Commission Implementing Regulation (EU) 2016/113 of 28 January 2016 imposing a provisional anti-dumping duty on imports of high fatigue performance steel concrete reinforcement bars originating in the People's Republic of China

[[X1]COMMISSION IMPLEMENTING REGULATION (EU) 2016/113**]**

of 28 January 2016

imposing a provisional anti-dumping duty on imports of high fatigue performance steel concrete reinforcement bars originating in the People's Republic of China

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community[(1)] ('the basic Regulation'), and in particular Article 7(4) thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 30 April 2015, the European Commission ('the Commission') announced, by a notice published in the *Official Journal of the European Union*[(2)] ('the notice of initiation'), the initiation of an anti-dumping proceeding ('the anti-dumping proceeding') with regard to imports into the Union of high fatigue performance steel concrete reinforcement bars ('HFP rebars') originating in the People's Republic of China ('PRC' or 'the country concerned').

(2) The anti-dumping proceeding was initiated following a complaint lodged on 17 March 2015 by the European Steel Association ('Eurofer' or 'the complainant') on behalf of producers representing more than 25 % of the total Union production of HFP rebars. The complaint contained prima facie evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the initiation of an investigation.

1.2. Registration

(3) Following a request by the complainant supported by the required evidence the Commission adopted on 17 December 2015 Regulation (EU) 2015/2386[(3)] making imports of HFP rebars originating in the PRC subject to registration as of 19 December 2015.

1.3. Parties concerned by the investigation

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/113. (See end of Document for details)*

(4) The Commission officially advised the complainant, other known Union producers, the known exporting producers, known importers and users, and the Chinese authorities of the initiation of the investigation. It informed interested parties in the notice of initiation that it had provisionally chosen United Arab Emirates as a third market economy country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation and invited comments on this choice.

(5) Interested parties were given an opportunity to make their views known in writing and to request a hearing within the time limit set 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.

1.4. **Sampling**

(6) In view of the potentially large number of exporting producers in the country concerned, unrelated importers and Union producers involved in the proceeding and in order to complete the investigation within the statutory time limits, the Commission announced in the notice of initiation that it might sample the companies that would be investigated in accordance with Article 17 of the basic Regulation.

a) *Sampling of exporting producers*

(7) In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, all exporting producers in the country concerned were requested to make themselves known to the Commission and to provide information specified in the notice of initiation. In addition, the Commission asked the Chinese authorities to identify and/or contact other exporting producers that could be interested in participating in the investigation.

(8) In total, three groups of exporting producers provided the requested information, agreed to be included in the sample and asked for individual examination in case they would not be included in the sample. In view of the small number of cooperating companies (in total, the three groups consisting of six producers, three related exporters in China and two related exporters in Singapore), the Commission decided that sampling was not necessary with respect to exporting producers in the country concerned.

b) *Sampling of Union producers*

(9) The Commission announced in the notice of initiation that it had provisionally selected a sample of Union producers. This sample initially consisted of four producers that were known to the Commission prior to the initiation of the investigation to produce HFP rebars in the Union. The Commission selected the sample on the basis of the sales volume to unrelated customers. Interested parties were also invited in the notice of initiation to make their views known on the provisional sample. No comment was received on the proposed sample. The sampled Union producers accounted for 90 % of the estimated total Union production. The sample is considered to be representative of the Union industry.

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c) *Sampling of importers*

(10) In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, all unrelated importers were requested to make themselves known to the Commission and to provide information specified in the notice of initiation.

(11) A total of four unrelated importers provided the requested information and agreed to be included in the sample. In view of the limited number of cooperating importers, the Commission decided that sampling was not necessary.

1.5. **Market economy treatment claim forms**

(12) For the purposes of Article 2(7)(b) of the basic Regulation, the Commission sent market economy treatment claim forms to the authorities and to the cooperating exporting producers in the PRC. None of the cooperating exporting producers claimed market economy treatment.

1.6. **Questionnaire replies and verification visits**

(13) Questionnaires were sent 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 the three cooperating (groups of) exporting producers in PRC, the four sampled Union producers, four unrelated importers, five unrelated users and four related users. Two unrelated importers and three unrelated users subsequently withdrew their cooperation.

(14) The Commission sought and verified all the information provided by interested parties and deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits were carried out at the premises of the following parties:

a) *Union producers*
- Celsa UK, United Kingdom
- Megasa Siderur, Spain
- Riva Acier, France
- SN Maia, Portugal

b) *Unrelated importers in the Union*
- Ronly Ltd, United Kingdom

c) *Users in the Union*

Related users:
- BRC, United Kingdom
- Express Limited, United Kingdom
- Rom, United Kingdom
- Romtech, United Kingdom

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Unrelated users:

— Capital, United Kingdom

— Roe Bros and Northwest Steel, United Kingdom

d) *Exporting producers in the PRC*

— Jiangyin Xicheng Group:

  — Jiangyin Xicheng Steel Co., Ltd

  — Jiangyin Ruihe Metal Products Co., Ltd

  — Wuxi Xijun International Trade Co. Ltd (related exporter in the PRC)

  — Jiangsu Xichuang International Trade Co., Ltd (related exporter in the PRC)

— Jiangsu Yonggang Group:

  — Jiangsu Yonggang Group Co., Ltd

  — Jiangsu Lianfeng Industrial Co., Ltd

— Jiangsu Shagang Group:

  — Zhangjiagang Hongchang High Wires Co., Ltd

  — Zhangjiagang Shatai Steel Co., Ltd

  — Jiangsu Shagang International Co., Ltd (related exporter in the PRC)

e) *Producer in the analogue country*

— ArcelorMittal South Africa (South Africa)

(15) The Commission did not visit the premises of the two related exporters of the cooperating Chinese companies in Singapore, namely Lianfeng International PTE., Ltd (related exporter of Yonggang Group) and Xinsha International PTE, Ltd (related exporter of Shagang Group). Their files and accounts, to the extent requested by the Commission, were however made available for inspection during on spot visits at the premises of their respective related producers in PRC.

1.7. Investigation period and period considered

(16) The investigation of dumping and injury covered the period from 1 April 2014 to 31 March 2015 (‘the investigation period’ or ‘IP’). The examination of trends relevant for the assessment of injury covered the period from 1 January 2011 to the end of the investigation period (‘period considered’). Due to the specific circumstances in the market in the 2011 explained in recital (148), the weight of the year 2011 in the injury analysis was reduced, and the developments since 1 January 2012 were given accordingly more emphasis. The indexes are thus based on the year 2012, whenever applicable.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

***Changes to legislation:** There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2016/113. (See end of Document for details)*

(17) The product subject to this investigation are high fatigue performance iron or steel concrete reinforcing bars and rods made of iron, non-alloy steel or alloy steel (but excluding of stainless steel, high-speed steel and silico-manganese steel), not further worked than hot-rolled, but including those twisted after rolling; these bars and rods contain indentations, ribs, grooves or other deformations produced during the rolling process or are twisted after rolling. The key characteristic of high fatigue performance is the ability to endure repeated stress without breaking and, specifically, the ability to resist in excess of 4,5 million fatigue cycles using a stress ratio (min/max) of 0,2 and a stress range exceeding 150 MPa.

(18) The product definition corresponds to the requirements of the British Standard BS4449 and is typically distinguishable by CARES certification and markings on the rebars themselves. Therefore, contrary to the view expressed by certain interested parties, there is no problem of practical implementation of the measures.

(19) The product concerned is the product described in recital (17) above, originating in the PRC, currently falling within CN codes ex 7214 20 00, ex 7228 30 20, ex 7228 30 41, ex 7228 30 49, ex 7228 30 61, ex 7228 30 69, ex 7228 30 70 and ex 7228 30 89.

2.2. **Like product**

(20) The investigation showed that the product concerned and the product produced and sold on the domestic market of PRC and analogue country, as well as the product produced by the Union industry and sold on the Union market have the same basic physical, chemical and technical characteristics and uses. They are therefore provisionally considered to be alike within the meaning of Article 1(4) of the basic Regulation.

3. **DUMPING**

3.1. **Introduction**

(21) Six Chinese exporting producers belonging to three groups (Jiangyin Xicheng Group, Jiangsu Yonggang Group and Jiangsu Shagang Group) cooperated with the investigation. They represented above 95 % of all the Chinese exports to the Union in the IP. All the companies exported to the Union via related exporters located in PRC and/or Singapore.

(22) Two of the cooperating groups, Jiangsu Yonggang and Jiangsu Shagang, are related through common ownership of one of the exporting producer of the HFP rebars, which was admitted in the questionnaire replies of both groups. However, the companies claimed that the two groups nevertheless should be treated as separate entities for the purpose of this investigation. The companies stressed, inter alia, no involvement in each other decision making processes, lack of operational link whatsoever, separate production lines and completely independent sales distribution channels in the domestic and international markets.