Commission Implementing Regulation (EU) 2015/1846 of 14 October 2015 imposing a definitive anti-dumping duty on imports of wire rod originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009

COMMISSION IMPLEMENTING REGULATION (EU) 2015/1846

of 14 October 2015

imposing a definitive anti-dumping duty on imports of wire rod originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009

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:

A. **PROCEDURE**

1. **Measures in force**

(1) By Regulation (EC) No 703/2009[(2)] the Council imposed a definitive anti-dumping duty on imports of wire rod originating in the People's Republic of China ('China').

(2) The measures imposed took the form of an *ad valorem* duty with a residual rate set at 24 % while one group of companies (Valin Group) received an individual duty rate of 7,9 %.

2. **Request for an expiry review**

(3) Following the publication of a notice of impending expiry[(3)] of the anti-dumping measures in force, the Commission received a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of the basic Regulation.

(4) The request was lodged on 29 April 2014 by the European Steel Association ('Eurofer' or 'the applicant') on behalf of producers representing more than 25 % of the total Union production of wire rod.

(5) The request was based on the grounds that the expiry of the measures would be likely to result in a continuation or recurrence of dumping and injury to the Union industry.

3. **Initiation of an expiry review**

Changes to legislation: Commission Implementing Regulation (EU) 2015/1846 is up to date with all changes known to be in force on or before 06 September 2021. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(6) Having determined, after having consulted the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 2 August 2014, by a notice published in the *Official Journal of the European Union*[4] ('Notice of Initiation'), the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation.

4. Investigation

4.1. *Relevant periods covered by the expiry review investigation*

(7) The investigation of the likelihood of continuation or recurrence of dumping and injury covered the period from 1 July 2013 to 30 June 2014 (the 'review investigation period' or 'RIP'). The examination of the 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').

4.2. *Parties concerned by the investigation and sampling*

(8) The Commission officially advised the applicant, exporting producers and importers known to be concerned and the representatives of the exporting country concerned of the initiation of the expiry review.

(9) Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limits set in the Notice of Initiation. One interested party requested a hearing with the Commission services which took place on 20 March 2015.

(10) In view of the apparent large number of Chinese exporting producers and unrelated importers in the Union, sampling was envisaged in the Notice of Initiation in accordance with Article 17 of the basic Regulation.

(11) In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a representative sample, Chinese exporting producers and unrelated importers were requested to make themselves known within 15 days of the initiation of the review and to provide the Commission with the information requested in the Notice of Initiation.

(12) In total 45 known Chinese exporting producers were contacted but none of them came forward and replied to the sampling form. Therefore, sampling was not applied.

(13) In view of the lack of cooperation, the Commission informed the Chinese authorities that in accordance with Article 18 of the basic Regulation best facts available may be used. The Commission did not receive any comments or requests for an intervention of the Hearing Officer from the Chinese authorities.

(14) In total nine known unrelated importers were contacted. None came forward and replied to the sampling form.

***Changes to legislation:** Commission Implementing Regulation (EU) 2015/1846 is up to date with all changes known to be in force on or before 06 September 2021. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(15) At the preliminary stage of investigation the Commission received cooperation from 28 Union producers/group of producers which represented around 70 % of the Union production of wire rod in the RIP. In view of the large number of cooperating producers the Commission applied sampling. The Commission selected the sample on the basis of the largest representative volume of production which could reasonably be investigated within the time available, considering also the geographical spread and sufficient coverage of different product types. The selected sample originally consisted of six companies and represented 44,2 % of the production intended for the free market.

4.3. *Questionnaires and verification*

(16) Questionnaires were sent to the six sampled Union producers and to two producers in potential analogue countries who agreed to cooperate.

(17) Questionnaire replies were received from the six sampled Union producers and the two potential analogue country producers.

(18) Verification visits were carried out at the premises of the following companies:

(a) Union producers:
- ArcelorMittal Hamburg GmbH, Germany
- Global Steel Wire SA, Spain
- Moravia Steel AS, Czech Republic
- RIVA Acier SA, France
- Saarstahl AG, Germany
- Tata Steel UK Ltd, United Kingdom.

(b) Analogue country producer:
- Ereğli Demir ve Çelik Fabrikalri T.A.S., Turkey.

B. PRODUCT CONCERNED AND LIKE PRODUCT

1. Product concerned

(19) The product subject to this review is the same as that covered by the original investigation, namely bars and rods, hot-rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel (‘wire rod’ or ‘the product concerned’) originating in China, currently falling within CN codes 7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50 and 7227 90 95.

2. Like product

(20) The review investigation confirmed that, as in the original investigation, the product concerned and wire rod produced and sold on the Chinese domestic market, wire rod produced and sold by the Union industry on the Union market and wire rod produced and sold in the analogue country (Turkey) have the same basic physical,

Changes to legislation: Commission Implementing Regulation (EU) 2015/1846 is up to date with all changes known to be in force on or before 06 September 2021. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

technical and chemical characteristics and the same basic uses. Therefore these products are considered to be like products within the meaning of Article 1(4) of the basic Regulation.

C. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING

(21) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether the expiry of the existing measures would be likely to lead to a continuation or recurrence of dumping from China.

1. Preliminary remarks

(22) As mentioned in recital 12 none of the Chinese exporting producers offered cooperation and therefore as provided for by Article 18 of the basic Regulation the findings had to be based on best facts available, in particular, information in the request for the expiry review and statistics, namely Eurostat and Chinese export database.

2. Dumping during the review investigation period

(a) *Analogue country*

(23) According to Article 2(7)(a) of the basic Regulation, normal value had to be determined on the basis of the prices paid or payable on the domestic market or constructed value in an appropriate market economy third country (the 'analogue country').

(24) In the original investigation, Turkey was used as the analogue country for the purposes of establishing the normal value with regard to China. Based on the information in the review request, in the Notice of Initiation the Commission informed interested parties that it envisaged using Brazil as analogue country and invited parties to comment. The Notice of Initiation also added that other countries, in particular Turkey, Switzerland, Norway and Japan will be examined as well as. No comments were received from interested parties.

(25) In addition to Brazil, the Commission contacted all known or potential wire rod producers in Turkey, Switzerland, Norway and Japan (countries with significant imports of wire rod into the Union suggesting significant production) and the USA (a country with a big domestic industry and market).

(26) Eventually two producers of wire rod agreed to cooperate in the investigation and provided a reply to the analogue country questionnaire, namely Ereğli Demir ve Çelik Fabrikalri T.A.S. from Turkey and ArcelorMittal Brasil from Brazil.

(27) A number of factors were taken into account when deciding on the most appropriate analogue country for the current investigation, in particular the size of the analogue country domestic market with satisfactory level of competition for the like product; representativeness of the domestic sales (quantity and profitability) of the cooperating producers; the size and product range offered by the cooperating producers and the comparability of their products and production method to that of China.

***Changes to legislation:** Commission Implementing Regulation (EU) 2015/1846 is up to date with all changes known to be in force on or before 06 September 2021. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(28) Given the fact that Turkey and the Turkish cooperating exporting producer satisfied all major criteria for an appropriate analogue country/producer it was decided to use Turkey as analogue country.

(b) *Normal value*

(29) In accordance with Article 2(2) of the basic Regulation it was first examined whether the total volume of domestic sales during the RIP of the like product to independent customers made by the cooperating analogue country producer was representative in comparison with the total export volume to the Union, namely whether the total volume of such domestic sales represented at least 5 % of the total volume of export sales made by the cooperating analogue country producer of the like product to the Union.

(30) It was also examined whether the domestic sales of the like product could be regarded as being made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation. This was done by establishing the proportion of domestic sales to independent customers on the domestic market which were profitable during the RIP.

(31) As it was found that all domestic sales were made in sufficient quantities and in the ordinary course of trade, normal value was based on the actual domestic prices and was calculated as the weighted average of the prices of all domestic sales during the review investigation period.

(c) *Export price*

(32) In the absence of cooperation from the Chinese exporting producers, and thus the absence of specific information on Chinese prices, the export price was determined on the basis of facts available in accordance with Article 18 of the basic Regulation. Available statistical sources, namely Eurostat were used.

(33) According to Eurostat, only 696 tonnes of wire rod were imported from China into the Union during the RIP, corresponding to 0,04 % of total imports. This amount is negligible in the light of total Union consumption (17,8 million tonnes).

(d) *Comparison and adjustments*

(34) The Commission compared the normal value and the export price on an ex-works basis. To ensure a fair comparison, the Commission adjusted the normal value and/or the export price for differences affecting prices and price comparability, in accordance with Article 2(10) of the basic Regulation. In order to express the export price at ex-works level, the Commission adjusted the Eurostat CIF price for freight and insurance based on the information from the complaint. The domestic prices were adjusted for freight, insurance, handling and credit costs based on the data obtained from the analogue country producer.

(e) *Dumping margin*