Commission Implementing Regulation (EU) 2017/109 of 23 January 2017 imposing a definitive anti-dumping duty on imports of certain aluminium road wheels 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) 2017/109

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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:

A. PROCEDURE

1. Measures in force

(1) Following an anti-dumping investigation ('the original investigation'), the Council imposed, by means of Implementing Regulation (EU) No 964/2010[(2)] a definitive anti-dumping duty on imports of certain aluminium wheels originating in the People's Republic of China ('the PRC' or 'China' or 'country concerned').

(2) The measures took the form of an *ad valorem* duty established at 22,3 % on imports from the PRC.

2. Request for an expiry review

(3) Following the publication of a notice of impending expiry[(3)] of the anti-dumping measures in force, the Commission received a request for the initiation of an expiry review of the measures against the PRC pursuant to Article 11(2) of the Council Regulation (EC) No 1225/2009[(4)].

(4) The request was lodged by the Association of European Wheels Manufacturers (EUWA) ('the applicant') on behalf of producers representing more than 25 % of the total Union production of certain aluminium wheels.

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

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3. Initiation of an expiry review

(6) Having determined that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 27 October 2015, by a notice published in the *Official Journal of the European Union*[(5)] ('Notice of Initiation'), the initiation of an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.

4. Investigation

Review investigation period and period considered

(7) The investigation of the likelihood of continuation or recurrence of dumping and injury covered the period from 1 October 2014 to 30 September 2015 (the 'review investigation period' or 'RIP'). The examination of the 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').

Parties concerned by the investigation

(8) The Commission officially advised the applicants, the other known Union producers, the exporting producers in the PRC, the known importers, the users and traders known to be concerned, known associations representing Union producers and users and the representatives of the exporting countries, of the initiation of the expiry review.

(9) Interested parties, including producers in Turkey, were given the opportunity to make their views known in writing and to request a hearing within the time limit set out in the Notice of Initiation. All interested parties, who so requested and showed that there were particular reasons why they should be heard, were granted a hearing.

(10) The European Automobile Manufacturers Association ('ACEA') requested a hearing with the Hearing Officer in trade proceedings ('Hearing Officer'). The hearing took place on 5 December 2016.

(11) The applicants and the cooperating Turkish producers in the analogue country requested that their names be kept confidential for fear that they could face retaliation by customers or competitors. The Commission took the view that there was indeed a significant possibility of retaliation and accepted that the names of the applicants and the cooperating Turkish producers should not be disclosed. In order to effectively grant anonymity, the names of the other Union producers were also kept confidential, as to avoid that by deduction the names of the applicants could be identified.

Sampling

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

Sampling of exporting producers in the PRC

(13) In order to decide whether sampling was necessary and, if so, to select a sample, the Commission asked all known exporting producers in the PRC to provide the

information specified in the Notice of Initiation. In addition, the Commission asked the mission of the PRC to the Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(14) Twenty-one exporting producers in the country concerned 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 four groups of exporting producers on the basis of the largest declared production and sales volume which could reasonably be investigated within the time available. On this basis, the four sampled groups of Chinese exporting producers have an annual production of 80 million wheels representing about 70 % of the overall declared production and sales of all cooperating companies/groups of companies. The four sampled groups cover around 40 % of the total Chinese exports to the Union according to Eurostat in the review investigation period.

(15) 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. Two exporting producers commented and requested to be included in the sample. They claimed that the proposed sample is not representative enough as they export bigger quantities to the Union than two of the groups selected and that differences between aluminium wheels for the Original Equipment Manufacturers ('OEM') (mainly car manufacturers) and after-market ('AM') (for example distributors, retailers, repair shops and similar) (see recital 28) were not taken into account during the selection.

(16) The Commission considered the selected sample representative for the reasons stated in recital 14 above. AM versus OEM sales were not part of the selection criteria, but in any event, three out of the four groups sell both AM and OEM wheels to the Union. Based on the above, the proposed sample was maintained and the requests of the two Chinese exporting producers were rejected. No further comments were received.

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 representative volume of sales and production, taking also into account the geographical spread. The sample consisted of seven Union producers that were also applicants. The sampled Union producers accounted for over 30 % of total Union production and covered both producers in the OEM and the AM market. The Commission invited interested parties to comment on the provisional sample. No comments were received within the deadline and the provisional sample was thus confirmed. The sample is considered representative of the Union industry.

(18) One party claimed that the anonymity of the Union producers would prevent it of its procedural right to effectively provide comments on the provisional sample. As mentioned in recital 11, due to the risk of retaliation by customers or competitors

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the request for anonymity of the Union producers was considered justified. This party did not bring forward any arguments or information which would have contradicted the information available and this claim was therefore rejected.

(19) On 27 January 2016 one of the sampled Union producers informed the Commission that it was no longer in a position to reply to the questionnaire. The final sample of Union producers consisted therefore of six Union producers. They still accounted for over 30 % of the total Union production. The final sample was therefore considered as representative of the Union industry.

Sampling of unrelated importers, questionnaires and cooperation

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

(21) Eighty known importers/users were contacted at the initiation stage and were invited to explain their activity and to fill in the sampling form attached to the Notice of Initiation, if applicable.

(22) Eleven companies replied to the sampling form. Six of them indicated that they are importing aluminium wheels from the PRC and reselling them in the Union. They were therefore initially considered as unrelated importers. Due to this limited number of companies, sampling was not considered warranted.

Questionnaires and verification visits

(23) The Commission sought and verified all the information deemed necessary for the purpose of determining the likelihood of continuation or recurrence of dumping, the likelihood of continuation or recurrence of injury and Union interest.

(24) The Commission sent questionnaires to the four sampled Chinese exporting producers/groups of exporting producers, the two producers in the analogue country, the seven sampled Union producers, the six unrelated importers that came forward in the sampling exercise, the around 70 users in the Union and the 28 suppliers of raw materials/equipment to the Union industry in the Union.

(25) Questionnaires replies were received from the four sampled exporting producers/groups of exporting producers, two analogue country producers, six sampled Union producers, four unrelated importers, six users and two suppliers in the Union.

(26) The Commission carried out verifications at the premises of the following companies:

(a) Union producers:

— Verifications visits were carried out at the premises of the six sampled Union producers[6]

(b) Importers/users:

— Inter Tyre Holland B.V., Moerdijk, the Netherlands

— Bayerische Motoren Werke AG, Munich, Germany

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— FCA ITALY S.p.A, Turin, Italy

— Opel Group GmbH, Ruesselsheim, Germany

(c) Exporting producers in the country concerned:

— Baoding Lizhong ('Baoding') group including:

— Baoding Lizhong Wheel Manufacturing Co., Ltd, Baoding, Hebei province, the PRC,

— Tianjin Dicastal Wheel Manufacturing Co., Ltd, Tianjin, the PRC,

— Dicastal ('Dicastal') group including:

— CITIC Dicastal Co., Ltd, Qinhuangdao, Hebei province, the PRC,

— Dicastal Xinglong Wheel Co., Ltd, Qinhuangdao, Hebei province, the PRC,

— Wuxi Dicastal Wheel Manufacturing Co. Ltd, Wuxi, Jiangsu province, the PRC,

— Kunshan Lioho Liufeng ('Lioho') group including:

— Kunshan Liufeng Machinery Industry Co., Ltd, Kunshan, Jiangsu province, the PRC,

— Liufeng Precision Machinery Co., Ltd, Kunshan, Jiangsu province, the PRC,

— Zhejiang Wanfeng ('Wanfeng') group including:

— Zhejiang Wanfeng Auto Wheel Co. Ltd, Xinchang, Zhejiang province, the PRC,

— Ultra Wheel Ningbo Co. Ltd, Ningbo, Zhejiang province, in the PRC.

(d) Producers in the market economy country

— Verifications visits were carried out at the premises of the two cooperating analogue country producers in Turkey.

B. PRODUCT CONCERNED AND LIKE PRODUCT

1. Product concerned

(27) The product concerned is aluminium road wheels of the motor vehicles of CN headings 8701 to 8705, whether or not with their accessories and whether or not fitted with tyres and originating in the PRC ('the product concerned' or 'aluminium wheels' or 'ARW'), currently falling within CN code(s) ex 8708 70 10 and ex 8708 70 50 (TARIC codes 8708 70 10 10 and 8708 70 50 10).

(28) The product concerned is sold in the Union via two distribution channels: to the OEM segment and to the AM segment. In the OEM segment, car manufacturers organise tender procedures for ARWs and are often involved in the process of developing a new wheel which is associated with their brand. Both Union producers and Chinese exporters can compete in the same tenders. In the AM sector, ARWs are usually