Commission Implementing Regulation (EU) 2015/501 of 24 March 2015 imposing a provisional anti-dumping duty on imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan

COMMISSION IMPLEMENTING REGULATION (EU) 2015/501

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imposing a provisional anti-dumping duty on imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan

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 7 thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 26 June 2014, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports into the Union of stainless steel cold-rolled flat products originating in the People's Republic of China ('PRC') and Taiwan ('the countries concerned') on the basis of Article 5 of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union*[(2)] ('the Notice of Initiation').

(2) The Commission initiated the investigation following a complaint lodged on 13 May 2014 by Eurofer ('the complainant') on behalf of complaining Union producers of stainless steel cold rolled flat products ('SSCR'). The complainant represents around 50 % of the total Union production of SSCR. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

(3) On 14 August 2014, the Commission initiated an anti-subsidy investigation with regard to imports into the Union of SSCR originating in the PRC and commenced a separate investigation. It published a Notice of Initiation on the anti-subsidy proceedings in the *Official Journal of the European Union*[(3)].

1.2. Registration

(4) Following a request by the complainant supported by the required evidence the Commission adopted on 15 December 2014 Implementing Regulation (EU) No

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1331/2014[4] making imports of stainless steel cold-rolled flat products originating in the PRC and Taiwan subject to registration as of 17 December 2014.

1.3. **Interested parties**

(5) 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 complainant, other known Union producers, the known exporting producers and the Chinese and Taiwanese authorities, known importers, suppliers and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate. The Commission also informed producers in the United States of America ('USA') and South Africa about the initiation and invited them to participate. In the Notice of Initiation, the Commission informed interested parties that it envisaged the USA as a third market economy country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation.

(6) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

(a) *Sampling*

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

(8) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of production volume. This sample consisted of four Union producers. The sampled Union producers accounted for around 50 % of production volume. The Commission invited interested parties to comment on the provisional sample. No comments were made on the provisional sample and the provisional sample was confirmed. The sample is representative of the Union industry.
Sampling of importers

(9) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.

(10) Thirty-one unrelated importers provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of four on the basis of the largest volume of imports into the Union. In accordance with Article 17(2) of the basic Regulation, all known importers concerned were consulted on the selection of the sample.

(11) Comments were received concerning the ownership structure of one of the selected importers. Interested parties argued that one importer should not be included in the sample as they are related to a Union producer. However, this importer was not related to any Union producer during the investigation period, but only became related

subsequently. Furthermore, the term 'unrelated importer' means not related to exporting producers. An unrelated importer can indeed be related to a Union producer.

Sampling of exporting producers in Taiwan

(12) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in Taiwan to provide the information specified in the Notice of Initiation. In addition, the Commission asked the representatives of Taiwan to the EU to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(13) A total of nine allegedly exporting producers in the country concerned provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of four (of which three are related) on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned, and the authorities of the country concerned, were consulted on the selection of the sample. No comments were made.

(14) The investigation has shown that two sampled companies and two cooperating companies not selected in the sample do not fulfil the definition of exporting producer, as they only operate as service centres and use the product concerned as their production input. It was established that these companies do not have any hot-rolling or cold-rolling facilities and their added value is minor in relation to the cost of their inputs. In fact, they buy and sell the product concerned in different types (see recitals 26 to 28 below).

(15) However, one of these companies is related to a sampled exporting producer. Therefore, it was considered in the investigation as belonging to that group of companies. After exclusion from the sample of the company which did not fulfil the definition of exporting producer, the remaining sample represents at least around 48 % of the total volume of exports from Taiwan to the Union and around 80 % of domestic sales in Taiwan. Therefore, the sample was still representative.

(16) The Commission excluded from any individual dumping margin and injury elimination level calculation the other three companies. As a result, no duty rate was established for these three companies.

Individual examination

(17) One exporting producer in Taiwan requested and was granted an individual examination under Article 17(3) of the basic Regulation.

Sampling of exporting producers in the PRC

(18) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked all exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission asked the authorities of the PRC to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(19) Eight exporting producers in the PRC provided the requested information and agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of four companies belonging to two groups on the basis of the largest representative volume of exports to the Union which could reasonably be investigated within the time available. In accordance with Article 17(2) of the basic Regulation, all known exporting producers concerned, and the authorities of the country concerned, were consulted on the selection of the sample. No comments were made.

(b) *Market economy treatment ('MET') claim forms for exporting producers in the PRC*

(20) For the purposes of Article 2(7)(b) of the basic Regulation, the Commission sent MET claim forms to all the cooperating exporting producers in the PRC selected to be in the sample and to non-sampled cooperating exporting producers that wished to apply for an individual examination under Article 17(3) of the basic Regulation, to known association of exporting producers, and to the authorities of the PRC. None of the exporting producers has claimed MET.

(c) *Questionnaire*

(21) The Commission sent questionnaires to the sampled Chinese and Taiwanese exporting producers, to exporting producers wishing to claim individual examination, to producers in two potential analogue countries, as well as to the sampled Union producers, the sampled unrelated importers, as well as to users that made themselves known.

(22) Questionnaire replies were received from four sampled Chinese exporting producers, four sampled Taiwanese exporting producers (including two that turned out not to be exporting producers), one Taiwanese exporting producer requesting individual examination, two producers in the USA (analogue country), four sampled Union producers, four sampled unrelated importers and six users.

(d) *Verification visits*

(23) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producers

— Acciai Speciali Terni SpA, Terni, Italy

— Acerinox Europa SAU, Palmones-Los Barrios and Madrid, Spain

— Aperam Stainless Europe, La Plaine Saint Denis, France

Related service centre of Acciai Speciali Terni SpA

— Terninox, Ceriano Laghetto, Italy

Complainant

— Eurofer, Brussels, Belgium

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Exporting producers in Taiwan

— Chia Far Industrial Factory Co., Ltd, Taipei city

— Tang Eng Iron Works Co., Ltd, Kaohsiung city

— YC Inox Co., Ltd, Chang-Hua Hsien city

— Yieh Mau Corporation, Kaohsiung city

— Yieh United Steel Corporation, Kaohsiung city

Exporting producers in the PRC

— Baosteel Stainless Co., Ltd, Shanghai

— Ningbo Baoxin Stainless Co., Ltd, Ningbo

— Shanxi Taigang Stainless Steel Co., Ltd, Taiyuan City

Related importer in the Union

— Baosteel Europe GmbH, Hamburg, Germany

(24) The Commission held hearings, including hearings with the Hearing Officer with exporting producers, associations and importers.

1.4. Investigation period and period considered

(25) The investigation of dumping and injury covered the period from 1 January 2013 to 31 December 2013 (‘the investigation period’). The examination of trends relevant for the assessment of injury covered the period from 1 January 2010 to the end of the investigation period (‘the period considered’).

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

(26) The product concerned is flat-rolled products of stainless steel, not further worked than cold-rolled (cold-reduced) originating in the PRC and Taiwan, currently falling within CN codes 7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81 and 7220 20 89 (‘the product concerned’).

(27) Stainless steel cold-rolled flat products are used in a wide range of applications, for example in the production of household appliances (for example the interior of washing machines and dishwashers), welded tubes and medical devices as well as in the food processing and automotive industries.

(28) The investigation has shown that the different types of the product concerned all share the same basic physical, chemical and technical characteristics and are basically used for the same purposes.

2.2. Like product

(29) Stainless steel cold-rolled flat products produced and sold in the Union by the Union industry and stainless steel cold-rolled flat products produced and sold in the countries concerned and the analogue country were found to have essentially the same physical, chemical and technical characteristics and the same basic uses of the stainless