Commission Regulation (EU) 2015/2386 of 17 December 2015 making imports of high fatigue performance steel concrete reinforcement bars originating in the People's Republic of China subject to registration

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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 14(5) thereof,

After informing the Member States,

Whereas:

(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') 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.

1. PRODUCT CONCERNED AND LIKE PRODUCT

(2) The product subject to registration ('the product concerned') 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, originating in the PRC, and 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. These CN codes are given for information only and have no binding effect on the classification of the product.

2. REQUEST

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EU) 2015/2386. (See end of Document for details)*

(3) The registration request pursuant to Article 14(5) of the basic Regulation was made by the complainant on 19 November 2015. The complainant requested that imports of the product concerned are made subject to registration so that measures may subsequently be applied against those imports from the date of such registration.

3. GROUNDS FOR REGISTRATION

(4) According to Article 14(5) of the basic Regulation, the Commission may direct the customs authorities to take the appropriate steps to register imports, so that measures may subsequently be applied against those imports. Imports may be made subject to registration following a request from the Union industry, which contains sufficient evidence to justify such action.

(5) The complainant claims that registration is justified as the product concerned continues to be dumped and that importers were well or should have been aware of dumping practices which stretched over an extended period of time and were causing injury to the Union industry. The complainant further claims that Chinese imports are causing injury to the Union industry and that there was a substantial increase in the level of these imports, even following the investigation period, which would seriously undermine the remedial effect of the anti-dumping duty, if such a duty is to be applied.

(6) The Commission considers that the importers were aware, or should have been aware of the exporters' dumping practices. Sufficient *prima facie* evidence in this regard was contained in the complaint and this was spelled out in the notice of initiation for this proceeding[3]. The non-confidential version of the complaint estimated dumping margins of 20-30 % for Chinese imports. Given the extent of the dumping that may be occurring, it is reasonable to assume that the importers would be aware, or should have been aware, of the situation.

(7) The complainant provided in the complaint evidence on the normal value based on the pricing information of producers in Qatar and the United Arab Emirates. The evidence of dumping is based on a comparison of the normal values thus established with the export price (at ex-works level) of the product concerned when sold for export to the Union. The Chinese export price was determined on the basis of price quotes of Chinese export sales to the Union.

(8) In addition, the complainant provided in both the complaint and the request for registration sufficient evidence in form of recent investigations by other authorities (e.g. Canada, Egypt and Malaysia) in which the dumping practices by Chinese exporters are described and which *prima facie* could and should not have been ignored by importers.

(9) Since the initiation of the proceeding in April 2015, the Commission identified a further increase of approximately 38 % when comparing the import volumes during the period April 2014 to March 2015 (i.e. Investigation Period) with the period April — September 2015 (i.e. the period following the initiation). This shows that there was a substantial rise in Chinese imports of the product concerned following the initiation of the present investigation.

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(10) The complainant also included *prima facie* evidence in the complaint and in the request for registration on the decreasing trend of the import sales prices. It follows from publicly available Eurostat statistics that unit values of imports from PRC dropped from EUR 431 per tonne in the IP to EUR 401 per tonne in the post IP period. This is also another indication that importers of Chinese materials were or should have been aware of dumping.

(11) Furthermore, in the complaint there is sufficient *prima facie* evidence that injury is being caused. In the submissions made in the framework of the investigation, including the registration request, there is evidence that additional injury would be caused by a continued rise in these imports. In light of the timing, the increase in volume of the dumped imports and the pricing behaviour of the Chinese exporting producers would likely seriously undermine the remedial effect of any definitive duties, unless such duties would be applied retroactively. In addition, in view of the initiation of the current proceeding and taking into account the developments of Chinese imports in terms of prices and volumes hitherto, it is reasonable to assume that the level of imports of the product concerned may further increase prior to the adoption of provisional measures, if any, and inventories may be rapidly built up by the importers.

4. PROCEDURE

(12) In view of the above, the Commission has concluded that the complainant provided sufficient *prima facie* evidence to justify making imports of the product concerned subject to registration in accordance with Article 14(5) of the basic Regulation.

(13) All interested parties are invited to make their views known in writing and to provide supporting evidence. Furthermore, the Commission may hear interested parties, provided that they make a request in writing and show that there are particular reasons why they should be heard.

5. REGISTRATION

(14) Pursuant to Article 14(5) of the basic Regulation imports of the product concerned should be made subject to registration for the purpose of ensuring that, should the investigation result in findings leading to the imposition of anti-dumping duties, those duties can, if the necessary conditions are fulfilled, be levied retroactively on the registered imports in accordance with Article 10(4) of the basic Regulation.

(15) The complainant estimates in the complaint an average dumping margin of 20-30 % and an average underselling margin of 15 %-30 % for the product concerned. The estimated amount of possible future liability is set at the level of underselling estimated on the basis of the complaint, i.e. 15 %-30 % ad valorem on the CIF import value of the product concerned.

6. PROCESSING OF PERSONAL DATA