

COMMISSION IMPLEMENTING REGULATION (EU) 2018/607**of 19 April 2018****imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China as extended to imports of steel ropes and cables consigned from Morocco and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council**

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 11(2) thereof,

Whereas:

1. PROCEDURE**1.1. Previous investigations and measures in force**

- (1) By Regulation (EC) No 1796/1999 ⁽²⁾, the Council imposed an anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China ('PRC'), Hungary, India, Mexico, Poland, South Africa and Ukraine. Those measures will hereinafter be referred to as 'the original measures' and the investigation that led to the measures imposed by Regulation (EC) No 1796/1999 will hereinafter be referred to as 'the original investigation'.
- (2) Thereafter, it was found that circumvention of the original measures concerning imports from Ukraine and the PRC took place via respectively Moldova and via Morocco following investigations pursuant to Article 13 of the Council Regulation (EC) No 384/96 ⁽³⁾. Consequently, by Regulation (EC) No 760/2004 ⁽⁴⁾, the Council extended the definitive anti-dumping duty imposed on imports of steel ropes and cables originating in the Ukraine to imports of the same products consigned from Moldova. Similarly, the anti-dumping duty imposed on imports of steel ropes and cables originating in the PRC was extended, by Council Regulation (EC) No 1886/2004 ⁽⁵⁾, to imports of the same products consigned from Morocco.
- (3) By Regulation (EC) No 1858/2005 ⁽⁶⁾, the Council, following an expiry review in accordance with Article 11(2) of Regulation (EC) No 384/96, maintained the original measures imposed on imports of steel ropes and cables originating in the PRC, India, South Africa and Ukraine. The measures applicable to imports originating in Mexico expired on 18 August 2004 ⁽⁷⁾. As Hungary and Poland became members of the European Union on 1 May 2004, the measures were terminated on that date.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Council Regulation (EC) No 1796/1999 of 12 August 1999 imposing a definitive anti-dumping duty, and collecting definitively the provisional duty imposed, on imports of steel ropes and cables originating in the People's Republic of China, Hungary, India, Mexico, Poland, South Africa and Ukraine and terminating the anti-dumping proceeding in respect of imports originating in the Republic of Korea (OJ L 217, 17.8.1999, p. 1).

⁽³⁾ Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community (OJ L 56, 6.3.1996, p. 1) as last amended by Regulation (EC) No 461/2004 (OJ L 77, 13.3.2004, p. 12).

⁽⁴⁾ Council Regulation (EC) No 760/2004 of 22 April 2004 extending the definitive anti-dumping duty imposed by Regulation (EC) No 1796/1999 on imports of steel ropes and cables originating, inter alia, in Ukraine to imports of steel ropes and cables consigned from Moldova, whether declared as originating in Moldova or not (OJ L 120, 24.4.2004, p. 1).

⁽⁵⁾ Council Regulation (EC) No 1886/2004 of 25 October 2004 extending the definitive anti-dumping duty imposed by Council Regulation (EC) No 1796/1999 on imports of steel ropes and cables originating, inter alia, in the People's Republic of China to imports of steel ropes and cables consigned from Morocco, whether declared as originating in Morocco or not, and terminating the investigation in respect of imports from one Moroccan exporter (OJ L 328, 30.10.2004, p. 1).

⁽⁶⁾ Council Regulation (EC) No 1858/2005 of 8 November 2005 imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China, India, South Africa and Ukraine following an expiry review pursuant to Article 11(2) of Regulation (EC) No 384/96 (OJ L 299, 16.11.2005, p. 1).

⁽⁷⁾ Notice of the expiry of certain anti-dumping measures (OJ C 203, 11.8.2004, p. 4).

- (4) In May 2010, by Implementing Regulation (EU) No 400/2010 ⁽¹⁾ the Council extended the definitive anti-dumping duty imposed by Regulation (EC) No 1858/2005 on imports of steel ropes and cables, originating in the PRC, to imports of steel ropes and cables, consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not, as a result of an anti-circumvention investigation in accordance with Article 13 of ('the basic Regulation'). Certain Korean exporting producers were granted an exemption from the extended duty as they were not found to circumvent the definitive anti-dumping duties.
- (5) The measures applicable to imports originating in India expired on 17 November 2010 ⁽²⁾.
- (6) In January 2012, by Implementing Regulation (EU) No 102/2012 ⁽³⁾, the Council, following an expiry review in accordance with Article 11(2) of Regulation (EC) No 1225/2009 ⁽⁴⁾, maintained the anti-dumping duty regarding the PRC as extended to Morocco and the Republic of Korea and in Ukraine as extended to Moldova. Those measures will hereinafter be referred to as 'the measures in force' and the expiry review investigation, concluded by Implementing Regulation (EU) No 102/2012, will be hereinafter referred to as 'the previous expiry review'.
- (7) By the same regulation the Council also terminated the proceeding with regard to South Africa. The measures applicable to imports originating in South Africa expired on 9 February 2012.

1.2. Request for an expiry review

- (8) Following the publication of a notice of impending expiry ⁽⁵⁾ the Commission received a request for review pursuant to Article 11(2) of the basic Regulation ('request for review').
- (9) The request for review was lodged on 7 November 2016 by the Liaison Committee of E.U. Wire Rope Industries ('the applicant') on behalf of producers representing more than 25 % of the total Union production of steel ropes and cables ('SRC'). The request was based on the grounds that the expiry of the measures with regard to the PRC would be likely to result in continuation of dumping and recurrence of injury to the Union industry. The applicant did not provide sufficient evidence that the expiry of measures in force against Ukraine would likely result in a continuation or recurrence of dumping and injury.

1.3. Initiation

- (10) 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 February 2017, by a notice published in the *Official Journal of the European Union* ⁽⁶⁾ ('Notice of initiation'), the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation.
- (11) In the absence of a duly substantiated request for an expiry review concerning imports of SRC originating in Ukraine, the Commission gave notice that the anti-dumping measure with regard to Ukraine would expire. Consequently, the anti-dumping duty imposed on imports of steel ropes and cables originating in Ukraine expired on 10 February 2017 ⁽⁷⁾.

⁽¹⁾ Council Implementing Regulation (EU) No 400/2010 of 26 April 2010 extending the definitive anti-dumping duty imposed by Regulation (EC) No 1858/2005 on imports of steel ropes and cables originating, inter alia, in the People's Republic of China to imports of steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not, and terminating the investigation in respect of imports consigned from Malaysia (OJ L 117, 11.5.2010, p. 1).

⁽²⁾ Notice of the expiry of certain anti-dumping measures (OJ C 311, 16.11.2010, p. 16).

⁽³⁾ Council Implementing Regulation (EU) No 102/2012 of 27 January 2012, imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China and Ukraine as extended to imports of steel ropes and cables consigned from Morocco, Moldova and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 and terminating the expiry review proceeding concerning imports of steel ropes and cables originating in South Africa pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 36, 9.2.2012, p. 1).

⁽⁴⁾ Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community (OJ L 343, 22.12.2009, p. 51).

⁽⁵⁾ Notice of the impending expiry of certain anti-dumping measures (OJ C 180, 19.5.2016, p. 2).

⁽⁶⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of steel ropes and cables originating in the People's Republic of China (OJ C 41, 8.2.2017, p. 5).

⁽⁷⁾ Notice of the expiry of certain anti-dumping measures (OJ C 41, 8.2.2017, p. 4).

1.4. Review investigation period and period considered

- (12) The investigation of continuation or recurrence of dumping covered the period from 1 January 2016 to 31 December 2016 ('review investigation period' or 'RIP'). The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2013 to the end of the review investigation period - 31 December 2016 ('the period considered').

1.5. Interested parties

- (13) In the Notice of initiation, the Commission invited all interested parties to participate in the investigation. In addition, the Commission officially advised the applicant, the other known Union producers, the exporting producers in the PRC, importers/users which were known to be concerned, as well as the authorities of the PRC the initiation of the expiry review.
- (14) All interested parties were invited to make their views known, submit information and provide supporting evidence within the time-limits set out in the Notice of initiation. Interested parties were also granted the opportunity to request in writing a hearing by the Commission investigation services and/or the Hearing Officer in trade proceedings.

1.5.1. Sampling

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

1.5.1.1. Sampling of exporting producers in the PRC

- (16) In view of the apparent large number of exporting producers in the PRC, sampling was envisaged in the Notice of initiation.
- (17) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked the 21 known exporting producers in the PRC to provide the information specified in the Notice of initiation. The information requested included production volume and production capacity. In addition, the Commission requested the Mission of the PRC to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.
- (18) Only one group of exporting producers replied that it was willing to cooperate. That group, while covering 100 % of all SRC exports from the PRC to the Union, only accounted for less than 2 % of total SRC Chinese production. Given that only one group of exporting producers was willing to cooperate, it was not necessary to apply sampling.

1.5.1.2. Sampling of Union producers

- (19) In the Notice of initiation, the Commission stated that it had provisionally selected a sample of Union producers. Pursuant to Article 17 of the basic Regulation, the sample was selected on the basis of sales volume of the like product. The sample consisted of six Union producers. The sampled Union producers accounted for 50,5 % of the total Union industry's production during the RIP. The Commission invited interested parties to comment on the provisional sample. No comments were received within the deadline and the provisional sample was thus confirmed. The sample was considered representative for the Union industry.

1.5.1.3. Sampling of unrelated importers

- (20) In order to enable the Commission to decide whether sampling is necessary and, if so, to select a sample, all unrelated importers or representatives acting on their behalf, were invited to participate in this investigation. Those parties were requested to make themselves known by providing the Commission with the information on their company(ies) requested in Annex II of the Notice of initiation.
- (21) In addition, 44 importers identified in the review request were contacted by the Commission at initiation stage and were invited to explain their activity and to fill in the above mentioned Annex.
- (22) Only seven importers came forward, but according to their replies six of them did not import SRC during the RIP. Therefore, no sampling was necessary.

1.5.2. Questionnaires

- (23) The Commission sent questionnaires to the cooperating group of exporting producers that replied to the sampling form, the six sampled Union producers, one importer, ten users that made themselves known following the initiation of the investigation and 50 known producers in potential market economy third countries (Canada, India, Japan, Malaysia, Mexico, Russia, South Africa, South Korea, Switzerland, Thailand, Turkey, Ukraine and the United States of America ('USA' or 'US')).
- (24) The group of exporting producers and five Union producers submitted a questionnaire reply. No importer and none of the users provided a questionnaire reply.
- (25) Two market economy third country producers provided a questionnaire reply, one located in Turkey and one in the USA.

1.5.3. Verification visits

- (26) The Commission sought and verified all the information deemed necessary for the determination of likelihood of continuation or recurrence of dumping and 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

- Bridon International Ltd, Doncaster, United Kingdom
- Casar Drahtseilwerk Saar GmbH, Kirkel, Germany
- Drumet Liny i Druty sp z o.o., Wloclawek, Poland
- Gustav Wolf GmbH, Guetersloh, Germany
- Redaelli Tecna Spa, Milano, Italy

Exporting producer in the PRC

- Fasten Group Imp. & Exp. Co., Ltd, Jiangyin City, Wuxi, Jiangsu Province

Producer in the market economy third country

- WireCo World Group, Prairie Village, KS, USA.

2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

2.1. Product under review

- (27) The product subject to this review is steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm originating in the PRC ('SRC' or 'product under review'), currently falling within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98.

2.2. Like product

- (28) SRC produced in the PRC and exported to the Union, SRC produced and sold on the domestic market of the market economy third country USA, and SRC produced and sold in the Union by the Union producers have the same end uses, basic physical and technical characteristics and are therefore considered to be like products within the meaning of Article 1(4) of the basic Regulation.

3. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

- (29) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether the expiry of the measures in force would be likely to lead to a continuation or recurrence of dumping from the PRC.

3.1. Preliminary remarks

- (30) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether the expiry of the measures in force would be likely to lead to a continuation or recurrence of dumping from the PRC.

- (31) As indicated in recital 18, only one group of exporting producers accounting for less than 2 % of total production of SRC in the PRC cooperated in this investigation. That group is composed of seven related companies involved in the production and sale of SRC. Since that group covered 100 % of SRC exports from the PRC to the Union during the RIP, the Commission considered that it has sufficient information to assess the export price and the dumping margin during the RIP (section 3.2).
- (32) However, the data provided by the sole cooperating group of exporting producers with regard to export sales to other third countries, was found to be deficient: four companies related to the group and involved in the production and sale of SRC had not provided a separate questionnaire reply as required. By failing to reply as required they did not provide any information about their export sales to other third countries. Furthermore, one related company from the group, though it had provided a questionnaire reply, failed to report its export sales to other third countries on a product type basis per transaction.
- (33) As a result the Commission informed the sole cooperating group of exporting producers that it intended to apply Article 18 of the basic Regulation with regard to export sales to third countries and that group was given an opportunity to comment in accordance with Article 18(4) of that Regulation.
- (34) In its comments, the cooperating group of exporting producers did not deny that it had failed to provide a questionnaire reply for its four related companies. However, it claimed that it was unreasonable to request export sales information to third countries on Product Control Number ('PCN') per transaction basis. That argument cannot be accepted. The requested information was considered necessary because, in order to predict future behaviour of producers in the PRC, should the measures expire, it is important to have precise and full knowledge of their current behaviour when exporting SRC to other third countries. When, as in this case, a party does not make its best effort to provide the full set of data requested but provides only part of it, which in addition is not sufficiently detailed and cannot be verified, such partial information cannot be regarded as sufficiently precise and complete to enable the Commission to properly assess, in full knowledge, the behaviour of the Chinese producers when exporting SRC to other third countries.
- (35) The findings in section 3.3.2 were thus based on facts available. For that purpose, the information provided by the sole cooperating group of exporting producers except for sales to third countries, the request for the expiry review, the submission made by the applicants, on information from the Chinese Export Statistics ⁽¹⁾ ('PRC database'), on information from the World Bank and on other publicly available information in order to establish a full picture of anti-dumping measures in place in other important third countries markets for SRC as explained in recital 68 were used.

3.2. Dumping

- (36) Dumping during the RIP for exports from the PRC was established on the information provided by the sole cooperating group of exporting producers that represented the totality of the exports of SRC from the PRC to the Union during the RIP (see recital 18).

Market economy third country

- (37) None of the exporting producers from the PRC was granted market economy treatment in the original investigation. According to Article 2(7)(a) and (b) of the basic Regulation, normal value for all exporting producers is therefore to be determined on the basis of the price or constructed value in a market economy third country. For that purpose, a market economy third country had to be selected.
- (38) In the Notice of initiation the Commission envisaged using Turkey as a market economy third country. The Notice of initiation also indicated that there may be production of the like product in other market economy third countries such as Thailand, Vietnam and Malaysia. The Commission invited all interested parties to comment on the choice of a market economy third country for the purpose of establishing normal value in respect of the PRC. No comments were received in the timeframe specified in the Notice of initiation.

⁽¹⁾ <http://info.hktdc.com/chinastat/gcb/index2.htm> (last accessed 28.9.2017).

- (39) As indicated in the Notice of initiation the Commission examined whether there was production and sales of the like product in those market economy third countries for which there were indications that production is taking place. In addition, based on information of the request for review and statistical information available (Eurostat), the Commission identified other potential market economy third countries: Canada, India, Japan, South Korea, Malaysia, Mexico, Russia, South Africa, Switzerland, Thailand, Ukraine and the USA. The Commission identified 50 potential producers in those countries which were contacted and invited to provide the necessary information.
- (40) However, only one producer in Turkey and one in the USA came forward and provided the information requested.

Choice of the market economy third country

- (41) In total, there were 15 potential producers of the like product in the USA. The US market was also found to be an open market with significant import and export volumes of SRC during the RIP. There were no import duties or anti-dumping/countervailing duties on imports in force on imports of SRC in the USA. The production volume of the cooperating producer in the US was substantial in comparison to the estimated total production in the USA (accounting for approximately 15 % to 25 % of the total estimated US domestic production).
- (42) It was therefore considered that the USA was an open and large market with many domestic producers and imports competing with each other. The degree of competition was found to be higher in the USA than in Turkey. In addition, the data provided by the producer in Turkey was largely deficient and essential elements for the determination of normal value were missing whereas the quality of the reply of the producer in the USA was sufficiently complete to establish a reliable normal value on this basis. Therefore, the Commission selected the USA as an appropriate market economy third country.
- (43) Interested parties were given the opportunity to comment on the appropriateness of the selection of the USA as a market economy third country. No comments were received within the deadline.
- (44) On that basis the Commission decided to select the USA as market economy third country for this review.

Normal value

- (45) In accordance with Article 2(2) of the basic Regulation, the Commission first examined whether the total volume of sales of the market economy third country producer of the like product in the domestic market was representative during the review investigation period. The sales of the cooperating US producer of the like product were found to be made in representative quantities on the domestic market compared to the product under review exported to the Union by the Chinese exporting producer.
- (46) The Commission subsequently examined whether those sales could be considered as made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation. This was done by establishing the proportion of profitable sales to independent customers. The sales transactions were considered profitable where the unit price was equal or above the cost of production of the US producer during the investigation period.
- (47) The Commission identified those product types for which more than 80 % by volume of sales on the domestic market were above cost and the weighted average sales price of that type was equal to or above the unit cost of production. In those cases, normal value, by product type, was calculated as the weighted average of the actual domestic prices of all sales of the type in question, irrespectively of whether those sales were profitable or not. That was the case for about 50 % of the product types exported to the Union.
- (48) Where the volume of profitable sales of a product type represented 80 % or less of the total sales volume of that type, normal value was based on the actual domestic price, which was calculated as a weighted average price of only the profitable domestic sales of that type made during the investigation period. That was the case for about 50 % of the product types exported to the EU.
- (49) Therefore, for all product types, normal value was established on the domestic sales prices.
- (50) Normal value was established on the basis of the prices for sales of SRC of the cooperating producer in the USA in accordance with Article 2(7)(a) and (b) as well as Articles 2(1) to 2(6) of the basic Regulation.

Export price

- (51) The export price was based on the information provided by the cooperating group of exporting producers from the PRC in accordance with Article 2(8) of the basic Regulation, namely on the basis of export prices actually paid or payable to the first independent customer in the Union, which was an unrelated importer.

Comparison

- (52) In the absence of matching at the level of the full PCN between the product types exported by the group of cooperating exporting producers and domestic sales in the market economy third country, the normal value was determined on the basis of the domestic price in that market economy third country of the most closely resembling product type. In order to reflect the differences between product types, the normal value determination took into account the characteristics of the product type as defined by the PCN: product category, wire characteristics, type of rope, external diameter and tensile strength. Adjustments were made in the range of 5 % to 15 % so as to take into consideration differences between the product types in accordance with Article 2(10)(a) of the basic Regulation.
- (53) The exports from the PRC are subject to a partly refundable export value added tax (VAT) whereas in the USA all taxes pertaining to domestic sales are refunded. Therefore, the Commission made an adjustment under Article 2(10)(b) of the basic Regulation for the difference in VAT between export sales from the PRC to the Union (where 17 % VAT is charged on export and 5 % of it is then refunded) to ensure a fair comparison and in line with settled case law ⁽¹⁾.
- (54) Furthermore, adjustments were also made to the normal value for differences in packaging costs (less than 2 % and domestic freight (in a range of 2 % to 10 %) under Article 2(10)(e) and (f) of the basic Regulation. Adjustments were also made to the export price for handling and loading (less than 1 %), domestic freight in the PRC (in a range of 1 % to 5 %, ocean freight (in a range of 1 % to 5 %) and insurance (less than 1 %), costs under Article 2(10)(e) of the basic Regulation. Additionally credit costs (less than 1 %) and bank charges (less than 1 %) were also deducted from the export price according to Article 2(10)(g) and (k) of the basic Regulation.
- (55) Finally, export sales to the Union were made via related sales companies in China. The Commission did not examine whether for those sales an adjustment would be warranted under Article 2(10)(i) of the basic Regulation. The reason being that the purpose of an expiry review is not to establish precise dumping margins, but to establish whether dumping continued during the review investigation period.

Dumping margin

- (56) The Commission compared the normal value and the export prices, as calculated in recitals 45 to 51 in order to ensure price comparability, for each product type. As provided by Article 2(11) and (12) of the basic Regulation, the weighted average normal value of each product type of the like product in the market economy third country was compared with the weighted average export price of the corresponding product type of the product under review.
- (57) On that basis, the weighted average dumping margin expressed as a percentage of the CIF (Cost, Insurance, Freight) Union frontier price, duty unpaid, was 16,7 %.

3.3. Development of imports should measures be repealed

- (58) Further to the finding of dumping during the review investigation period, the Commission analysed whether there was a likelihood of continuation of dumping should measures be repealed. The following elements were analysed: production, production capacity and spare capacity in the PRC, Chinese export behaviour in other third countries, circumvention practices and the attractiveness of the Union market.
- (59) The sole cooperating group of exporting producers represented less than 3 % of the total production capacity and less than 2 % of the total production of SRC in the PRC. Considering that no other producers of SRC in the PRC cooperated, the examination of the likelihood of continuation or recurrence of dumping in order to assess the development of imports should measures be repealed was based on the information available to the

⁽¹⁾ Court of Justice in Case C-15/12 P, Judgment of 19 September 2013, *Dashiqiao Sanqiang Refractory Materials v Council Dashiqiao*, EU:C:2013:572, paragraphs 34-35.

Commission, that is information provided by the sole cooperating group of exporting producers, the expiry review request, the information from the PRC database, the information from the World Bank and other publicly available information as explained in recital 68 in order to establish a full picture of anti-dumping measures in place in other important markets for SRC.

3.3.1. *Production, production capacity and spare capacity in the PRC*

- (60) In the absence of any other information on the file, the Commission based its findings on the expiry review request which contained a study analysing the 'Supply and Demand-side Developments in the Chinese Steel Wire Rope Industry 2012-2016 as well as in the Near Future' (the study). Based on that information, the production capacity for SRC in the PRC was estimated at 5,8 million tonnes per year, actual production was estimated at around 4,0 million tonnes per year and, as a result, the spare capacity in the PRC was estimated at around 1,8 million tonnes in 2016, which largely exceeds the total Union consumption of SRC during the RIP as shown in recital 75 by more than 10 times.
- (61) The study indicated that the domestic consumption in the PRC amounted to around 3,8 million tonnes per year. The investigation did not bring into light any elements that could indicate any significant increase of domestic demand in China in the near future. The same is true for Chinese exports to other third countries as there is no information available that would indicate any significant increase of demand for SRC worldwide.
- (62) Regarding the expiry review request and more specifically the study, it should be noted that the information contained therein was not contested by any interested party. Furthermore, as indicated in recitals 17 and 18, it is also recalled that most of the Chinese exporting producers of SRC did not provide the necessary information as requested and that the sole cooperating group of exporting producers accounting for less than 3 % of the total Chinese production capacity cooperated and provided relevant information as requested.
- (63) Therefore, in the absence of any other information, it is considered that neither domestic demand, nor worldwide demand of SRC will be able to absorb the significant spare capacity available in China.

3.3.2. *Export behaviour to other third countries*

- (64) As explained in recitals 32 to 35, the information submitted by the sole cooperating group of exporting producers could not be used to properly assess the export behaviour of Chinese exporting producers to other third countries. Therefore, the Commission had to rely on facts available in accordance with Article 18 of the basic Regulation to assess that behaviour. To do so, the Commission used the PRC database as it was done in the previous expiry review ⁽¹⁾.
- (65) It should however be noted that, the PRC database covers a broader product scope than the product under review as it also includes stranded wire, ropes and cables of stainless steel and steel ropes and cables with a maximum cross-sectional dimension not exceeding 3 mm. Therefore, no meaningful analysis of quantities exported to other markets could be made on the basis of the information found in the PRC database. Nevertheless, the PRC database could be used for the price analysis. The price analysis is based on reasonable estimations given the similar characteristics of the other products possibly included in the analysis.
- (66) On that basis, the Commission found that when comparing Chinese export prices to their five main export markets other than the Union (which are India, South Korea, Thailand, USA and Vietnam), to the normal value established in the market economy third country as described in recitals 45 to 50 the dumping margins ranged from 129 % to 314 % during the RIP. Chinese SRC exports to those five other markets account for an estimated 40 % of total Chinese SRC exports worldwide. On the same basis, the dumping margin for sales to the Union amounted to 97 %.
- (67) Therefore, SRC exports to other third countries from the PRC were likely dumped at even higher levels than the export sales to the Union during the RIP. In the absence of any other information, the export price level to other third countries can be seen as an indicator of the likely price level for export sales to the Union should measures be repealed. Given the low price levels to third country markets, it was also concluded that there is a considerable margin to reduce export prices to the Union, potentially resulting in increased dumping.

⁽¹⁾ For reference see recital 51 of Implementing Regulation (EU) No 102/2012.

- (68) Furthermore, according to publicly available data ⁽¹⁾, anti-dumping measures on imports of SRC originating in the PRC are also in force in Turkey ⁽²⁾, Mexico ⁽³⁾ and Brazil ⁽⁴⁾. Colombia recently initiated an anti-dumping investigation on imports of SRC originating in China ⁽⁵⁾ and in December 2017 provisional anti-dumping measures of 15 % were imposed. That clearly indicates that SRC from Chinese exporting producers have also been exported to other markets at dumped prices. It also indicates that Chinese SRC exports to those markets are or will be restricted and that Chinese SRC exporting producers have to find alternative markets for their spare capacity.

3.3.3. Attractiveness of the Union market

- (69) On the basis of the available information, as explained in recital 66, it was found that exporting producers from the PRC can achieve higher prices in the Union market than in other third countries. According to the PRC database, in the RIP the average FOB (free on board) export price to the Union was EUR 1 688/tonne while it amounted on average to only EUR 1 191/tonne when destined to the five main third country markets. Therefore, Chinese export prices to third countries were around 30 % lower than export prices to the Union (not taking into account anti-dumping duties paid in the Union market). That indicates that the Union market is an attractive market given that Chinese exporting producers can generate higher profits on sales to the Union than on their sales to other export markets.

3.3.4. Conclusion

- (70) In conclusion, the dumping margin established in the RIP, the significant spare capacity available in the PRC, the established attractiveness of the Union market and the export behaviour in other third countries, indicate that a repeal of the measures would likely result in a continuation of dumping, and that dumped exports will enter the Union market in significant quantities. It is therefore considered that there is a likelihood of continuation of dumping should the current anti-dumping measures be allowed to lapse.

4. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

4.1. Definition of the Union industry and Union production

- (71) Within the Union, SRC were manufactured by over 22 producers/producer groups during the RIP. They constitute the 'Union industry' within the meaning of Articles 4(1) and 5(4) of the basic Regulation.
- (72) Total Union production during the RIP was established at 168 701 tonnes on the basis of the review request, additional data provided by the applicant and the questionnaire replies of the sampled Union producers.
- (73) As indicated in recital 19, a sample consisting of six producers/producer groups was selected. The Commission received and verified questionnaire replies from five Union producers. The five producers represented 43 % of the total Union production during the RIP. The sample was therefore regarded as sufficiently representative for the Union industry.

4.2. Union consumption

- (74) Union consumption was established on the basis of sales volume of the Union industry in the Union market and the volume of imports from third countries into the Union based on the data reported to the Commission by the Member States in accordance with Article 14(6) of the basic Regulation ('Article 14(6) database') and verified data from the cooperating Chinese exporting producer group.

⁽¹⁾ Bown, Chad P. (2016) 'Global Antidumping Database,' The World Bank, June, source: <http://econ.worldbank.org/ttbd/gad/>

⁽²⁾ The level of the duty amounts to 1 000 USD/tonne.

⁽³⁾ The level of the duty amounts to 2 580 USD/tonne.

⁽⁴⁾ The level of the duty ranges between 124,33 USD/tonne and 627 USD/tonne.

⁽⁵⁾ http://www.mincit.gov.co/loader.php?Servicio=Documentos&Funcion=verPdf&id=82791&name=Resolucion_220_del_15_de_diciembre_de_2017__Preliminar_cables_y_torones_....pdf&prefijo=file (last accessed on 2.2.2018).

- (75) Table 1 sets out how Union consumption developed during the period considered.

Table 1

Union consumption

	2013	2014	2015	RIP
Total consumption (in tonnes)	175 589	175 675	170 454	164 446
<i>Index (2013 = 100)</i>	100	100	97	94

Source: Article 14(6) database, verified data.

- (76) Union consumption remained stable from 2013 to 2014 and decreased by 6 % from 2014 to the RIP.

4.3. Imports from the PRC*4.3.1. Volume and market share of the imports from the PRC*

- (77) The Commission established the volume of imports from the PRC on the basis of the verified questionnaire reply of the cooperating group of exporting producers and the data from Article 14(6) database during the period considered.
- (78) On that basis, imports into the Union from the PRC and its market share developed as follows:

Table 2

Import volume and market share

	2013	2014	2015	RIP
Imports (in tonnes)	2 697	1 780	3 207	2 005
<i>Index (2013 = 100)</i>	100	66	119	74
Market share (%)	1,5	1,0	1,9	1,2
<i>Index (2013 = 100)</i>	100	66	122	79

Source: Article 14(6) database, verified data.

- (79) During the period considered, the import volume of SRC from the PRC fluctuated from year to year. A drop by 34 % between the years 2013-2014, was followed by an increase of 80 % during the years 2014-2015 ⁽¹⁾. Finally in the RIP, the volume of imports decreased from 2 697 in 2013 to 2 005 tonnes. Overall, the import volume decreased by 26 % during the period considered.
- (80) The market share of imports from the PRC followed a similar trend. Overall, it decreased from 1,5 % to 1,2 % during the period considered.

4.3.2. Prices of the imports from the PRC

- (81) The Commission established the prices of imports on the basis of the verified questionnaire reply of the cooperating Chinese group of exporting producers and the data from Article 14(6) database during the period considered. The average price of imports into the Union from the PRC developed as follows:

Table 3

Average price of imports from the PRC

	2013	2014	2015	RIP
Average price without duty (EUR/ton)	1 712	1 360	1 669	2 474
<i>Index (2013 = 100)</i>	100	79	98	145

Source: Article 14(6) database, verified data.

⁽¹⁾ Import volume percentage increase, Table 2: $(119 - 66)/66 = 0,80 * 100 = 80 \%$

- (82) During the period considered, the average price of the product imported from the PRC fluctuated from year to year. Initially, the prices decreased by 21 % in 2014. In 2015 the prices increased, reaching almost the level of 2013 and increased further in the RIP. Overall, the prices increased by 45 % during the period considered.

4.4. Price undercutting

- (83) The Commission determined the price undercutting during the investigation period by comparing:
- the weighted average sales prices per product type of the sampled Union producers charged to unrelated customers on the Union market, adjusted to an ex-works level; and
 - the corresponding weighted average prices per product type of the imports from the cooperating Chinese group of exporting producers to the first independent customer on the Union market, established on a Cost, Insurance, Freight (CIF) basis. None of the eight product types exported by the sole cooperating group of exporting producers to the Union were sold by the Union industry. In order to have matching, product types were simplified by suppressing the tensile strength ⁽¹⁾ and by averaging the price component of differences in diameter ⁽²⁾. By applying this method, a 100 % match was established.
- (84) The result of the comparison was expressed as a percentage of the Union industry's average weighted price during the RIP. The lack of undercutting indicates the effectiveness of the measures. Should the measures be allowed to lapse and the Chinese SRC exporting producers maintain their export prices at a similar level, the undercutting margin could be calculated by deducting the anti-dumping duty from the import price. The thus established undercutting margin would amount to 36,3 %. This is considered to be a reasonable indication of possible future export price levels to the Union should measures be allowed to lapse.

4.5. Imports from third countries other than the PRC

- (85) The imports from third countries other than the PRC mainly come from the Republic of Korea, Turkey, Thailand, Russia and Malaysia.
- (86) The volume of imports into the Union of those imports is shown in Table 4 as well as their market share and the average prices:

Table 4

Imports from third countries other than the PRC

	2013	2014	2015	RIP
Imports (in tonnes)	63 381	65 336	63 747	63 798
Index (2013 = 100)	100	103	101	101
Market share (%)	36,1	37,2	37,4	38,8
Average price (EUR/tonne)	1 712	1 588	1 624	1 488
Index (2013 = 100)	100	93	95	87

Source: Article 14(6) database, verified data.

- (87) Overall, the import volume from the other third countries remained fairly stable over the period considered with a slight increase of 1 %.
- (88) Since the total Union consumption decreased over the period considered, this increase translated in an increase of their market share from 36,1 % to 38,8 % during this period.

⁽¹⁾ The tensile strength of a cable indicates its capacity to resist at a given tension.

⁽²⁾ (i) An average of the two PCNs with the closest possible diameter (1 mm below and 1 mm above) and applied to the Union industry's data, provided all the other digits of the PCN structure were the same (applies for 6th and 7th PCN); (ii) the unit price of the closest diameter and applying a ratio representing the diameter's price difference when comparing all the Union industry's sales of the same diameters and applied to the Union industry's data.

- (89) During the period considered, the average price of the product imported from third countries other than the PRC fluctuated from year to year. Initially, the prices decreased by 7 % in 2014. In 2015 the prices increased by 2 %, to decrease again by 8 % during the RIP. Overall, the prices decreased by 13 % during the period considered.

4.5.1. *Imports from countries to which the measures were extended*

Republic of Korea

- (90) The Republic of Korea has the second largest market share in the Union market after the Union industry during the period considered.
- (91) As mentioned in recital 4, circumvention of the original measures on imports of SRC from the PRC took place via the Republic of Korea. Consequently, in 2010, the anti-dumping duty imposed on imports originating in the PRC was extended to imports of the same product consigned from the Republic of Korea, with the exception of those produced by 15 genuine Korean exporting producers.
- (92) Practically all imports of SRC from the Republic of Korea into the Union during the RIP were coming from the exporting producers exempted from the extended anti-dumping duty, namely 99,98 % of all Korean imports.
- (93) Table 5 sets out how the volume, market share and average prices of Korean imports into the Union developed during the period considered:

Table 5

Import volume, market share and average price from Korea

	2013	2014	2015	RIP
Imports (in tonnes)	36 800	34 157	30 274	32 928
<i>Index (2013 = 100)</i>	100	93	82	89
Market share (%)	21,0	19,4	17,8	20,0
<i>Index (2013 = 100)</i>	100	93	85	96
Average price (EUR/tonne)	1 559	1 621	1 646	1 506
<i>Index (2013 = 100)</i>	100	104	106	97

Source: Article 14(6) database.

- (94) Import volume from the Republic of Korea decreased over the period considered by 11 %, at a slightly higher rate than the downward trend of consumption.
- (95) Since the decrease rate of imports volume was higher than the decrease rate of the consumption, the market share only slightly decreased from 21,0 % to 20,0 % during the period considered.
- (96) The average price of the imports increased from 2013 to 2015 by 6 % and decreased in the RIP by 9 %, representing an overall a decrease of 3 % during the period considered. The average price (CIF, no duty included) was 48 % lower than the average price (EXW) of the Union industry.

Morocco

- (97) Imports originating in or consigned from Morocco were found to be close to zero during the period considered. Hence, no further analysis was deemed necessary.

4.5.2. *Imports from third countries which were subject to anti-dumping duties during the period considered*

Ukraine and Moldova

- (98) During the period considered, an anti-dumping duty of 51,8 %, was still in force on imports of SRC originating in Ukraine as extended to imports of the same product consigned from Moldova, whether declared as originating in Moldova or not.

- (99) Those measures expired on 10 February 2017, as explained in recital 11.
- (100) Imports originating in or consigned from the Ukraine and Moldova were found to be close to zero during the period considered. Hence, no further analysis was deemed necessary for the period considered.

4.5.3. Imports from other third countries

- (101) Imports from the remaining third countries were mainly from Turkey, Thailand, Russia and Malaysia. Table 6 sets out how those imports developed:

Table 6

Imports from other third countries

	2013	2014	2015	RIP
Turkey				
Imports (in tonnes)	6 814	8 608	7 508	7 028
<i>Index (2013 = 100)</i>	100	126	110	103
Market share (%)	3,9	4,9	4,4	4,3
Average price (EUR/tonne)	1 384	1 322	1 328	1 255
<i>Index (2013 = 100)</i>	100	95	96	91
Thailand				
Imports (in tonnes)	5 206	6 514	6 268	6 122
<i>Index (2013 = 100)</i>	100	125	120	118
Market share (%)	3,0	3,7	3,7	3,7
Average price (EUR/tonne)	1 445	1 391	1 656	1 468
<i>Index (2013 = 100)</i>	100	96	115	102
Russia				
Imports (in tonnes)	1 639	3 541	5 063	4 838
<i>Index (2013 = 100)</i>	100	216	309	295
Market share (%)	0,9	2,0	3,0	2,9
Average price (EUR/tonne)	1 341	1 150	1 135	1 057
<i>Index (2013 = 100)</i>	100	86	85	79
Malaysia				
Imports (in tonnes)	4 525	4 377	5 932	4 530
<i>Index (2013 = 100)</i>	100	97	131	100
Market share (%)	2,6	2,5	3,5	2,8
Average price (EUR/tonne)	1 552	1 416	1 437	1 343
<i>Index (2013 = 100)</i>	100	91	93	87

	2013	2014	2015	RIP
Other countries				
Imports (in tonnes)	8 257	8 061	8 701	8 294
<i>Index (2013 = 100)</i>	100	98	105	100
Market share (%)	4,7	4,6	5,1	5,0
Average price (EUR/tonne)	2 951	2 180	2 196	1 967
<i>Index (2013 = 100)</i>	100	96	108	100
Total				
Imports (in tonnes)	26 441	31 102	33 472	30 812
<i>Index (2013 = 100)</i>	100	118	127	117
Market share (%)	15	18	20	19
Average price (EUR/tonne)	1 912	1 552	1 605	1 471
<i>Index (2013 = 100)</i>	100	81	84	77

Source: 14.6 database.

- (102) Total imports from other third countries increased by 27 % during the period 2013-2015. In the RIP, imports decreased by 10 %. Overall imports increased by 17 % during the period considered. Since the consumption decreased during the period considered as described in recital 76 the market share of the other third countries increased from 15 % to 19 % over the same period.
- (103) Imports from Turkey fluctuated during the period considered but in the RIP they reached a similar level as in 2013 (at the beginning of the period considered), namely 7 028 tonnes. Overall, their market share remained fairly stable with only a slight increase of 0,4 percentage points over the period considered, namely from 3,9 % in 2013 to 4,3 % during the RIP. The average price decreased by 9 %.
- (104) Imports from Thailand increased by 25 % from 2013 to 2014, but continuously decreased afterwards and in the RIP reached 6 122 tonnes, up from 5 206 in 2013. Overall, imports increased by 18 % in the period considered. The market share increased also in 2014 and remained stable until the RIP. The average import price fluctuated during the period 2014-2015 (- 4 %, + 15 %) and reached in the RIP a level of 2 % above the level in 2013.
- (105) Imports from Russia significantly increased during the period considered, but remained at relatively low levels throughout the period considered. The market share also increased from 0,9 % to 2,9 %. The average price decreased by 21 % over the period considered.
- (106) Imports from Malaysia fluctuated since the beginning of the period considered but in the RIP they reached almost the same level as in 2013, namely 4 530 tonnes. During the period considered, despite fluctuation the market share of Malaysian imports of SRC increased only slightly overall, namely by 0,2 percentage points. The average import price decreased by 13 % during the period considered.
- (107) During the RIP, prices of SRC imports from Turkey, Thailand, Russia and Malaysia were on average lower than the Union industry's average price (by 49 %-63 %). They were also lower than import prices from the PRC (by 41 %-57 %).

4.6. Economic situation of the Union industry

4.6.1. General remarks

- (108) In accordance with Article 3(5) of the basic Regulation, the Commission examined all relevant economic factors and indices having a bearing on the state of the Union industry during the period considered.

- (109) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission assessed macroeconomic indicators relating to the whole Union industry on the basis of data obtained from the applicant, cross-checked with the information provided by a number of Union producers at pre-initiation stage and the verified questionnaire replies of the sampled Union producers. The Commission assessed the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers, which were verified. Both sets of data were found representative of the economic situation of the Union industry.
- (110) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity and magnitude of the dumping margin.
- (111) The microeconomic indicators are: average unit prices, average unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

4.6.2. Macroeconomic indicators

4.6.2.1. Production, production capacity and capacity utilisation

- (112) Table 7 sets out the total Union production, production capacity and capacity utilisation developed over the period considered:

Table 7

Production, production capacity and capacity utilisation

	2013	2014	2015	RIP
Production (tonnes)	206 053	203 763	193 757	168 701
<i>Index (2013 = 100)</i>	100	99	94	82
Production capacity (tonnes)	290 092	299 773	301 160	305 550
<i>Index (2013 = 100)</i>	100	103	104	105
Capacity utilisation (%)	71	68	64	55
<i>Index (2013 = 100)</i>	100	96	91	78

Source: Applicant, information at pre-initiation stage and verified questionnaire replies.

- (113) The total production volume remained relatively stable during the period 2013-2014 and decreased by 5 % in 2015. In the RIP though, the production volume decreased further by 12 %. Overall, production volume decreased by 18 % during the period considered.
- (114) The production capacity slightly increased during the period considered and overall only by 5 %.
- (115) Consequently, the capacity utilisation rate decreased from 71 % in 2013, to 55 % in the RIP. Overall, the capacity utilisation rate decreased by 22 % during the period considered, following the decrease of production volume.

4.6.2.2. Sales volume and market share

- (116) The Union industry's sales volume and market share developed over the period considered as follows:

Table 8

Sales volume and market share

	2013	2014	2015	RIP
Sales volume (tonnes)	109 511	108 559	103 499	98 643
<i>Index (2013 = 100)</i>	100	99	95	90

	2013	2014	2015	RIP
Market share (%)	62,4	61,8	60,7	60,0
<i>Index (2013 = 100)</i>	100	99	97	96

Source: Applicant, information at pre-initiation stage and verified questionnaire replies.

- (117) Sales volume followed the trend of the production volume. It remained relatively stable during the period 2013-2014 and decreased by 5 % in 2015. In the RIP, the production volume decreased further by 5 %. Overall, sales volume decreased by 10 % during the period considered.
- (118) The market share of the Union industry decreased by 2,4 percentage points from 62,4 % to 60,0 % during the period considered.

4.6.2.3. Growth

- (119) During the period considered, the Union consumption decreased by 6 %. Sales volume of the Union industry decreased by an even higher degree, namely 10 %. As a consequence, the Union industry experienced a loss of 2,4 percentage points in market share. The drop in sales volume was also reflected in the capacity utilisation which decreased by 22 %.

4.6.2.4. Employment and productivity

- (120) Employment and productivity developed over the period considered as follows:

Table 9

Employment and productivity

	2013	2014	2015	RIP
Number of employees	3 329	3 309	3 238	3 026
<i>Index (2013 = 100)</i>	100	99	97	91
Productivity (tonnes/employee)	62	62	60	56
<i>Index (2013 = 100)</i>	100	99	97	90

Source: Applicant, information at pre-initiation stage and verified questionnaire replies.

- (121) The number of employees in the Union industry decreased over the period considered by 9 %, the main reduction took place during the RIP. It followed the decrease of production and sales volume as described in recitals 113 and 117.
- (122) As a result of a higher rate of decrease in production as compared to the decrease in number of employees, the productivity decreased over the period considered by 10 %.

4.6.2.5. Magnitude of the dumping margin and recovery from past dumping

- (123) The investigation established in recital 57 that imports of the product under review from the PRC continued to be dumped on the Union market at a dumping rate of 16,7 %. The volume of the imports was low due to the effectiveness of the anti-dumping measures in force. Nevertheless, the Chinese remained present on the Union market keeping a market share of 1,2 % during the RIP (see Table 2).
- (124) In the previous expiry review the Union industry showed signs of recovery from the effects of past dumping. During the period considered, the recovery process slowed down, with the main injury indicators showing a decreasing trend. Furthermore, a lower demand for bulk commodities and reductions in the oil price led to a reduced activity in the sectors of mining and oil & gas. Subsequently, a negative impact in the demand for SRC followed, causing consumption to decline by 6 % during the period considered (see Table 1).

- (125) Due to the gradual decline of Union prices during the period considered, the Union industry could not continue to recover from the effects of past dumping.

4.6.3. Microeconomic indicators

4.6.3.1. Prices and factors affecting prices

- (126) The average sales prices of the Union industry to unrelated customers in the Union developed over the period considered as follows:

Table 10

Average sales prices and unit costs

	2013	2014	2015	RIP
Average unit selling price in the Union (EUR/tonne)	3 297	3 133	2 950	2 887
<i>Index (2013 = 100)</i>	100	95	89	88
Unit cost of production in the Union (EUR/tonne)	2 774	2 866	3 072	3 138
<i>Index (2013 = 100)</i>	100	103	111	113

Source: Verified questionnaire replies.

- (127) The Union industry's average unit sales price to unrelated customers in the Union decreased by 12 % over the period considered.
- (128) At the same time the average unit cost of production increased by 13 % over the period considered. That increase in unit cost was mainly caused by the decrease in the production and sales volume (18 % and 10 %, respectively over the period considered recitals 113 (see Table 7) and 117 (see Table 8)). It should be noted that this increase in unit cost occurred despite the decrease in the total production cost during the period considered. Thus, although the Union industry managed to reduce the total production cost, they were not able to reduce the cost per unit due to the extensive decrease in the production and sales volume.

4.6.3.2. Labour costs

- (129) The average labour costs of the Union producers developed over the period considered as follows:

Table 11

Average labour costs per employee

	2013	2014	2015	RIP
Average labour costs per employee	48 708	48 277	51 586	50 021
<i>Index (2013 = 100)</i>	100	99	106	103

Source: Verified questionnaire replies.

- (130) Overall, the average labour costs increased slightly by 3 % during the period considered after small fluctuations during the period considered.

4.6.3.3. Inventories

(131) Stock levels of the Union producers developed over the period considered as follows:

Table 12

Inventories

	2013	2014	2015	RIP
Closing stocks (tonnes)	15 191	15 889	15 260	14 796
<i>Index (2013 = 100)</i>	100	105	100	97
Closing stocks as a percentage of production (%)	16,7	17,4	17,4	23,0
<i>Index (2013 = 100)</i>	100	104	105	138

Source: Verified questionnaire replies.

(132) The level of inventories decreased slightly by 3 % over the period considered. Since the Union industry has to maintain a minimum stock level of the most common types of SRC for immediate coverage of demand, inventories could not decrease further and as a result their value as a percentage of the production increased by 38 %.

4.6.3.4. Profitability, cash flow, investments, return on investments and ability to raise capital

(133) Profitability, cash flow, investments and return on investments of the Union industry developed over the period considered as follows:

Table 13

Profitability, cash flow, investments and return on investments

	2013	2014	2015	RIP
Profitability of total sales in the Union to unrelated customers (%)	7,5	6,1	2,6	- 1,6
<i>Index (2013 = 100)</i>	100	81	34	- 21
Cash flow ('000 EUR)	42 881	36 692	33 631	8 885
<i>Index (2013 = 100)</i>	100	86	78	21
Investments ('000 EUR)	12 014	8 843	9 003	5 950
<i>Index (2013 = 100)</i>	100	74	75	50
Return on investments (%)	33,3	20,8	8,6	- 5,2
<i>Index (2013 = 100)</i>	100	62	26	- 16

Source: Verified questionnaire replies.

(134) Profitability of the Union industry decreased over the period considered starting with 7,5 % profit in 2013 and ending in the RIP with a loss of 1,6 %.

(135) The cash flow, decreased dramatically during the period considered by 79 %. It is an additional indicator of Union industry's poor performance on the operating activities and the liquidity shortage they had to face.

- (136) Subsequently the investments decreased to 50 % during the period considered. Due to the decreasing profit margins and the high pressure on prices, investments were mostly limited to those prompted by environmental or security requirements. At the same time, there were only few investments on operation and technology of production in order to raise efficiency and productivity during the investigation period.
- (137) The return on investments measures the gain or loss generated on an investment relative to the amount of money invested. During the period considered it decreased from 33,3 % into a negative – 5,2 %.

4.6.4. *Conclusion on injury*

- (138) Due to the anti-dumping duties in place, the Union industry continued to recover from the effect of past injurious dumping for the first two years 2013-2014 of the period considered and managed to retain a profit margin exceeding the target profit of 5 %.
- (139) Nevertheless, lower demand for bulk commodities and reductions in the oil price led to a reduced activity in the sectors of mining and oil & gas. Consequently, the demand for SRC was reduced during the period considered. The Union industry was directly affected by this contraction in demand which translated into a decrease in its production and sales volume as well as its market share. At the same time the share of the low priced SRC increased and led to a decline of the Union price and further impairment of its financial performance. Therefore, almost all the injury indicators have deteriorated. On that basis, it is concluded that the Union industry has suffered material injury.
- (140) SRC imports from the PRC had a limited negative impact on the Union industry's injurious situation. Due to the measures in force, their market share was low throughout the period considered. Nevertheless, Chinese SRC imports remained present in the Union market.
- (141) At the same time imports from other third countries had an overall market share of 38,8 % with a slightly increasing trend during the period considered (see Table 4). Average import prices from other third countries had a decreasing trend with levels largely below the level of the Union industry sales price on the Union market. Those imports therefore affected the injurious situation of the Union industry considerably. As already analysed in recitals 85-89, during the period considered, they managed not only to maintain their market share but to increase it. In addition, during the same period, the average import price decreased (recital 89) causing a further downward pressure on the Union price, leading to a decrease of Union prices of 12 % throughout the period considered (see recital 127) and further impairment of its financial performance.
- (142) The Commission thus concluded that the Union Industry has benefitted from the original measures, as it continued to recover from the effect of past injurious dumping for the first two years 2013-2014 of the period considered. However, the recovery process stalled due to the abovementioned factors.

4.7. **Likelihood of recurrence of injury from Chinese imports**

4.7.1. *Preliminary remarks*

- (143) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether material injury from Chinese imports would recur should measures against the PRC be allowed to lapse. The investigation has shown that the imports from the PRC were made at dumped price levels during the RIP (recital 57) and that there was a likelihood of continuation of dumping should measures be allowed to lapse (recital 70).
- (144) To establish the likelihood of recurrence of injury the following elements were analysed: (i) the production capacity and spare capacity available in the PRC, (ii) possible price levels of Chinese imports should measures be allowed to lapse, (iii) the behaviour of Chinese exporting producers in other third countries, (iv) the attractiveness of the Union market and (v) the impact of Chinese imports on the situation of the Union industry should measures be allowed to lapse.

4.7.1.1. Production capacity and spare capacity available in the PRC

- (145) As explained in recital 60, producers in the PRC have significant production capacity in China and, as a result spare capacity which largely exceeds not only the export quantity to the Union during the RIP but the total Union consumption during the RIP.
- (146) In addition, as stated in recital 63 there were no elements found that could indicate any significant increase of domestic demand of SRC in the PRC or in any other third country market in the near future. The Commission therefore concluded that domestic demand in China or in other third country markets could not absorb the available spare capacity.

4.7.1.2. Possible price levels of Chinese imports

- (147) As mentioned in recital 18, the only cooperating exporting producer group in the PRC did not however report its export sales to other third country markets. Therefore, in the absence of any other information, the PRC database was used to establish Chinese export prices to other third country markets.
- (148) Price levels of those exports were also considered as a reasonable estimate on possible future price levels to the Union should measures be allowed to lapse.
- (149) As explained in recital 69, export prices from the PRC to other export markets were, on average, significantly below the export prices to the Union, namely by around 30 %. On that basis, it was concluded that there is a considerable margin for the producers in the PRC to reduce export prices to the Union.
- (150) In addition, the import price of the cooperating exporting producer group without taking into account the anti-dumping duties, undercut the Union industry sales prices by 36,3 % during the RIP as mentioned in recital 84. This is considered to be a reasonable indication of possible future price levels to the Union should measures be allowed to lapse.

4.7.1.3. Behaviour of Chinese SRC exporting producers in other third countries

- (151) In the absence of other available information, the PRC database was used to establish the Chinese export prices to other third markets, as explained under recitals 64 and 65.
- (152) According to that information the Chinese SRC export prices to other third markets were found on average between around 40 % to up to around 80 % lower than the Union industry's sales prices depending on the export market.
- (153) The top three Chinese SRC export destinations in terms of volume during the RIP, were the Republic of Korea (123 891 tonnes or 11 % of their total exports), the USA (97 936 tonnes or 9 % of their total exports) and Vietnam (76 344 tonnes or 7 % of their total exports). The average export prices to those markets were of 1 107 EUR/tonne, 1 444 EUR/tonne and 781 EUR/tonne respectively. The average prices to those countries were thus between 50 % to around 80 % lower than the average price of the Union industry.

4.7.1.4. Attractiveness of the Union market

- (154) Taking under consideration the price analysis in the previous recital, if the measures are allowed to lapse the Chinese exporting producers would have significant capacity to lower their import prices to the Union market while still realising higher prices on the Union market than on other third country markets. There is therefore a high incentive for Chinese exporting producers to divert their exports to the Union where they would achieve higher prices, while still being able to significantly undercut the Union industry sales price. In addition, they would have an incentive to export at least part of their spare capacities at low prices to the Union market.
- (155) Another indication of the Union market's attractiveness is the fact that since the beginning of the imposition of the measures, there were attempts for circumvention from Chinese exporters which were identified and neutralised as explained in recitals 2 and 4.
- (156) Also the presence of the dumped imports from the PRC despite the measures in force since 1999 confirms the attractiveness of the Union market.

- (157) It is therefore concluded that the exporting producers in the PRC have the potential and incentive to substantially raise the volume of their exports of SRC to the Union at dumped prices substantially undercutting the prices of the Union industry, should measures be allowed to lapse.

4.7.2. *Impact on the Union industry*

- (158) The Union industry, under the scenario that it keeps the current price level, will not be able to maintain their sales volume and market share against the low priced imports from China. It is highly likely that the Chinese market share would increase rapidly if the measures are allowed to lapse. This would be most likely at the expense of the Union industry since their price level is the highest. Losing sales volume would lead to an even lower utilisation rate and an increase in the average cost of production. This would lead to a further deterioration of the financial situation of the Union industry and of the loss making situation that already materialised during the RIP.
- (159) However, should the Union industry decide to lower its price levels in an attempt to keep its sales volume and market share, the deterioration of its financial situation will almost immediately occur and the loss-making situation observed during the RIP will significantly worsen.
- (160) Under both scenarios, the impact of the expiry of the measures is likely to have a negative impact on the Union industry, especially for employment. During the period considered the Union industry was already forced to reduce the product-related employment by 9 % (see Table 9). Further deterioration of the Union industry's situation might cause the shutdown of whole producing units.
- (161) Therefore, it can be concluded that there is a strong likelihood that the expiry of the existing measures would lead to a recurrence of injury from Chinese imports of SRC and that the already injurious situation of the Union industry will be likely to further deteriorate.
- (162) During the period considered 2007-2010 of the previous expiry review, the economic situation of the Union industry developed positively. It has managed to retain its profitability close to the target profit of 5 % even during the first two years 2013-2014 of the current period considered. Therefore, the Union industry has proven to be a structurally viable industry and capable of reversing a loss-making situation. However, during the period considered in the current expiry review, the Union industry returned to a fragile financial situation which is expected to deteriorate even further should the measures expire. It would then not be able to recover from the current injurious situation and, instead, would suffer further injury due to very likely increase in Chinese SRC imports at dumped prices.
- (163) It is acknowledged that SRC imports from the Republic of Korea and other third countries, given their volume and low price levels, are factors contributing to the injury suffered by the Union industry. However, this investigation was, in accordance with Article 11(2) of the basic Regulation, limited to assessing whether there is a likelihood of recurrence of injury from injuriously-priced Chinese SRC imports should the current anti-dumping measures expire. Given the fragile situation of the Union industry, any significant increase in Chinese imports would worsen that situation due to the significant spare capacities in the PRC, the attractiveness of the Union market and the possible low price levels of Chinese SRC exports to the Union.
- (164) The fact that Chinese SRC imports are currently entering the Union market in much lower numbers than before the imposition of measures shows that the current anti-dumping duties successfully re-established undistorted competitive conditions between Chinese exporters of the product under review and the Union industry. The fact that imports from the Republic of Korea and other third countries undercut Chinese imports, does not undermine the Commission's obligations to remain within the framework of this investigation. As set out in recital 165, the Commission has demonstrated that strong likelihood that the expiry of the measures would lead to recurrence of injury.

4.7.3. *Conclusion*

- (165) The Commission concluded that repeal of the measures would in all likelihood result in a significant increase of Chinese dumped SRC imports at prices undercutting the Union industry prices, therefore further aggravating the injury suffered by the Union industry. As a consequence, the viability of the Union industry would be at serious risk.

5. UNION INTEREST

- (166) In accordance with Article 21 of the basic Regulation, the Commission examined whether the maintenance of the existing anti-dumping measures would be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all interests involved, including those of the Union industry, importers and users.
- (167) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.
- (168) It should be recalled that, in the previous expiry review, the adoption of measures was considered not to be against the interest of the Union. Furthermore, the fact that the present investigation is an expiry review, thus analysing a situation in which anti-dumping measures have already been in place, allows the assessment of any undue negative impact on the parties concerned by the current anti-dumping measures.
- (169) On that basis, it was examined whether, despite the conclusions on the likelihood of a continuation of dumping and recurrence of injury, compelling reasons existed which would lead to the conclusion that it is not in the Union interest to maintain measures in this particular case.

5.1. Interest of the Union industry

- (170) The investigation has also shown that should the measures expire, this would likely have a significant negative effect on the Union industry and its currently fragile financial situation would deteriorate further. The expiry of the measures would seriously threaten the viability of the Union industry forcing the Union producers to close their operations rendering the Union market fully dependent on SRC imports.
- (171) In the past, the Union industry proved to be a viable industry with positive economic and financial results. It managed to remain profitable with profit margin exceeding the target profit.
- (172) Therefore, maintaining the anti-dumping measures in force is in the interest of the Union industry.

5.2. Interest of importers

- (173) As indicated in recitals 20 to 22 and 24, no importer cooperated in this investigation nor provided the requested information. It is recalled that in the previous investigations it was found that the impact of the imposition of measures on importers would not be significant. In the absence of evidence suggesting otherwise, it can accordingly be confirmed that the measures currently in force had no substantial negative effect on their financial situation and that the continuation of the measures would not unduly affect importers.

5.3. Interest of users

- (174) SRC are used in a wide variety of applications such as fishing, maritime/shipping, oil and gas industries, mining, forestry, aerial transport, civil engineering, construction, and elevators.
- (175) As indicated in recitals 23 and 24, no user cooperated in this investigation nor provided the requested information. Some of the users that made themselves known stated that they only marginally use SRC. Therefore it was concluded, as in the previous investigations, that the measures currently in force did not have any substantial negative effect on the economic situation of users, and that thus the continuation of measures would not unduly affect the situation of the user industries.

5.4. Conclusion on Union interest

- (176) Therefore, the Commission concluded that there are no compelling reasons of Union interest against the maintenance of the definitive anti-dumping measures on imports of SRC originating in the PRC.

6. ANTI-DUMPING MEASURES

- (177) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to recommend that the existing measures be maintained on imports of SRC originating in the PRC. They were also granted a period to make representations subsequent to this disclosure. No comments were received from any of the parties.

- (178) As outlined in recital 6, the anti-dumping duties in force on imports of SRC from the PRC were extended to cover, in addition, imports of SRC consigned from Morocco and the Republic of Korea, whether declared as originating in Morocco or the Republic of Korea or not. The anti-dumping duty to be maintained on imports of the SRC originating in the PRC should continue to be extended to imports of SRC consigned from Morocco and the Republic of Korea, whether declared as originating in Morocco and the Republic of Korea or not. The exporting producer in Morocco exempted from the measures as extended by Regulation (EC) No 1886/2004 should also be exempted from the measures imposed by this Regulation. The 15 exporting producers in the Republic of Korea exempted from the measures as extended by Implementing Regulation (EU) No 400/2010 should also be exempted from the measures imposed by this Regulation.
- (179) In view of the recent case-law of the Court of Justice ⁽¹⁾ it is appropriate to provide for the rate of default interest to be paid in case of reimbursement of definitive duties, because the relevant provisions in force concerning customs duties do not provide for such an interest rate, and the application of national rules would lead to undue distortions between economic operators depending on which Member State is chosen for customs clearance.
- (180) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of Regulation (EU) 2016/1036,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, currently falling within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 (TARIC codes 7312 10 81 12, 7312 10 81 13, 7312 10 81 19, 7312 10 83 12, 7312 10 83 13, 7312 10 83 19, 7312 10 85 12, 7312 10 85 13, 7312 10 85 19, 7312 10 89 12, 7312 10 89 13, 7312 10 89 19, 7312 10 98 12, 7312 10 98 13 and 7312 10 98 19).
2. The rate of the definitive anti-dumping duty applicable to the CIF net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and originating in the PRC shall be 60,4 %.
3. The definitive anti-dumping duty applicable to imports originating in the PRC, as set out in paragraph 2, is hereby extended to imports of the same steel ropes and cables consigned from Morocco, whether declared as originating in Morocco or not (TARIC codes 7312 10 81 12, 7312 10 83 12, 7312 10 85 12, 7312 10 89 12 and 7312 10 98 12) with the exception of those produced by Remer Maroc SARL, Zone Industrielle, Tranche 2, Lot 10, Settat, Morocco (TARIC additional code A567) and to imports of the same steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not (TARIC codes 7312 10 81 13, 7312 10 83 13, 7312 10 85 13, 7312 10 89 13 and 7312 10 98 13), with the exception of those produced by the companies listed below:

Country	Company	TARIC additional code
The Republic of Korea	Bosung Wire Rope Co., Ltd, 568,Yongdeok-ri, Hallim-myeon, Gimae-si, Gyeongsangnam-do, 621-872	A969
	Chung Woo Rope Co., Ltd, 1682-4, Songjung-Dong, Gangseo- Gu, Busan	A969
	CS Co., Ltd, 31-102, Junam maeul 2-gil, Yangsan, Gyeongsangnam-do	A969
	Cosmo Wire Ltd, 4-10, Koyeon-Ri, Woong Chon-Myon Ulju- Kun, Ulsan	A969
	Dae Heung Industrial Co., Ltd, 185 Pyunglim — Ri, Daesan- Myun, Haman — Gun, Gyungnam	A969
	Daechang Steel Co., Ltd, 1213, Aam-daero, Namdong-gu, Incheon	C057
	DSR Wire Corp., 291, Seonpyong-Ri, Seo-Myon, Suncheon-City, Jeonnam	A969

⁽¹⁾ Judgment in Wortmann, C-365/15, EU:C:2017:19, paragraphs 35 to 39.

Country	Company	TARIC additional code
	Goodwire MFG. Co. Ltd, 984-23, Maegok-Dong, Yangsan-City, Kyungnam	B955
	Kiswire Ltd, 37, Gurak-Ro, 141 Beon-Gil, Suyeong-Gu, Busan, Korea 48212	A969
	Manho Rope & Wire Ltd, Dongho Bldg, 85-2 4 Street Joongang- Dong, Jong-gu, Busan	A969
	Line Metal Co. Ltd, 1259 Boncho-ri, Daeji-Myeon, Changnyeong-gun, Gyeongnam	B926
	Seil Wire and Cable, 47-4, Soju-Dong, Yangsan-Si, Kyungsangnamdo	A994
	Shin Han Rope Co., Ltd, 715-8, Gojan-Dong, Namdong-gu, Incheon	A969
	Ssang Yong Cable Mfg. Co., Ltd, 1559-4 Song-Jeong Dong, Gang-Seo Gu, Busan	A969
	Young Heung Iron & Steel Co., Ltd, 71-1 Sin-Chon Dong, Changwon City, Gyungnam	A969

Article 2

Unless otherwise specified, the relevant provisions in force concerning customs duties shall apply. The default interest to be paid in case of reimbursement that gives rise to a right to payment of default interest shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union*, in force on the first calendar day of the month in which the deadline falls, increased by one percentage point.

Article 3

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 19 April 2018.

For the Commission
The President
Jean-Claude JUNCKER