Commission Implementing Regulation (EU) 2016/1778 of 6 October 2016 imposing a provisional anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China

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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)], and in particular Article 7 (4) thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 4 January 2016, the European Steel Association ('Eurofer' or 'the complainant') lodged a complaint on behalf of producers representing more than 90 % of the total Union production of certain hot-rolled flat products of iron, non-alloy or other alloy steel. The complaint contained evidence of dumping and a resulting threat of material injury that was sufficient to justify the initiation of the investigation.

(2) Following this complaint, on 13 February 2016, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports into the Union of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China ('the PRC' or 'the country concerned') on the basis of Article 5 of Council Regulation (EU) 2009/1225[(2)] ('the basic Regulation'). It published a Notice of Initiation in the Official Journal of the European Union[(3)] ('the Notice of Initiation').

(3) Subsequently, the Commission also initiated the following two investigations:

(a) On 13 May 2016[(4)], an anti-subsidy investigation on imports of the same product originating in the People's Republic of China;

(b) On 7 July 2016[(5)], an anti-dumping investigation on imports of the same product originating in Brazil, Iran, Russia, Serbia and Ukraine.

1.2. Registration

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(4) On 5 April 2016, the complainant submitted a request for registration of imports from the PRC of the product concerned. On 2 June 2016, the complainant updated the request by providing more recent financial data, but on 11 August 2016, withdrew it.

1.3. **Interested parties**

(5) In the Notice of Initiation, the Commission invited interested parties to come forward in order to participate in the investigation. It specifically informed the complainant, other known Union producers, the known exporting producers, the Chinese authorities, known importers, suppliers and users, traders and associations known to be concerned about the initiation and invited them to participate.

(6) 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. All interested parties who so requested and showed that there were particular reasons why they should be heard were granted a hearing.

1.4. **Sampling**

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

1.4.1. *Sampling of Union producers*

(8) In the Notice of Initiation, the Commission stated that it would select a sample of Union producers in view of their large number. The Commission subsequently selected a sample on the basis of the highest representative production and sales volumes whilst ensuring a geographical spread. It informed these provisionally selected companies and the complainant. The Commission invited interested parties to comment on the provisional sample.

(9) One provisionally selected Union producer informed the Commission that it would not be able to cooperate. In addition, both the Italian Iron and Steel association (Federacciai) and Eurofer commented that Southern Europe was not represented in the provisional sample. To ensure a better geographical spread, the Commission replaced the Union producer which decided not to cooperate with a Union producer from Southern Europe.

(10) As a result, the final sample consisted of five Union producers located in five different Member States. It accounts for over 45 % of Union production.

1.4.2. *Sampling of unrelated importers*

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

(12) Four importers provided the requested information. Therefore, no sampling was necessary and importer questionnaires were sent to all of them.

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(13) However, even though the Commission contacted them in an effort to gather relevant information, no unrelated importer provided a complete questionnaire reply for the purposes of this investigation.

1.4.3. *Sampling of exporting producers in the PRC*

(14) In order to decide whether sampling was necessary and, if so, to select a sample for the PRC, the Commission asked exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the People's Republic of China to the European Union to identify and/or contact exporting producers that could be interested in participating in the investigation.

(15) Thirteen groups of exporting producers in the PRC provided the requested information and agreed to be included in the sample. The Commission proposed a sample of three groups of companies on the basis of the largest representative volume of exports to the Union, which could reasonably be investigated within the time available. It invited all known exporting producers concerned and the authorities of the PRC to comment on the proposed sample.

(16) One exporting producer, Jiangsu Tiangong Tools Company Limited ('Tiangong Tools'), claimed that it should be included in the sample because, unlike the selected exporting producers, it produces tool steel and high-speed steel. It argued that, if its product is considered as product concerned, the sample should be more representative and include it.

(17) This request was rejected. Tiangong Tools only exported small quantities of a particular product type into the Union. Therefore, the inclusion of this exporting producer in the sample would not have made the sample more representative. The Commission analysed the issue of representativity further within the context of the production scope.

(18) Accordingly, the Commission decided to retain the proposed sample of three groups of exporting producers. The sampled exporting producers account for 57 % of total Union imports of the product concerned from the PRC and 58 % of the total Union imports of the product concerned from Chinese cooperating exporting producers.

1.5. **Individual examination**

(19) Only one exporting producer, Tiangong Tools, requested an individual examination under Article 17(3) of the basic Regulation and submitted a questionnaire response for that purpose. The Commission accepted preliminary this request and verified the information provided on-spot.

(20) However, the investigation demonstrated that this company only produces and exports to the Union tool steel and high-speed steel. Given that, as explained in recitals (29) to (35) below, the Commission provisionally decided to exclude tool steel and high-speed steel from the scope of this investigation, no provisional dumping margin has been established for Tiangong Tools. Nevertheless, should the Commission change

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its decision regarding product scope at the definitive stage, the individual examination request of this exporting producer would be reconsidered.

1.6. **Replies to the questionnaire**

(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. Questionnaire replies were received from Eurofer, five Union producers and their related steel service centres, one user, three groups of exporting producers in the PRC, and one producer in an analogue country.

1.7. **Verification visits**

(22) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, a resulting threat of injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies/association:

Association of Union producers:

— Eurofer, Brussels, Belgium

Union producers:

— ThyssenKrupp Steel Europe AG, Duisburg, Germany

— Tata Steel IJmuiden BV, Velsen-Noord, the Netherlands

— Tata Steel UK Limited, Port Talbot, South Wales, United Kingdom

— ArcelorMittal France S.A., France owning the following subsidiaries:

  — ArcelorMittal Mediterranee SAS, Fos-sur-Mer, France

  — ArcelorMittal Atlantique Et Lorraine, Dunkerque, France

— ArcelorMittal España SA, Gozón, Spain

User:

— Marcegaglia Carbon Steel Spa, Gazoldo degli Ippoliti, Italy

Exporting producers in the PRC and related traders:

— Benxi Iron & Steel Group:

  — Bengang Steel Plates Co., Ltd, Benxi, Liaoning Province, PRC

  — Benxi Iron & Steel Hong Kong Limited, Hong Kong

— Jiangsu Shagang Group Co., Ltd.:

  — Zhangjiagang Hongchang Plate Co., Ltd. Jinfeng Town, Zhangjiagang City, Jiangsu Province, PRC

  — Zhangjiagang GTA Plate Co., Ltd., Jinfeng Town, Zhangjiagang City, Jiangsu Province, PRC

  — Jiangsu Shagang International Trade Co., Ltd., Jinfeng Town, Zhangjiagang City, Jiangsu Province, PRC

  — Shagang South-Asia Trading Co., Hong Kong

  — Xinsha International PTE. Ltd., Singapore

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— Hebei Iron and Steel Group (HBIS):
  — Handan Iron & Steel Group Han-Bao Co., Ltd., Handan City, Hebei Province, PRC
  — Hebei Iron & Steel Co., Ltd. Tangshan Branch, Tangshan City, Hebei Province, PRC
  — Hebei Iron & Steel Co., Ltd. Chengde Branch, Chengde City, Hebei Province, PRC
  — Handan Iron and Steel Group Import and Export Co Ltd, Handan City, Hebei Province, PRC
  — Hebei Iron and Steel (Singapore) PTE Ltd, Handan City, Hebei Province, PRC
  — Hebei Iron and Steel (Hong Kong) International Trade Co Ltd, Handan City, Hebei Province, PRC
  — Hebei Iron and Steel Group (Shanghai) International Trade Co Ltd, Handan City and Chengde City, Hebei Province, PRC
  — Tangshan Iron and Steel Group Co Ltd, Tangshan City, Hebei Province, PRC
  — Sinobiz Holdings Limited (British Virgin Islands), Tangshan City, Hebei Province, PRC
  — Chengde Steel Logistics Co Ltd, Chengde City, Hebei Province, PRC
  — Duferco SA, Lugano, Switzerland
— Jiangsu Tiangong Tools Company Limited:
  — Tiangong Aihe Company Limited, Danbei County, Danyang City, Jiangsu Province, PRC

Related importers in the Union:

— Benxi Iron and Steel Group Europe GmbH, Dusseldorf, Germany
— Duferco Commerciale, SPA, Genova, Italy

Producer in the analogue country:

— ArcelorMittal USA, Chicago, USA

1.8. **Investigation period and period considered**

(23) The investigation of dumping and injury covered the period from 1 January 2015 to 31 December 2015 (‘the investigation period’). The examination of trends relevant for the assessment of injury covered the period from 1 January 2012 to the end of the investigation period (‘the period considered’).

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned