance with Article 17(2) of the basic Regulation, all known importers concerned were consulted on the selection of the sample. No comments were made.

1.6. **Replies to the questionnaire**

(21) The Commission sent questionnaires to the three sampled Union producers, the three sampled importers, the sampled exporting producers and known exporting producers in Egypt, Japan, Malaysia, Taiwan, Turkey and the USA.

(22) Questionnaire replies were received from three Union producers, two importers and three producers in Japan, Malaysia and Turkey. None of the sampled Chinese exporting producers submitted a questionnaire reply.

(23) The Commission also sent questionnaires to 64 known users and received 19 replies.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/724. (See end of Document for details)*

1.7. **Verification visits**

(24) The Commission sought and verified all the information deemed necessary for the purpose of this investigation. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

(a) Union producers
- 3B Fibreglass SPRL, Belgium;
- European Owens Corning Fibreglass SPRL, Belgium;
- Johns Manville Slovakia a.s., Slovakia.

(b) Exporting producer in the analogue country
- Nippon Electric Glass Co., Ltd, Japan.

1.8. **Review investigation period and period considered**

(25) The investigation of likelihood of continuation of dumping covered the period from 1 January 2015 to 31 December 2015 (‘the review investigation period'' or ‘RIP’).

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

2. **PRODUCT CONCERNED AND LIKE PRODUCT**

2.1. **Product concerned**

(27) The product concerned is chopped glass fibre strands, of a length of not more than 50 mm; glass fibre rovings, excluding glass fibre rovings which are impregnated and coated and have a loss on ignition of more than 3 % (as determined by the ISO Standard 1887); and mats made of glass fibre filaments excluding mats of glass wool, currently falling within CN codes 7019 11 00, ex 7019 12 00 (TARIC codes 7019 12 00 21, 7019 12 00 22, 7019 12 00 23, 7019 12 00 25, 7019 12 00 39) and 7019 31 00, originating in the PRC.

(28) The product concerned is the raw material most often used to reinforce thermoplastic and thermoset resins in the composites industry. The resulting composite materials (filament glass fibre reinforced materials) find its use in a large number of industries: transportation (automotive, marine, aerospace, military), electric/electronics, wind energy, building and construction, tanks/pipes, consumer goods, etc.

2.2. **Like product**

(29) The investigation showed that the following products have the same basic physical chemical and technical characteristics as well as the same basic uses:

(a) the product concerned;

(b) the product produced and sold on the domestic market of Japan, which served as an analogue country; and

(c) the product produced and sold in the Union by the Union industry.

(30) The Commission therefore decided that those products are like products within the meaning of Article 1(4) of the basic Regulation.

3. DUMPING

3.1. Likelihood of recurrence or continuation of dumping

(31) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether dumping was currently taking place and whether dumping was likely to continue or recur upon a possible expiry of the measures in force on imports from the PRC.

3.1.1. *Normal value and analogue country*

(32) According to Article 2(7)(a) of the basic Regulation, normal value was determined on the basis of the price or constructed value in a market economy third country. For this purpose the Commission had to select the analogue country.

(33) The Commission asked known exporting producers of the like product in Egypt, Japan, Malaysia, Taiwan, Turkey and the USA to provide information by replying to the analogue country questionnaire and it received replies from three producers in Japan, Malaysia and Turkey[(5)].

(34) Following publication of the Notice of Initiation, APFE provided comments in support of Turkey being the analogue country.

(35) In the original investigation in 2011, the Commission used Turkey as an analogue country for the purpose of establishing normal value in respect of the PRC. In the original investigation the Commission received only one reply from Turkey.

(36) For the purpose of selecting the analogue country, the Commission took due account of all reliable information made available to it at the time of selection, considering elements such as, but not limited to, domestic sales, size of the market and competitive environment on the domestic market.

(37) Domestic sales of the Japanese producer matched almost fully the product types exported by the PRC at the level of CN codes. In case of Turkey this matching was less than 50 %. Concerning matching for domestic sales of the exporting producer in Malaysia its level was so low that the Commission had to exclude Malaysia as an analogue country.

(38) The Commission estimated the Japanese market of the like product to be approximately three times larger than the Turkish market. The Commission found the Japanese market more competitive with six known local producers, compared with only one known producer in Turkey. There were no customs duties for the like product in Japan compared with customs duties of 7 % as well as anti-dumping and countervailing duties, together in the range of 24,5 % to 35,75 % against the PRC in Turkey.