Commission Implementing Regulation (EU) 2017/679 of 10 April 2017 terminating the absorption reinvestigation concerning imports of stainless steel cold-rolled flat products originating in Taiwan without amending the measures in force

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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 Articles 9(2) and 12 thereof,

Whereas:

1. PROCEDURE

1.1. Measures in force

(1) By Commission Implementing Regulation (EU) 2015/1429[(2)] the European Commission ('the Commission') imposed a definitive anti-dumping duty on imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan. The applicable duty rate for all Taiwanese companies was 6,8 % with the exception of one exporting producer with zero duty rate.

1.2. Request for an absorption reinvestigation

(2) On 28 June 2016 the Commission received a request for an absorption reinvestigation of the measures in force pursuant to Article 12 of the basic Regulation.

(3) The request was lodged by the European Steel Association ('Eurofer') on behalf of producers representing more than 25 % of the total Union production of certain cold-rolled flat steel products.

(4) Eurofer submitted sufficient evidence showing that after the original investigation period and prior to and following the imposition of the anti-dumping duty on imports of the product concerned, export prices had decreased. This has impeded the intended remedial effects of the measures in force.

(5) The evidence contained in the request indicated that the decrease in export prices could not be explained by changes in raw material prices, energy costs, labour costs, duty rates or exchange rates.

(6) Furthermore, Eurofer provided evidence showing that imports of the product concerned had continued to enter the Union in significant volumes.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/679. (See end of Document for details)*

1.3. **Reopening of the anti-dumping investigation**

(7) On 11 August 2016, the Commission announced the reopening of the anti-dumping investigation[3] by a notice published in the *Official Journal of the European Union.*

1.4. **Interested parties**

(8) In the notice of reopening, the Commission invited interested parties to contact it in order to participate in the reinvestigation. In addition, the Commission specifically informed Eurofer, the exporters, exporting producers and importers known to be concerned and the authorities of the country concerned about the absorption reinvestigation and invited them to participate.

(9) 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. None of the interested parties came forward and requested a hearing.

1.5. **Sampling of importers**

(10) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the notice of reopening.

(11) Ten unrelated 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 received.

1.6. **Sampling of exporters and exporting producers in Taiwan**

(12) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all known exporters and exporting producers in Taiwan to provide the information specified in the notice of reopening. In addition, the Commission asked the authorities of the country concerned to identify and/or contact other exporters and exporting producers, if any, that could be interested in participating in the investigation.

(13) Five exporters and six exporting producers in Taiwan provided the requested information and agreed to be included in the sample. The Commission decided that sampling was not necessary as those exporters and exporting producers could reasonably be investigated within the time available.

1.7. **Replies to the questionnaire**

(14) The Commission sent questionnaires to five exporters and six exporting producers. Questionnaire replies were received from two exporting producers and one group consisting of two exporting producers and two exporters.

(15) The Commission sent questionnaires to the three sampled importers and received replies from two of them.

1.8. **Verification visits**

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

— Jie Jin Material Science, Tainan city, Taiwan

— Tang Eng Iron Works Co., Ltd, Kaohsiung city, Taiwan

— Yieh United Steel Corporation, Kaohsiung city, Taiwan

— Yuan Long Stainless Steel, Kaohsiung city, Taiwan

1.9. **Periods covered by the absorption reinvestigation**

(17) The absorption reinvestigation period ('AIP') was from 1 July 2015 to 30 June 2016. The original investigation period ('OIP') was from 1 January 2013 to 31 December 2013.

2. **PRODUCT CONCERNED AND LIKE PRODUCT**

(18) The product subject to this absorption reinvestigation is the same as in the original investigation and is defined as flat-rolled products of stainless steel, not further worked than cold-rolled (cold-reduced) originating in Taiwan, currently falling within CN codes 7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81 and 7220 20 89 ('the product concerned').

(19) Stainless steel cold-rolled flat products are used in a wide range of applications, for example in the production of household appliances (for example the interior of washing machines and dishwashers), welded tubes and medical devices as well as in the food processing and automotive industries.

(20) The reinvestigation showed that the product concerned and the product produced and sold on the Taiwanese domestic market have the same basic characteristics as well as the same basic uses. The Commission decided that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

3. **FINDINGS**

(21) An absorption reinvestigation pursuant to Article 12 of the basic Regulation aims at establishing whether or not export prices have decreased or whether there has been insufficient movement in resale prices or subsequent selling prices in the Union of the product concerned since the imposition of the original measures. As a second step, where the decrease of the export prices is found, a new dumping margin should be calculated.

3.1. **Decrease of export prices**

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2017/679. (See end of Document for details)*

(22) When establishing whether there was a decrease in export prices the Commission established for each examined exporting producer its export prices during the AIP and compared these prices to the corresponding export prices determined in the OIP.

(23) The exporting producers exported to the Union either directly to independent customers or through their related companies in Taiwan.

(24) The export price was the price actually paid or payable for the product concerned when sold for export to the Union, in accordance with Article 2(8) of the basic Regulation.

(25) The Commission compared for all exporting producers the prices of the product types sold in the AIP with the same product types sold in the OIP and calculated for them a weighted average decrease of export prices.

(26) The above comparison was made in euro, using foreign exchange rates provided to the exporters and exporting producers in the anti-dumping questionnaires.

(27) The comparison of the export prices to the Union on an ex-works basis showed that for all exporting producers/groups the export prices decreased. The decrease of export prices in euro was as follows:

TABLE 1

Decrease of export prices

Exporting producer/group	**Change in export prices from OIP to AIP**
Jie Jin Material Science	– 3,3 %
Tang Eng Iron Works Co., Ltd and Yieh United Steel Corporation	– 11,2 %
Yuan Long Stainless Steel	– 2,3 %

3.2. **Dumping**

(28) After having established the decrease of export prices for all cooperating exporting producers, dumping margins were recalculated according to Article 2 of the basic Regulation.

(29) All cooperating exporting producers requested the re-examination of their normal value under Article 12(5) of the basic Regulation.

3.2.1. *Normal value*

(30) The Commission first examined whether the total volume of domestic sales for each cooperating exporting producer was representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales are representative if the total domestic

sales volume of the like product to independent customers on the domestic market per exporting producer represented at least 5 % of its total export sales volume of the product concerned to the Union during the AIP. On this basis, the total sales by each exporting producer of the like product on the domestic market were representative.

(31) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the Union for the exporting producers with representative domestic sales.

(32) The Commission then examined whether the domestic sales by each cooperating exporting producer on its domestic market for each product type that is identical or comparable with a product type sold for export to the Union were representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales of a product type are representative if the total volume of domestic sales of that product type to independent customers during the AIP represents at least 5 % of the total volume of export sales of the identical or comparable product type to the Union.

(33) The Commission next defined the proportion of profitable sales to independent customers on the domestic market for each product type during the AIP in order to decide whether to use actual domestic sales for the calculation of the normal value, in accordance with Article 2(4) of the basic Regulation.

(34) The normal value was calculated as a weighted average of the prices of all domestic sales during the AIP or as a weighted average of the profitable sales only. All values where currency conversion was needed were converted into Taiwanese dollars using either the monthly rates provided by the Commission in the anti-dumping questionnaire or using the exporting producers internal exchange rates based on the Taiwanese customs rates. There was no material difference between those two rates in the AIP.

(35) Where there were no or insufficient sales of a product type of the like product in the ordinary course of trade the Commission constructed the normal value in accordance with Article 2(3) and (6) of the basic Regulation.

(36) Normal value was constructed by adding the following to the average cost of production of the like product of the cooperating exporting producers during the AIP:

— the weighted average selling, general and administrative (‘SG&A’) expenses incurred by the cooperating exporting producers on domestic sales of the like product, in the ordinary course of trade, during the AIP; and

— the weighted average profit realised by the cooperating exporting producers on domestic sales of the like product, in the ordinary course of trade, during the AIP.

(37) One exporting producer was selling part of the product concerned via its related service centre, which was providing some customer-specific modifications (cutting, slitting, polishing, etc.). To calculate the consolidated cost of production for this exporting producer, those additional costs were added to the costs of the respective product type using the weighted average method.