Commission Implementing Decision (EU) 2019/1109 of 27 June 2019 terminating the proceeding concerning imports of welded tubes, pipes and hollow profiles of square or rectangular cross-section, of iron other than cast iron or steel other than stainless, originating in the Republic of North Macedonia, Russia and Turkey

COMMISSION IMPLEMENTING DECISION (EU) 2019/1109

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union[(1)] ('the basic Regulation'), and in particular Article 9 thereof,

After consulting the Member States,

Whereas:

1. PROCEDURE

1.1. Initiation

(1) On 28 September 2018, the European Commission ('the Commission') initiated an anti-dumping investigation with regard to imports into the Union of welded tubes, pipes and hollow profiles of square or rectangular cross-section, of iron other than cast iron or steel other than stainless, but excluding line pipe of a kind used for oil or gas pipelines and casing and tubing of a kind used in drilling for oil or gas ('hollow sections'), originating in the Republic of North Macedonia, Russia and Turkey ('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 14 August 2018 by the Defence Committee of the welded steel tubes industry of the European Union ('the complainant') on behalf of Union producers. The companies represented by the complainant represented more than 40 % of the total Union production of hollow sections. The complaint contained evidence of dumping and of resulting material injury that was sufficient to justify the initiation of the investigation.

1.2. Request for registration

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2019/1109. (See end of Document for details)*

(3) On 20 December 2018, the complainant submitted a request for registration of imports from the countries concerned pursuant to Article 14(5) of the basic Regulation. The complainant alleged that there had been a significant increase of imports from the countries concerned by comparing:

(a) the volume for the period following the end of the investigation period ('IP') (July-October 2018) against the period July-October 2017; and

(b) the average monthly imports from the countries concerned in the period following the initiation of the investigation (October and November 2018) against the corresponding period in the previous year.

1.3. **Interested parties**

(4) 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 North Macedonian, Russian and Turkish authorities, known importers, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.

(5) 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.

1.4. **Sampling**

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

1.4.1. *Sampling of Union producers*

(7) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers in accordance with Article 17 of the basic Regulation. The Commission selected the sample based on the production volume of the like product in the Union between July 2017 and June 2018 and the geographical spread. The Commission invited interested parties to comment on the provisional sample. One of the provisionally sampled producers informed the Commission that it was not in the position to fill in a full questionnaire and did therefore not want to be part of the sample of Union producers. Consequently, the Commission decided to revise the sample of Union producers by replacing this producer with the next largest Union producer in terms of production volume. The definitive sample accounted for more than 30 % of the estimated Union production of the like product and was considered to be representative of the Union industry.

1.4.2. *Sampling of importers*

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

(9) Twelve unrelated importers made themselves known to the Commission, of which four declared imports from the countries concerned during the investigation period, provided the requested information and which also agreed to be included in the sample. In accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three importers based on the largest volume of imports into the Union and their geographic location in the Union. In accordance with Article 17(2) of the basic Regulation, all known importers concerned were consulted on the selection of the sample. No comments were made.

1.4.3. *Sampling of exporting producers in North Macedonia, Russia and Turkey*

(10) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in North Macedonia, Russia and Turkey to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Missions of North Macedonia, Russia and Turkey to the European Union to identify and/or contact other exporting producers in their respective countries, if any, that could be interested in participating in the investigation.

(11) Ten exporting producers in Turkey, three in North Macedonia and two in Russia provided the requested information and agreed to be included in the sample.

(12) In view of the limited number of exporting producers in North Macedonia and Russia, the Commission decided that sampling was not necessary in those two countries.

(13) As regards the exporting producers in Turkey, in accordance with Article 17(1) of the basic Regulation, the Commission selected a sample of three exporting producers based on 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 countries concerned were consulted on the selection of the sample. No comments were made.

1.5. **Individual examination**

(14) One exporting producer in Turkey requested individual examination under Article 17(3) of the basic Regulation. In view of the conclusions laid out in recital 97 it was not necessary to process this request further.

1.5.1. *Replies to the questionnaire*

(15) The Commission made the questionnaires available on-line on the date of initiation and invited the three cooperating exporting producers in North Macedonia, the two cooperating exporting producers in Russia, the three sampled exporting producers in Turkey, the four sampled Union producers and the three sampled unrelated importers to reply to them.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2019/1109. (See end of Document for details)*

(16) Questionnaire replies were received from the three cooperating exporting producers in North Macedonia, one cooperating exporting producer in Russia, the three sampled exporting producers and one exporting producer requesting individual examination in Turkey, the four sampled Union producers and the three sampled unrelated importers. One exporting producer in Russia did not provide a reply and announced that it did not wish to cooperate.

1.6. **Verification visits**

(17) The Commission sought and verified all the information deemed necessary for a 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:

European Steel Tube Association, Paris, France

Sampled Union producers

— Tata Steel UK Limited, Corby, United Kingdom

— Tata Steel Tubes BV, Oosterhout and Zwijndrecht, Netherlands

— Marcegaglia Carbon Steel SpA, Gazoldo degli Ippoliti, Italy

Exporting producers in North Macedonia

— FZC 11 Oktomvri AD, Kumanovo,

— IGM-Trade Ilija I dr. d.o.o. Kavadarci,

— Metalopromet Dooel, Strumica

PAO Severstal Group

— PAO Severstal, Cherepovets, Russia

— JSC Severstal Distribution, Cherepovets, Russia

— SIA Severstal Distribution, Riga, Latvia

— Severstal Export GmbH, Manno, Switzerland

Exporting producers in Turkey

— Noksel Celik Boru Sanayi, Ankara

— Özdemir Boru Profil San. ve Tic. Ltd Şti., Zonguldak

— Tosçelik Profil ve Sac Endüstrisi, Iskenderun

— Yücel Boru ve Profil Endüstrisi, Istanbul

Sampled unrelated importers in the Union

— Kromat Trading Ltd, London, United Kingdom

— Carl Spaeter GmbH, Duisburg, Germany.

1.7. **Investigation period and period considered**

(18) The investigation of dumping and injury covered the period from 1 July 2017 to 30 June 2018 (‘the investigation period’ or the ‘IP’). The examination of trends relevant for the assessment of injury covered the period from 1 January 2015 to the end of the investigation period (‘the period considered’).

2. **PRODUCT CONCERNED AND LIKE PRODUCT**

2.1. **Product concerned**

(19) The product concerned is welded tubes, pipes and hollow profiles of square or rectangular cross-section, of iron other than cast iron or steel other than stainless, but excluding line pipe of a kind used for oil or gas pipelines and casing and tubing of a kind used in drilling for oil or gas, originating in North Macedonia, Russia and Turkey, currently falling under CN codes 7306 61 92 and 7306 61 99 ('the product concerned').

(20) Hollow sections are used in a wide range of applications, for example structural and load bearing purposes by the construction industry, handling equipment, tool-machines, automotive industry, agricultural machinery, farm equipment and other similar uses.

2.2. **Like product**

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

— the product concerned,

— the product produced and sold on the domestic market of the countries concerned,

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

(22) The Commission decided that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

3. **DUMPING**

3.1. **North Macedonia**

(23) There were three exporting producers in North Macedonia, which cooperated with the investigation, namely FZC 11 Oktomvri AD ('FZC'), IGM-Trade Ilija I dr. d.o.o. ('IGM') and Metalopromet Dooel ('Metalopromet').

3.1.1. *Normal value*

(24) To calculate the normal value, the Commission first examined whether the total volume of domestic sales for each cooperating exporting producer was representative, in accordance with Article 2(2) of the basic Regulation. The domestic sales are considered representative if the total domestic sales volume of the like product to independent customers on the domestic market per exporting producer represents at least 5 % of its total export sales volume of the product under review to the Union during the investigation period.

(25) For one of the exporting producers, namely FZC, overall domestic sales were not representative within the meaning of Article 2(2) of the basic Regulation.

(26) As the like product was not sold in representative quantities on the domestic market, the Commission constructed the normal value for FZC in accordance with Article 2(3) and Article 2(6) of the basic Regulation.