Commission Implementing Regulation (EU) 2015/865 of 4 June 2015 imposing a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) 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) 2015/865

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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:

A. PROCEDURE

1. Measures in force

(1) Following an anti-dumping investigation ('the original investigation'), the Council imposed by means of Council Regulation (EC) No 383/2009[(2)] as last amended by Implementing Regulation (EU) No 986/2012[(3)], a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China ('China').

(2) The measures took the form of an ad valorem duty rate of 46,2 %, with the exception of Kiswire Qingdao, Ltd (0 %) as well as Ossen Innovation Materials Co. Joint Stock Company Ltd and Ossen Jiujiang Steel Wire Cable Co. Ltd (both 31,1 %).

2. Request for an expiry review

(3) Following the publication of a notice of impending expiry[(4)] of the anti-dumping measures in force, the Commission received on 7 February 2014 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 by the European Stress Information Service ('ESIS') ('the applicant') on behalf of producers representing more than 25 % of the total Union production of certain PSC wires and strands.

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

3. Initiation of an expiry review

(6) Having determined, after consulting 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 8 May 2014, by a notice published in the *Official Journal of the European Union*[(5)] ('Notice of initiation'), the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation.

4. 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 April 2013 to 31 March 2014 (the 'review investigation period' or 'RIP'). The examination of the trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2010 to the end of the review investigation period (the 'period considered').

5. Parties concerned by the investigation and sampling

(8) The Commission officially advised the applicant, Union producers, exporting producers in China, importers and users in the Union known to be concerned and the representatives of China of the initiation of the expiry review. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set out in the Notice of initiation.

(9) In view of the apparent large number of exporting producers in China and unrelated importers in the Union, the Commission stated in the Notice of initiation that it might sample those interested parties in accordance with Article 17 of the basic Regulation.

(10) In its Notice of initiation, the Commission announced that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of the production of the like product. This sample consisted of five Union producers. The sampled Union producers accounted for 64 % of the total production of the Union industry in the review investigation period. The Commission invited interested parties to comment on the provisional sample but did not receive any comment. The provisional sample was therefore confirmed and is considered representative of the Union industry.

(11) In order to enable the Commission to decide whether sampling would be necessary in respect of the exporting producers in China and of the unrelated importers in the Union, those parties were requested to make themselves known and to provide the Commission with the information requested in the Notice of initiation. However, as none of these parties came forward, sampling was not necessary for exporting producers and unrelated importers.

6. Questionnaires and verification

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(12) The Commission sought and verified all the information deemed necessary for the determination of the likelihood of continuation or recurrence of dumping, likelihood of continuation or recurrence of injury, and of the Union interest.

(13) To this end, the Commission sent questionnaires to all parties known to be concerned and to all other parties that so requested within the deadlines set out in the Notice of initiation, namely known exporting producers in China, known producers in eight market economy third countries for which there are indications that production of the like product is taking place, sampled Union producers and known users in the Union.

(14) Questionnaire replies were received from the five sampled Union producers and 12 additional producers. One questionnaire reply was received from a user. Eleven users and three suppliers made written submissions. No Chinese exporting producer replied to the questionnaire. Three questionnaire replies were received from producers in market economy third countries.

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

(a) sampled Union producers:
- CB Trafilati Acciai, Tezze sul Breta, Italy,
- D&D Drótáru Ipari és Kereskedelmi, Miskolc, Hungary,
- DWK Drahtwerk GmbH, Köln, Germany,
- Nedri Spanstaal BV, Venlo, Netherlands,
- Trenzas y Cables de Acero PSC, Santander, Spain;

(b) producer in the market economy third country:
- Scaw South Africa (Pty) Limited, Germiston, South Africa.

B. PRODUCT CONCERNED AND LIKE PRODUCT

1. Product concerned

(16) The product concerned is not plated or not coated wire of non-alloy steel, wire of non-alloy steel plated or coated with zinc and stranded wire of non-alloy steel whether or not plated or coated with not more than 18 wires, containing by weight 0,6 % or more of carbon, with a maximum cross-sectional dimension exceeding 3 mm, currently falling within CN codes ex 7217 10 90, ex 7217 20 90, ex 7312 10 61, ex 7312 10 65 and ex 7312 10 69 and originating in China. Galvanised (but not with any further coating material) seven wire strands in which the diameter of the central wire is identical to or less than 3 % greater than the diameter of any of the six other wires are not covered by the measures currently in force and are not subject to this review.

(17) The product concerned is mostly used as a concrete reinforcement by the construction industry but can also be found in suspension elements and in stay cable bridges. It is produced from high carbon steel wire rods which are cleaned, drawn, heated and — in case of strands — wound together helicoidally to achieve specific characteristics of diameter, resistance and stability.

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2. **Like product**

(18) The review investigation confirmed that the PSC wires and strands produced and sold by the Union industry in the Union, those produced and sold on the domestic market in South Africa, which served as an analogue country, and those produced in China and potentially sold to the Union have essentially the same basic physical and technical characteristics and the same basic use.

(19) 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**

1. **Preliminary remarks**

(20) 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.

(21) China exported negligible quantities of the product concerned during the review investigation period. Therefore, there is no likelihood of continuation of dumping for China. The assessment was limited to the likelihood of recurrence of dumping using export prices to other third countries.

(22) As stated in recital 14 above, the Commission received no reply from Chinese exporting producers. Thus, in the absence of cooperation from exporting producers in China, the overall analysis, including the dumping calculation, is based on facts available pursuant to Article 18 of the basic Regulation. The Chinese authorities were accordingly informed of the Commission's intention to apply Article 18 of the basic Regulation and to base its findings on facts available.

(23) Therefore, the likelihood of recurrence of dumping was assessed by using the information in the expiry review request, combined with other sources of information such as trade statistics on imports and exports (Eurostat, Chinese and other third country statistics) and industry reports.

2. **Analogue country**

(24) In accordance with Article 2(7)(a) of the basic Regulation China is not considered a market economy country. In the original investigation Turkey was used as a market economy third country for the purpose of establishing the normal value (‘analogue country’).

(25) In the Notice of initiation the Commission: (i) envisaged using Turkey again as an analogue country in this expiry review, as suggested by the applicant; (ii) identified other market economy third countries exporting PSC wires and strands to the Union that is Brazil, India, Russia, South Africa, South Korea, and Thailand. These countries had the highest levels of imports of PSC wires and strands to the Union in 2013 (based on Eurostat data).

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(26) The Commission examined whether there is production and sales of PSC wires and strands in those market economy third countries for which there are indications that production of PSC wires and strands is taking place. The Commission contacted producers and their industry associations in seven steel producing countries referred to in the Notice of initiation and in the USA.

(27) The Commission received questionnaire replies from producers in India, South Africa and Turkey. The applicant has submitted an objection to use India as analogue country claiming that its domestic market is distorted by government subsidies which benefit steel industry. The Commission did not receive comments from other interested parties.

(28) The Commission concluded that South Africa was the most appropriate analogue country in the present review based on the following elements:

— full coverage of the product types of the product concerned,

— existence of the same quality standards for basic physical and technical characteristics as on the Union market,

— quality and completeness of the data submitted in the replies to the questionnaire,

— existence of a sufficient level of competition on the domestic market,

— sufficient size of the cooperating producer's domestic sales.

3. Likely dumping during the review investigation period

3.1. *Determination of the normal value*

(29) The information received from the cooperating producer in the analogue country was used as a basis for the determination of the normal value for China, pursuant to Article 2(7)(a) of the basic Regulation.

(30) The Commission first examined whether the total volume of domestic sales of the cooperating producer in the analogue country was representative. The domestic sales of the like product to independent customers represented at least 5 % of total export sales volume of PSC wires and strands to third countries used in the dumping calculation during the review investigation period. On this basis, the total domestic sales of the like product of the cooperating producer of the like product on the domestic market in the analogue country were representative.

(31) The Commission subsequently identified the product types sold domestically that were identical or comparable with the product types sold for export to the third countries used in the dumping calculation.

(32) The Commission next defined the proportion of profitable sales to independent customers on the domestic market for each product type during the review investigation period in order to decide whether to use actual domestic sales for the calculation of the normal value, in accordance with Article 2(4) of the basic Regulation.