Commission Regulation (EU) No 418/2013 of 3 May 2013 imposing a provisional anti-dumping duty on imports of certain stainless steel wires originating in India

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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 7 thereof,

After consulting the Advisory Committee,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 10 August 2012, the European Commission ('the Commission') announced, by a notice published in the *Official Journal of the European Union*[(2)] ('the notice of initiation'), the initiation of an anti-dumping proceeding ('the anti-dumping proceeding') with regard to imports into the European Union ('the Union') of certain stainless steel wires originating in India ('the country concerned').

(2) On the same day, the Commission announced by a notice published in the *Official Journal of the European Union*[(3)], the initiation of an anti-subsidy proceeding with regard to imports into the Union of certain stainless steel wires originating in India and commenced a separate investigation ('the anti-subsidy proceeding').

(3) The anti-dumping proceeding was initiated following a complaint lodged on 28 June 2012 by the European Confederation of Iron and Steel Industries (Eurofer) ('the complainant') on behalf of producers representing more than 50 % of the total Union production of certain stainless steel wires. The complaint contained prima facie evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the initiation of an investigation.

1.2. Parties concerned by the investigation

(4) The Commission officially advised the complainant, other known Union producers, the known exporting producers, known importers and users, and the Indian authorities of the initiation of the investigation.

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(5) Interested parties were given an opportunity to make their views known in writing and to request a hearing within the time limit set in the notice of initiation. All interested parties, who so requested and showed that there were particular reasons why they should be heard, were granted a hearing.

(6) In view of the large number of exporting producers in the country concerned, unrelated importers and Union producers involved in the proceeding and in order to complete the investigation within the statutory time limits, the Commission announced in the notice of initiation that it had decided to limit to a reasonable number the exporting producers in the country concerned, unrelated importers and Union producers that would be investigated by selecting a sample in accordance with Article 17 of the basic Regulation (this process is also referred to as 'sampling').

1.2.1. *Sampling of exporting producers*

(7) In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, all exporting producers in the country concerned were requested to make themselves known to the Commission and to provide information specified in the notice of initiation.

(8) In total, 18 exporting producers, some belonging to the same group, provided the requested information, agreed to be included in the sample and seven of them asked for individual examination in case they would not be included in the sample. 15 of these cooperating companies reported exports of stainless steel wires to the Union during the investigation period. Therefore, the sample was chosen on the basis of the information submitted by these 15 exporting producers.

(9) In accordance with Article 17 of the basic Regulation, the Commission selected a sample based on the largest representative volume of exports of the product concerned to the Union which could reasonably be investigated within the time available. The sample selected consisted of two individual companies and one group of companies consisting of four related companies, together representing more than 63 % of the total volume of exports to the Union of the product concerned.

(10) 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 a representative sample. No comments to the selection of the sample were made.

(11) As mentioned in recital 9 above, the sample was limited to a reasonable number of companies which could be investigated within the time available. The companies investigated for the purpose of the investigation are listed in recital 19 below.

(12) Moreover, as mentioned in recital 8 above, initially 7 requests for individual examination were received. Hence it was considered that at this stage the individual examination would be unduly burdensome and would prevent the timely completion of the investigation.

(13) However, the requests made by exporters that submitted the necessary information within the time limits will be examined in the remainder of the investigation.

1.2.2. *Sampling of Union producers*

(14) The Commission announced in the notice of initiation that it had provisionally selected a sample of Union producers. This sample initially consisted of five producers that were known to the Commission prior to the initiation of the investigation to produce stainless steel wires in the Union. The Commission selected the sample on the basis of the sales, production volume and geographical location. Interested parties were also invited in the notice of initiation to make their views known on the provisional sample. No comment was received on the proposed sample. The analysis of the questionnaire replies revealed that one selected Union producer had a related company also involved in the manufacturing and sales of stainless steel wires. This related company was thus also included in the sample. Thus, the six sampled Union producers accounted for 46,5 % of the estimated total Union production The sample is considered to be representative of the Union industry.

1.2.3. *Sampling of importers*

(15) In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, all unrelated importers were requested to make themselves known to the Commission and to provide information specified in the notice of initiation.

(16) A total of nine unrelated importers provided the requested information and agreed to be included in the sample. The Commission selected a sample of three companies accounting for 23,8 % of Indian imports into the Union during the investigation period on the basis of the largest volume of imports into the Union. However, two of the importers selected in the sample did not submit questionnaire replies. Therefore, sampling at this stage of the investigation could not be applied and cooperation will be again sought from importers in the remainder of the investigation.

1.2.4. *Questionnaire replies and verification visits*

(17) Questionnaires were sent to the three sampled (groups of) exporting producers in India and to the exporting producers which requested individual examination, to the six sampled Union producers, to the three sampled unrelated importers and to nine known users.

(18) Questionnaire replies were received from the three sampled (groups of) exporting producers in India as well as from two of those exporting producers which had requested individual examination, the six sampled Union producers, one unrelated importer and three users.

(19) The Commission sought and verified all the information provided by interested parties and deemed necessary for a provisional determination of dumping,

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resulting injury and Union interest. Verification visits were carried out at the premises of the following parties:

Union producers:

— Hagener Feinstahl GmbH, Hagen, Germany;

— Inoxfil S.A., Igualada, Spain;

— Rodacciai SPA, Milano, Italy;

— Trafilerie Brambilla SPA, Calziocorte, Italy;

— Ugitech Group:

  — Ugitech France S.A., Bourg en Bresse, France,

  — Sprint Metal Edelstahl, Hemer, Germany.

Exporting producers in India:

— Raajratna Metal Industries, Ahmedabad, Gujarat;

— Viraj Profiles Vpl. Ltd, Thane, Maharashtra;

— Venus group:

  — Venus Wire Industries Pvt. Ltd, Mumbai, Maharashtra,

  — Precision Metals, Mumbai, Maharashtra,

  — Hindustan Inox Ltd, Mumbai, Maharashtra.

1.3. Investigation period and period considered

(20) The investigation of dumping and injury covered the period from 1 April 2011 to 31 March 2012 ('the investigation period' or 'IP'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2009 to the end of the investigation period ('period considered').

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

(21) The product concerned is wire of stainless steel containing by weight:

— 2,5 % or more of nickel, other than wire containing by weight 28 % or more but not more than 31 % of nickel and 20 % or more but not more than 22 % of chromium,

— less than 2,5 % of nickel, other than wire containing by weight 13 % or more but not more than 25 % of chromium and 3,5 % or more but not more than 6 % of aluminium,

currently falling within CN codes 7223 00 19 and 7223 00 99 and originating in India.

(22) One party claimed that there exist so called 'highly technical' product types which are different from the other types of the product concerned produced in India but also in the Union. They further alleged that unlike most types exported from India to the Union, the technical types are not commodities but specific product types produced for specific uses in certain steel grades and certain diameters and should not be covered by the investigation.

(23) At this stage, it appears that the technical types were part of the product definition and they have similar basic physical, chemical and technical characteristics compared to other types of the product concerned. Moreover, it appears that these types are also produced in by Union producers, hence the technical types are covered by the scope of the investigation.

2.2. **Like product**

(24) The investigation that the product concerned and the product produced and sold on the domestic market of India, as well as the product produced by the Union industry and sold on the Union market have the same basic physical, chemical and technical characteristics and uses. They are therefore provisionally considered to be alike within the meaning of Article 1(4) of the basic Regulation.

3. **DUMPING**

3.1. **Introduction**

(25) During the verification visits at the premises of the three sampled Indian exporting producers and the subsequent analysis of the collected information, it was found that they all had submitted some information which could not be considered to be reliable.

(26) In the case of one exporting producer, the Commission had found that the costs reported in its questionnaire reply was not in line and could not be reconciled with the costs reported in the producer's internal accounting system.

(27) The exporting producer alleged that the observed differences between the costs reported to the Commission and the costs found in the internal accounting system during the verification visit were due to errors in the registration of the transactions and to differences in accounting methods, in particular with regards to the raw material consumption. The exporting producer argued that the data in the internal accounting system was not reliable and should not be used for the purposes of the investigation. Although the exporting producer has been using the same accounting system for several years, it claimed that the Commission should base its analysis on the costs reported in the questionnaire reply, not on the cost data contained in the company's internal accounting system.

(28) It should be noted that, whilst the data contained in the internal accounting system was consistent with the audited financial statements provided by the exporting producer, it has not been possible to establish during the verification visit the reconciliation and thus the link between the costs tables specifically prepared for the current investigation and the data contained in the internal accounting system. Hence, in accordance with Article 18 of the basic Regulation, it is considered that the information found in the accounting system of the exporting producer should be used for the purpose of this anti-dumping investigation.