Commission Implementing Regulation (EU) 2015/2325 of 11 December 2015 making imports of certain cold-rolled flat steel products originating in the People's Republic of China and the Russian Federation 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 14 May 2015, the European Commission ('the Commission') announced by a notice published in the *Official Journal of the European Union*[(2)], the initiation of an anti-dumping proceeding concerning imports of certain cold-rolled flat steel products originating in the People's Republic of China ('China') and the Russian Federation ('Russia') following a complaint lodged on 1 April 2015 by Eurofer ('the complainant') on behalf of producers representing more than 25 % of the total Union production of certain cold-rolled flat steel products.

1. PRODUCT CONCERNED

(2) The product subject to registration ('the product concerned') is flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding of stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced), but not including:

— flat-rolled products of iron or non-alloy steel, of all width, cold-rolled (cold-reduced), not clad, plated or coated, not further worked than cold-rolled, whether or not in coils, of all thickness, electrical,

— flat-rolled products of iron or non-alloy steel, of all width, cold-rolled (cold-reduced), not clad, plated or coated, in coils, of a thickness of less than 0,35 mm, annealed (known as 'black plates'),

— flat-rolled products of other alloy steel, of all width, of silicon-electrical steel, and

— flat-rolled products of alloy steel, not further worked than cold-rolled (cold-reduced), of high-speed steel,

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) 2015/2325. (See end of Document for details)*

originating in China and Russia ('the countries concerned'), currently falling within CN code(s) ex 7209 15 00, 7209 16 90, 7209 17 90, 7209 18 91, ex 7209 18 99, ex 7209 25 00, 7209 26 90, 7209 27 90, 7209 28 90, 7211 23 30, ex 7211 23 80, ex 7211 29 00, 7225 50 80, 7226 92 00. These CN codes are given for information only.

2. REQUEST

(3) The registration request pursuant to Article 14(5) of the basic Regulation was made by the complainant on 12 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 THE 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 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 Russian and 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 28 % for Chinese imports and up to 20 %-25 % for Russian 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) For China, the complainant provided in the complaint evidence on the normal value based on the pricing information of a Canadian producer, having chosen Canada as analogue country. For Russia, the complainant provided evidence on a constructed normal value (estimated manufacturing costs, SG&A and profit). 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 nine invoices of Chinese export sales to the Union, while the Russian export price was established using Eurostat data.

(8) In addition, the complainant provided in both the complaint and the request for registration sufficient evidence in form of press releases in which the dumping practices

by Chinese and Russian exporters are described and which prima facie could and should not have been ignored by importers.

(9) Since the initiation of the proceeding in May 2015, a further increase of approx. 33 % for China and 45 % for Russia is observed when comparing the import volumes of the countries concerned during the period May 2014 to September 2014 with the same period in 2015 (i.e. the period following the initiation). In the request for registration, the complainant also compared the combined volumes of Chinese and Russian imports of the product concerned in the period January 2014-September 2014 with the period January 2015-September 2015. This comparison showed an increase of 24 % in import volume from the two countries concerned. This shows that there was a substantial rise in Russian and Chinese imports of the product concerned in the first half of 2015 and all the more so following the initiation of the present investigation.

(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 for the countries concerned. In the complaint, the average Chinese sales price to the Union decreased by 16 %, while the average Russian sales price to the Union decreased by 7 % between 2010 and September 2014. In the request for registration, import prices for the period 2011 to the first half of 2015 were compared, showing a decrease of 21 % in the average Chinese import price and a drop of 26 % for the average Russian import price. As a whole, and given the extent of the dumping margins alleged, this evidence provides sufficient support at this stage that the exporters in both China and Russia practise dumping. As for the evolution of import prices after the initiation of the case in May 2015, a further drop of 5 % was observed for each of the countries concerned using September 2015 figures in Eurostat.

(11) Furthermore, in the complaint there is sufficient prima facie evidence that injury is being caused and 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 at further decreasing prices. In light of the timing, the increase in volume of the dumped imports and other circumstances (such as the excess capacity in China and pricing behaviour of the Chinese and Russian exporters) 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 Russian and 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.