Commission Implementing Regulation (EU) 2015/1934 of 27 October 2015 imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009

COMMISSION IMPLEMENTING REGULATION (EU) 2015/1934

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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 11(2) thereof,

Whereas:

1. **PROCEDURE**

1.1. **Measures in force**

(1) Anti-dumping measures on imports of certain tube and pipe fittings ('TPFs' or the 'product concerned') originating, in the People's Republic of China (the 'country concerned' or 'China') and Thailand were originally imposed by Council Regulation (EC) No 584/96[(2)] (the 'original measures') and extended last time by Council Regulation (EC) No 803/2009[(3)] (the 'measures in force').

(2) Pursuant to Article 13(3) of the basic Regulation the original measures were extended to imports consigned from Taiwan, Indonesia, Sri Lanka and the Philippines whether declared as originating respectively in Taiwan, Indonesia, Sri Lanka and the Philippines or not, by Council Regulations (EC) No 964/2003[(4)], (EC) No 2052/2004[(5)], (EC) No 2053/2004[(6)] and (EC) No 655/2006[(7)].

(3) The anti-dumping duties in force are 58,6 % for all companies.

1.2. **Measures in force in respect of other third countries**

(4) Anti-dumping measures are currently in force on imports of TPF originating in Russia and Turkey[(8)] and on imports of TPFs originating in the Republic of Korea and Malaysia[(9)]. The measures against Thailand expired on 4 September 2014[(10)].

1.3. **Initiation of an expiry review**

(5) On 14 December 2013 the European Commission ('the Commission') published a notice of impending expiry[(11)] of anti-dumping measures on imports of

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certain tube and pipe fittings of iron or steel originating in the People's Republic of China and Thailand and those consigned from Taiwan, Indonesia, Sri Lanka and the Philippines whether declared as originating respectively in Taiwan, Indonesia, Sri Lanka, the Philippines or not.

(6) On 2 June 2014 the Commission received a request for the initiation of an expiry review of the measures in force under Article 11(2) of the basic Regulation.

(7) The request was lodged by the Defence Committee of the Steel Butt-Welding Fittings Industry of the European Union ('the applicant') on behalf of producers representing more than 50 % of the total Union production. The request was based on the grounds that the expiry of the measures would likely result in continuation of dumping and injury to the Union industry.

(8) On 3 September 2014, the Commission initiated an expiry review under Article 11(2) of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union*[(12)].

1.4. **Interested parties**

(9) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, users and importers, exporting producers in the country concerned and the Chinese authorities about the initiation of the expiry review and invited them to cooperate.

(10) All interested parties had the opportunity to comment on the initiation of the review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.4.1. *Sampling*

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

(a) *Sampling of Union producers*

(12) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers and invited interested parties to comment. The sample was selected on the basis of production and sales volumes of the like product during the review investigation period in the Union whilst ensuring a geographical spread and comprised three companies/group of companies with production facilities in Austria, France, Germany and Italy. No comments were received and thus the provisionally selected companies were retained in the final sample.

(13) Subsequently, one of the sampled Union producers was not able to provide a full reply to the questionnaire and was therefore replaced by another Union producer. The final sample consisted of three companies/groups of companies representing 57 % of Union production and 58 % of Union industry's sales on the Union market, and with production facilities in four different Member States (Austria, France, Germany

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and Italy). Interested parties were informed accordingly. The modified sample was considered representative of the Union industry.

(b) *Sampling of importers*

(14) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide information specified in the Notice of Initiation. Out of twelve importers that provided the information, only six imported the product concerned from China. Out of these six companies, a sample was selected on the basis of the import volume of the product concerned in the Union during the review investigation period whilst ensuring a geographical spread and was comprised of three importers located in Germany, Greece and Italy.

(15) All importers that came forward were informed about the proposed sample. No comments were received. The sample represented 15 % of the total imports of the product concerned.

(c) *Sampling of exporting producers in China*

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

(17) Only one Chinese exporting producer came initially forward by providing the information requested in the sampling form. Therefore sampling was not required. Subsequently, as mentioned in recital 20, this exporting producer stopped cooperating.

1.4.2. *Replies to questionnaire*

(18) The Commission sent questionnaires to all sampled Union producers and sampled importers in the Union and to the abovementioned Chinese exporting producer.

(19) Replies to the questionnaires were received from the three sampled Union producers/group of producers and three sampled unrelated importers.

(20) The Chinese exporting producer did not submit a reply to the questionnaire.

1.4.3. *Verification visits*

(21) The Commission sought and verified all the information it deemed necessary for determining the likelihood of continuation or recurrence of dumping and injury and for assessing whether the imposition of measures would be against the Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

(a) Union producers:

— Erne Fittings GmbH and the related company Siekmann Fittings GmbH, Schlins Austria,

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— Vallourec Fittings SA, Maubeuge, France,

— Virgilio Cena & Figli SpA., Brescia, Italy.

(b) Importers:

— Biagini Piero & C., Altedo di Malalbergo, Italy,

— General Commercial & Industrial SA, Athens, Greece,

— Manfred Geldbach Flansch und Fitting GmbH, Gelsenkirchen, Germany.

1.5. **Review investigation period and the period considered**

(22) The investigation of likelihood of recurrence of dumping covered the period from 1 July 2013 to 30 June 2014 (‘the review investigation period’ or ‘RIP’).

(23) The examination of trends relevant for the assessment of the likelihood of continuation or recurrence of injury covered the period from 1 January 2011 to the end of the review investigation period (‘the period considered’).

1.6. **Disclosure**

(24) The Commission disclosed to all interested parties the essential facts and considerations on the basis of which it intended to maintain the anti-dumping measures in force and invited all interested parties to comment. No comments were submitted.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. **Product concerned**

(25) The product under review is the same as in the expiry review concluded in August 2009[13], i.e. tube and pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, originating in China, currently falling within CN codes ex 7307 93 11, ex 7307 93 19 and ex 7307 99 80.

2.2. **Like product**

(26) The investigation showed that the following products have the same basic physical and chemical characteristics as well as the same basic uses:

— the product concerned;

— the product produced and sold on the domestic market in Saudi Arabia, which served as an analogue country; and

— the product produced and sold in the Union by the Union industry.

(27) The Commission concluded that these products are like products within the meaning of Article 1(4) of the basic Regulation.

3. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING

3.1. **Preliminary remarks**

(28) In accordance with Article 11(2) of the basic Regulation, it was examined whether dumping was taking place and whether the expiry of existing measures would be likely to lead to a continuation or recurrence of dumping.

(29) As mentioned in recitals 18 and 19, while a questionnaire was sent to the Chinese exporting producer that came forward during the sampling exercise, this exporting producer did subsequently not provide a reply to the questionnaire. Consequently none of the Chinese exporting producers cooperated in the current investigation and therefore use had to be made of facts available in accordance with Article 18 of the basic Regulation.

(30) In this regard, the Chinese authorities and the above-mentioned Chinese exporting producer that came forward during the sampling exercise were duly notified that failure to reply to the questionnaire would be considered by the Commission as non-cooperation, and that consequently, the Commission could apply Article 18 of the basic Regulation concerning the findings with regard to China. As mentioned in recital 20 above, the Commission did not receive any reply to the questionnaire.

(31) On this basis, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the likelihood of continuation or recurrence of dumping set out below were based on facts available, in particular on information from the request for the expiry review, and on available Eurostat statistics, counterchecked against the import statistics collected pursuant to Article 14(6) of the basic Regulation ('Article 14(6) database') and against information collected during the on-spot verifications of unrelated importers. The Chinese Export Statistics Database was also analysed. However, the analysis showed that its data on import volumes exceeded by far the volumes recorded in other available sources, in particular in the Article 14(6) database. Likewise, its reported average prices were largely above the average prices of other sources including the average price reported by the cooperating unrelated importers. Thus, while the data reported by all other available sources showed negligible differences amongst them, it was established that the data reported by the Chinese database was significantly different from the data reported by all the other sources analysed by the Commission. Therefore the data reported in the Chinese Export Statistics Database was considered unreliable in this case.

3.2. **Dumping of imports during the review investigation period**

(a) *Analogue country*

(32) According to Article 2(7)(a) of the basic Regulation, normal value shall be determined on the basis of the price or constructed value in a market economy third country. For this purpose, a market economy third country had to be selected ('the analogue country').

(33) Thailand was selected as an analogue country in the original investigation. During the previous expiry review the United States of America was used as analogue country because of the non-cooperation from Thai producers.