

## COMMISSION IMPLEMENTING REGULATION (EU) 2022/95

of 24 January 2022

**imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China, as extended to imports of certain tube and pipe fittings, of iron or steel consigned from Taiwan, Indonesia, Sri Lanka and the Philippines, 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 <sup>(1)</sup> ('the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

## 1. PROCEDURE

## 1.1. Measures in force

- (1) Anti-dumping measures on imports of certain tube and pipe fittings ('TPFs' or the 'product concerned') originating in the People's Republic of China (the 'country concerned' or 'China') and Thailand were originally imposed by Council Regulation (EC) No 584/96 <sup>(2)</sup> (the 'original measures').
- (2) Pursuant to Article 13(3) of the basic Regulation the original measures were extended to imports consigned from Taiwan, Indonesia, Sri Lanka and the Philippines whether declared as originating respectively in Taiwan, Indonesia, Sri Lanka and the Philippines or not, by Council Regulations (EC) No 964/2003 <sup>(3)</sup>, (EC) No 2052/2004 <sup>(4)</sup>, (EC) No 2053/2004 <sup>(5)</sup> and (EC) No 655/2006 <sup>(6)</sup>.
- (3) The measures currently in force are definitive anti-dumping duties imposed by Commission Implementing Regulation (EU) 2015/1934 <sup>(7)</sup>, imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of the basic Regulation.

<sup>(1)</sup> OJ L 176, 30.6.2016, p. 21.

<sup>(2)</sup> Council Regulation (EC) No 584/96 of 11 March 1996 imposing a definitive anti-dumping duty on imports of certain tube or pipe fittings, of iron or steel, originating in the People's Republic of China, Croatia and Thailand, and collecting definitively the provisional duty imposed (OJ L 84, 3.4.1996, p. 1).

<sup>(3)</sup> Council Regulation (EC) No 964/2003 of 2 June 2003 imposing definitive anti-dumping duties on imports of certain tube or pipe-fittings, of iron or steel, originating in the People's Republic of China and Thailand, and those consigned from Taiwan, whether declared as originating in Taiwan or not (OJ L 139, 6.6.2003, p. 1).

<sup>(4)</sup> Council Regulation (EC) No 2052/2004 of 22 November 2004 extending the definitive anti-dumping duty imposed by Regulation (EC) No 964/2003 on imports of tube or pipe fittings, of iron or steel, originating in the People's Republic of China to imports of tube or pipe fittings, of iron or steel, consigned from Indonesia, whether declared as originating in Indonesia or not (OJ L 355, 1.12.2004, p. 4).

<sup>(5)</sup> Council Regulation (EC) No 2053/2004 of 22 November 2004 extending the definitive anti-dumping duty imposed by Regulation (EC) No 964/2003 on imports of tube or pipe fittings, of iron or steel, originating in the People's Republic of China to imports of tube or pipe fittings, of iron or steel, consigned from Sri Lanka, whether declared as originating in Sri Lanka or not (OJ L 355, 1.12.2004, p. 9).

<sup>(6)</sup> Council Regulation (EC) No 655/2006 of 27 April 2006 extending the definitive anti-dumping duty imposed by Regulation (EC) No 964/2003 on imports of tube or pipe fittings, of iron or steel, originating in the People's Republic of China to imports of tube or pipe fittings, of iron or steel, consigned from the Philippines, whether declared as originating in the Philippines or not (OJ L 116, 29.4.2006, p. 1).

<sup>(7)</sup> Commission Implementing Regulation (EU) 2015/1934 of 27 October 2015 imposing a definitive antidumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 282, 28.10.2015, p. 14).

### 1.2. Measures in force with respect to other third countries

- (4) Anti-dumping measures are currently in force on imports of certain tube and pipe fittings originating in the Russian Federation, in the Republic of Korea and in Malaysia <sup>(8)</sup>.

### 1.3. Request for an expiry review and initiation

- (5) Following the publication of a notice of impending expiry <sup>(9)</sup> of the anti-dumping measures in force on the imports of certain tube and pipe fittings, of iron or steel, ('TPF'), originating in the People's Republic of China ('the PRC', 'China' or 'the country concerned'), the Commission received a request for review pursuant to Article 11(2) of the basic Regulation ('the request').
- (6) The request was lodged on 25 June 2020 by the Defence Committee of the steel butt-welding fittings industry of the European Union ('the applicant') on behalf of producers representing more than 60 % of the total Union production of TPF.
- (7) The request is based on the grounds that the expiry of the measures would be likely to result in continuation or recurrence of dumping and injury to the Union industry.
- (8) 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, on 27 October 2020 the Commission initiated an expiry review with regard to imports of TPF originating in PRC on the basis of Article 11(2) of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union* <sup>(10)</sup> ('the Notice of Initiation').

### 1.4. Interested parties

- (9) 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 applicant, other known Union producers, producers in the PRC, importers and users in the Union known to be concerned, and the Chinese authorities of the initiation of the expiry review and invited them to participate.
- (10) All interested parties had the opportunity to comment on the initiation of the expiry review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

### 1.5. Sampling

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

#### 1.5.1. Sampling of Union producers

- (12) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. In accordance with Article 17(1) of the basic Regulation, the Commission selected the sample on the basis of the largest representative volume of sales and production in the Union which could reasonably be investigated within the time available, ensuring also geographical representativeness. This sample consisted of three Union producers. The sampled Union producers accounted for 56 % of the estimated total production in the Union and for 49 % of the estimated total sales volume to unrelated customers in the Union in the review investigation period. The Commission invited interested parties to comment on the provisional sample, but did not receive any comments. The provisional sample was therefore confirmed and is considered representative of the Union industry.

<sup>(8)</sup> Commission Implementing Regulation (EU) 2019/566 of 9 April 2019 imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings originating in the Russian Federation, the Republic of Korea and Malaysia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council and terminating the investigation concerning the imports of the same product originating in the Republic of Turkey (OJ L 99, 10.4.2019, p. 9).

<sup>(9)</sup> OJ C 38, 5.2.2020, p. 2.

<sup>(10)</sup> OJ C 361, 27.10.2020, p. 6.

### 1.5.2. *Sampling of producers in China*

- (13) In order to enable the Commission to decide whether sampling would be necessary in respect of the producers in the country concerned, those parties were requested to make themselves known and to provide the Commission with the information requested in the Notice of Initiation. In addition, the Commission requested the Mission of China to the Union to identify and/or contact other producers, if any, that could be interested in participating in the investigation. However, since only one exporting producer initially came forward, sampling was not necessary. In addition, since this exporting producer decided to withdraw its cooperation, the findings with regard to the imports from the PRC were made on the basis of the facts available pursuant to Article 18 of the basic Regulation.

### 1.6. **Sampling of unrelated importers**

- (14) In order to enable the Commission to decide whether sampling was necessary and, if so, to select a sample, all unrelated importers were invited to participate in this investigation. Those parties were requested to make themselves known by providing the Commission with the information on their companies requested in the Annex to the Notice of Initiation. Only two importers came forward. Consequently, the Commission decided that sampling was not necessary.

### 1.7. **Questionnaires and verification visits**

- (15) The Commission sent a questionnaire concerning the existence of significant distortions in the PRC within the meaning of Article 2(6a)(b) of the basic Regulation to the Government of China ('GOC').
- (16) Questionnaires for the sampled Union producers, as well as those for importers, users and exporting producers were made available online <sup>(11)</sup> on the day of the initiation.
- (17) The Commission received questionnaire replies from the three sampled Union producers, the applicant, and two importers.
- (18) In view of the outbreak of COVID-19 and the confinement measures put in place by various Member States, the Commission could not carry out verification visits pursuant to Article 16 of the basic Regulation. The Commission instead cross-checked remotely all the information deemed necessary for its determinations in line with its Notice on the consequences of the COVID-19 outbreak on anti-dumping and anti-subsidy investigations <sup>(12)</sup>. The Commission carried out remote crosschecks ('RCC') of all sampled Union producers, that is:

- ERNE Fittings GmbH, Austria
- INTERFIT S.A., France
- Virgilio CENA & Figli S.p.A., Italy

### 1.8. **Subsequent procedure**

- (19) On 9 November 2021, the Commission disclosed the essential facts and considerations on the basis of which it intended to maintain the anti-dumping duties in force. All parties were granted a period within which they could make comments on the disclosure.
- (20) No comments were received by the Commission from any of the interested parties.

### 1.9. **Review investigation period and period considered**

- (21) The investigation of continuation or recurrence of dumping covered the period from 1 July 2019 to 30 June 2020 ('the 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 2017 to the end of the review investigation period ('the period considered').

<sup>(11)</sup> [https://trade.ec.europa.eu/tdi/case\\_details.cfm?id=2490](https://trade.ec.europa.eu/tdi/case_details.cfm?id=2490)

<sup>(12)</sup> Notice on the consequences of the COVID-19 outbreak on anti-dumping and anti-subsidy investigations (OJ C 86, 16.3.2020, p. 6).

### 1.10. Withdrawal of the United Kingdom from the Union

- (22) This case was initiated on 27 October 2020, i.e. during the transition period agreed between the United Kingdom ('UK') and the EU in which the UK remained subject to the Union law. This period ended on 31 December 2020. Consequently, as of 1 January 2021, companies and associations from the UK no longer qualified as interested parties in this proceeding.
- (23) By a note to the case file of 18 January 2021, the Commission invited UK operators that considered that they still qualified as interested party to contact it. No company came forward.

## 2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

### 2.1. Product under review

- (24) The product subject to this review is the same as in the previous expiry review, namely certain tube or pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, originating in the People's Republic of China ('the product under review'), currently classified under CN codes ex 7307 93 11, ex 7307 93 19 and ex 7307 99 80 (TARIC codes 7307 93 11 91, 7307 93 11 93, 7307 93 11 94, 7307 93 11 95, 7307 93 11 99, 7307 93 19 91, 7307 93 19 93, 7307 93 19 94, 7307 93 19 95, 7307 93 19 99, 7307 99 80 92, 7307 99 80 93, 7307 99 80 94, 7307 99 80 95 and 7307 99 80 98).

### 2.2. Like product

- (25) As shown in the investigation leading to the imposition of the measures in force <sup>(13)</sup> the following products have the same basic physical and technical characteristics as well as the same basic uses:
- the product under review;
  - the product produced and sold on the domestic market of China;
  - the product produced and sold in the Union by the Union industry.
- (26) The Commission concluded that these products are like products within the meaning of Article 1(4) of the basic Regulation.

## 3. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

### 3.1. Preliminary remarks

- (27) During the review investigation period, imports of the product under review from the PRC continued (5 192 tonnes) albeit at lower levels than in the review investigation period of the last expiry review (8 058 tonnes from July 2013 to June 2014). According to Comext (Eurostat) <sup>(14)</sup> statistics, imports of TPF from the PRC accounted for 10 % of the Union market in the review investigation period, compared to a market share of 16 % during the previous expiry review.
- (28) As mentioned in recital (13), none of the exporters/producers from the PRC cooperated in the investigation.
- (29) Therefore, the Commission informed the authorities of the PRC that due to the absence of cooperation, the Commission might apply Article 18 of the basic Regulation concerning the findings with regard to the PRC. The Commission did not receive any comments.

<sup>(13)</sup> See footnote 7.

<sup>(14)</sup> [http://comext.eurostat.ec.europa.eu/ANALYTICAL\\_S10\\_V17\\_ECAS/Analytical.html](http://comext.eurostat.ec.europa.eu/ANALYTICAL_S10_V17_ECAS/Analytical.html)

- (30) Consequently, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the likelihood of continuation or recurrence of dumping with regard to the PRC were based on facts available, in particular the information contained in the request for the expiry review combined with other sources of information, such as trade statistics on imports and exports (Comext (Eurostat), Dun & Bradstreet D&B <sup>(15)</sup>, Global Trade Alert – GTA <sup>(16)</sup> and OECD <sup>(17)</sup>).

### 3.2. Continuation of dumping of imports during the review investigation period

#### 3.2.1. Normal value

##### 3.2.1.1. Introduction

- (31) According to Article 2(1) of the basic Regulation, ‘the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country’.
- (32) However, according to Article 2(6a)(a) of the basic Regulation, ‘in case it is determined [...] that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks’, and ‘shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits’.
- (33) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, and in view of the lack of cooperation of the GOC and the Chinese producers, the application of Article 2(6a) of the basic Regulation was appropriate.

##### 3.2.1.2. Procedure for the determination of the normal value under Article 2(6a) of the basic Regulation

- (34) Given the sufficient evidence available at the initiation of the investigation tending to show, with regard to the PRC, the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission initiated the investigation on the basis of Article 2(6a) of the basic Regulation. In order to obtain information it deemed necessary for its investigation with regard to the alleged significant distortions, the Commission sent a questionnaire to the GOC. In addition, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of the Notice of Initiation in the *Official Journal of the European Union*. No questionnaire reply was received from the GOC and no submission on the application of Article 2(6a) of the basic Regulation was received within the deadline. Subsequently, the Commission informed the GOC that it would use facts available within the meaning of Article 18 of the basic Regulation for the determination of the existence of the significant distortions in the PRC.
- (35) In the Notice of Initiation, the Commission also specified that, in view of the evidence available, it may need to select an appropriate representative country pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks.
- (36) On 30 March 2021, the Commission informed interested parties by a note (‘the First Note’) of the relevant sources it intended to use for the determination of the normal value. In that note, the Commission provided a list of all factors of production such as raw materials, labour and energy that might be used in the production of the product under review. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries (namely the Russian Federation, Thailand and Turkey).

<sup>(15)</sup> Dun & Bradstreet (D&B): <https://sso.dnb.com/>

<sup>(16)</sup> Global Trade Alert – GTA: [https://www.globaltradealert.org/data\\_extraction](https://www.globaltradealert.org/data_extraction)

<sup>(17)</sup> OECD database: [http://qdd.oecd.org/subject.aspx?Subject=ExportRestrictions\\_IndustrialRawMaterials](http://qdd.oecd.org/subject.aspx?Subject=ExportRestrictions_IndustrialRawMaterials)

- (37) The applicant argued that the Russian Federation is not a suitable representative country namely for the existence of export ban on mother pipes (HS code 730419) in place since 1 May 2015, representing a significant source of distortions on the Russian market for the main raw material of TPFs. The Commission took note of the comments and agreed that Russia does not constitute an appropriate representative country within the meaning of Article 2(6a)(a) of the basic Regulation.
- (38) The applicant argued further that imports of mother pipes from the PRC into Turkey are significant. Moreover, the applicant argued that none of the three companies identified by the Commission in the First Note were genuine producers of TPF. After further investigation, the Commission concurred that the three indicated producers in Turkey were not genuine TPF producers. The Commission therefore concluded at that stage that Turkey did not appear to be an appropriate representative country within the meaning of Article 2(6a)(a) of the basic Regulation.
- (39) Moreover, the applicant argued that the company identified by the Commission in Thailand was in fact not a TPF producer and proposed three other companies. The Commission concurred that the company originally identified was not a producer of TPF and verified that the three companies proposed by the applicant (Thai Benkan Co., Ltd, Awaji Material Thailand Co., Ltd and TTU Industrial Corp. Ltd) were producing TPF and that recent financial data concerning these companies was readily available.
- (40) On 28 June 2021, the Commission informed the interested parties by a second note ('the Second Note') of the relevant sources it intended to use for the determination of the normal value, with Thailand as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG&A') and profit based on available information from three producers (Thai Benkan and Awaji Material Thailand and TTU Industrial Corporation) in the representative country. No comments on the Second Note were received.

### 3.2.2. Existence of significant distortions

- (41) In recent investigations concerning the steel sector in the PRC <sup>(18)</sup>, the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.
- (42) In above referred investigations, the Commission found that there was substantial government intervention in the PRC resulting in a distortion of the effective allocation of resources in line with market principles <sup>(19)</sup>. In particular, the Commission concluded that in the steel sector, which is the main raw material to produce the product under review, not only does a substantial degree of ownership by the GOC persist in the sense of Article 2(6a)(b), first indent of the basic Regulation <sup>(20)</sup>, but the GOC is also in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation <sup>(21)</sup>. The Commission further

<sup>(18)</sup> Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People's Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 132, 19.4.2021, p. 145) and Commission Implementing Regulation (EU) 2020/508 of 7 April 2020 imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan (OJ L 110, 8.4.2020, p. 3).

<sup>(19)</sup> See Implementing Regulation (EU) 2021/635 recitals 149-150 and Implementing Regulation (EU) 2020/508 recitals 158-159.

<sup>(20)</sup> See Implementing Regulation (EU) 2021/635 recitals 115-118 and Implementing Regulation (EU) 2020/508 recitals 122-127.

<sup>(21)</sup> See Implementing Regulation (EU) 2021/635 recitals 119-122 and Implementing Regulation (EU) 2020/508 recitals 128-132: While the right to appoint and to remove key management personnel in SOEs by the relevant State authorities, as provided for in the Chinese legislation, can be considered to reflect the corresponding ownership rights, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of SSCR producers and the suppliers of their inputs.

found that the State's presence and intervention in the financial markets, as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Indeed, overall, the system of planning in the PRC results in resources being concentrated in sectors designated as strategic or considered politically important by the GOC, rather than being allocated in line with market forces <sup>(22)</sup>. Moreover, the Commission concluded that the Chinese bankruptcy and property laws do not work properly in the sense of Article 2(6a)(b), fourth indent of the basic Regulation, thus generating distortions in particular when maintaining insolvent firms afloat and when allocating land use rights in the PRC <sup>(23)</sup>. In the same vein, the Commission found distortions of wage costs in the steel sector in the sense of Article 2(6a)(b), fifth indent of the basic Regulation <sup>(24)</sup>, as well as distortions in the financial markets in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, in particular concerning access to capital for corporate actors in the PRC <sup>(25)</sup>.

(43) Like in previous investigations concerning the steel sector in the PRC, the Commission examined in the present investigation whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file, including the evidence contained in the request, as well as in the Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations <sup>(26)</sup> ('the Report'), which relies on publicly available sources. That analysis covered the examination of the substantial government interventions in the PRC's economy in general, but also the specific market situation in the relevant sector including the product under review. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in the PRC as also found by its previous investigations in this respect.

(44) In addition to referring to the Report, the request also pointed out practices affecting the costs and prices in the steel sector, mother pipe being the main input in the production of the TPF:

— Steel production is dominated by state-owned enterprises ('SOEs') whose actions are determined by the State and the CPC to achieve the overall objectives set out in the five year plans;

— A party committee must be established in any public or private entity where there are more than three Communist Party of China ('CPC') members. In the case of steel enterprises, the committees plays a major role in the direction of the activities of the enterprise. Most of the enterprises active in the steel sector are in the process of changing their articles of association to extend the influence of the CPC in management and direction;

— There are significant distortions in the steel sector related to the 13th Five Year Plan, known as 'the Steel Industry Adjustment and Upgrade Plan for 2016-2020' <sup>(27)</sup>, which also shows evidence of past irrational build-up of overcapacity in the face of decreasing domestic demand;

— The China Iron and Steel Association assists enterprises in price setting and in production coordination. State-owned enterprises are exempted from the application of competition law and in accordance with the 'the Steel Industry Adjustment and Upgrade Plan for 2016-2020' 'cut throat competition should be avoided' <sup>(28)</sup> and 'it should be prevented that numerous companies rush headlong into action and engage in disorderly competition' <sup>(29)</sup>;

— the costs of raw-materials and energy in the PRC are not the result of free market forces as they are affected by substantial government interventions;

<sup>(22)</sup> See Implementing Regulation (EU) 2021/635 recitals 123-129 and Implementing Regulation (EU) 2020/508 recitals 133-138.

<sup>(23)</sup> See Implementing Regulation (EU) 2021/635 recitals 130-133 and Implementing Regulation (EU) 2020/508 recitals 139-142.

<sup>(24)</sup> See Implementing Regulation (EU) 2021/635 recitals 134-135 and Implementing Regulation (EU) 2020/508 recitals 143-144.

<sup>(25)</sup> See Implementing Regulation (EU) 2021/635 recitals 136-145 and Implementing Regulation (EU) 2020/508 recitals 145-154.

<sup>(26)</sup> Available at [https://trade.ec.europa.eu/doclib/docs/2017/december/tradoc\\_156474.pdf](https://trade.ec.europa.eu/doclib/docs/2017/december/tradoc_156474.pdf)

<sup>(27)</sup> The full text of the plan is available on the MIIT website: <http://www.miit.gov.cn/n1146295/n1652858/n1652930/n3757016/c5353943/content.html> (last viewed 2 March 2020).

<sup>(28)</sup> The Steel Industry Adjustment and Upgrade Plan for 2016-20, page 24.

<sup>(29)</sup> The Steel Industry Adjustment and Upgrade Plan for 2016-20, page 25.

- (45) As indicated in recital (29), the GOC did not comment or provide evidence supporting or rebutting the existing evidence on the case file, including the Report and the additional evidence provided by the complainant, on the existence of significant distortions and/or on the appropriateness of the application of Article 2(6a) of the basic Regulation in the case at hand.
- (46) Specifically in the steel sector, which is the main raw material to produce TPF, a substantial degree of ownership by the GOC persists. Many of the largest producers are owned by the State. Some are specifically referred to in the 'Steel Industry Adjustment and Upgrading plan for 2016-2020'. For instance, the Chinese State-owned Shanxi Taiyuan Iron & Steel Co. Ltd mentions on its website that it is 'a super iron and steel giant', which 'developed into an extraordinary large-scale iron and steel complex, which is integrated with business of iron mining, iron and steel production, processing, delivery and trading' <sup>(30)</sup>. Baosteel is another major Chinese State-owned enterprise that engages in steel manufacturing and is part of the China Baowu Steel Group Co. Ltd (formerly Baosteel Group and Wuhan Iron & Steel) <sup>(31)</sup>. While the nominal split between the number of SOEs and privately owned companies in the steel sector is estimated to be almost even, from the five Chinese steel producers ranked in the top 10 of the world's largest steel producers, four are SOEs <sup>(32)</sup>. At the same time, while the top ten producers only accounted for approximately 36 % of total industry output in 2016, the GOC set the target in the same year to consolidate 60 % to 70 % of steel production to around ten large-scale enterprises by 2025 <sup>(33)</sup>. This intention was repeated by the GOC in April 2019, announcing a release of guidelines on steel industry consolidation <sup>(34)</sup>. Such consolidation may entail forced mergers of profitable private companies with underperforming SOEs <sup>(35)</sup>. Since there was no cooperation from Chinese TPF producers, the exact ratio of the private and state owned TPF producers could not be determined.
- (47) As to the GOC being in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation, due to the lack of cooperation from the side of the TPF producers, the Commission recalls that both public and privately owned enterprises in the steel sector are subject to policy supervision and guidance. Indeed, while the right provided for in Chinese legislation to appoint and to remove key management personnel in SOEs by the relevant State authorities can be considered to reflect the corresponding ownership rights <sup>(36)</sup>, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution <sup>(37)</sup>) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline <sup>(38)</sup>. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies <sup>(39)</sup>. These rules are of general application throughout the Chinese economy, across all sectors, including to the producers of TPF and the suppliers of their inputs.

<sup>(30)</sup> TISCO, 'Company profile', <http://en.tisco.com.cn/CompanyProfile/20151027095855836705.html> (last viewed 2 March 2020).

<sup>(31)</sup> Baowu, 'Company profile', <http://www.baowugroup.com/en/contents/5273/102759.html> (last viewed 6 May 2021).

<sup>(32)</sup> Report – Chapter 14, p. 358: 51 % private and 49 % SOEs in terms of production and 44 % SOEs and 56 % private companies in terms of capacity.

<sup>(33)</sup> Available at: [www.gov.cn/zhengce/content/2016-02/04/content\\_5039353.htm](http://www.gov.cn/zhengce/content/2016-02/04/content_5039353.htm) (last viewed 6 May 2021); [https://policycn.com/policy\\_ticker/higher-expectations-for-large-scale-steel-enterprise/?iframe=1&secret=c8uthafuthefra4e](https://policycn.com/policy_ticker/higher-expectations-for-large-scale-steel-enterprise/?iframe=1&secret=c8uthafuthefra4e) (last viewed 6 May 2021), and [www.xinhuanet.com/english/2019-04/23/c\\_138001574.htm](http://www.xinhuanet.com/english/2019-04/23/c_138001574.htm) (last viewed 6 May 2021).

<sup>(34)</sup> Available at [http://www.xinhuanet.com/english/2019-04/23/c\\_138001574.htm](http://www.xinhuanet.com/english/2019-04/23/c_138001574.htm) (last viewed 6 May 2021) and [http://www.jjckb.cn/2019-04/23/c\\_137999653.htm](http://www.jjckb.cn/2019-04/23/c_137999653.htm) (last viewed 6 May 2021).

<sup>(35)</sup> As was the case of the merger between the private company Rizhao and the SOE Shandong Iron and Steel in 2009. See Beijing steel report, p. 58, and the acquired majority stake of China Baowu Steel Group in Magang Steel in June 2019, see <https://www.ft.com/content/a7c93fae-85bc-11e9-a028-86cea8523dc2> (last viewed 6 May 2021).

<sup>(36)</sup> Report, Part I, Chapter 5, p. 100-1.

<sup>(37)</sup> Report, Part I, Chapter 2, p. 26.

<sup>(38)</sup> Report, Part I, Chapter 2, p. 31-2.

<sup>(39)</sup> Available at <https://www.reuters.com/article/us-china-congress-companies-idUSKCN1B40JU> (last viewed 22 October 2021).



- (48) Further, policies discriminating in favour of domestic producers or otherwise influencing the market in the sense of Article 2(6a)(b), third indent of the basic Regulation are in place in the TPF sector.
- (49) Even though TPF is a specialised industry, it benefits from governmental guidance and intervention concerning the main raw material to manufacture TPF, namely steel.
- (50) The steel industry is regarded as a key industry by the GOC <sup>(40)</sup>. This is confirmed in the numerous plans, directives and other documents focused on steel, which are issued at national, regional and municipal level such as the ‘Steel Industry Adjustment and Upgrading plan for 2016-2020’, applicable during the RIP. This Plan stated that the steel industry is ‘an important, fundamental sector of the Chinese economy, a national cornerstone’ <sup>(41)</sup>. The main tasks and objectives set out in this Plan cover all aspects of the development of the industry <sup>(42)</sup>. The 13<sup>th</sup> Five-Year Plan on Economic and Social Development <sup>(43)</sup>, applicable during the RIP, envisaged support to enterprises producing high-end steel product types <sup>(44)</sup>. It also focuses on achieving product quality, durability and reliability by supporting companies using technologies related to clean steel production, precision rolling and quality improvement <sup>(45)</sup>. The ‘Catalogue for Guiding Industry Restructuring (2011 Version) (2013 Amendment)’ <sup>(46)</sup> (‘the Catalogue’) lists steel as an encouraged industry.
- (51) As can be seen from the above examples concerning steel, which is the main raw material to produce TPF, the GOC further guides the development of the TPF sector in accordance with a broad range of policy tools and directives and controls virtually every aspect in the development and functioning of the sector.
- (52) In sum, the GOC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of steel as the main raw material used in the manufacturing of TPF. Such measures impede market forces from operating freely.
- (53) The present investigation has not revealed any evidence that the discriminatory application or inadequate enforcement of bankruptcy and property laws according to Article 2(6a)(b), fourth indent of the basic Regulation in the TPF sector referred to above in recital (42) would not affect the manufacturers of the product under review.
- (54) The TPF sector is also affected by the distortions of wage costs in the sense of Article 2(6a)(b), fifth indent of the basic Regulation, as also referred to above in recital (42). Those distortion affect the sector both directly (when producing the product under review or the main inputs), as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in the PRC) <sup>(47)</sup>.
- (55) Moreover, no evidence was submitted in the present investigation demonstrating that the TPF sector is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, as also referred to above in recital (42). Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

<sup>(40)</sup> Report, Part III, Chapter 14, p. 346 ff.

<sup>(41)</sup> Introduction to The Plan for Adjusting and Upgrading the Steel Industry.

<sup>(42)</sup> Report, Chapter 14, p. 347.

<sup>(43)</sup> The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China (2016-20), available at [https://en.ndrc.gov.cn/newsrelease\\_8232/201612/P020191101481868235378.pdf](https://en.ndrc.gov.cn/newsrelease_8232/201612/P020191101481868235378.pdf) (last viewed 6 May 2021).

<sup>(44)</sup> Report – Chapter 14, p. 349.

<sup>(45)</sup> Report – Chapter 14, p. 352.

<sup>(46)</sup> Catalogue for Guiding Industry Restructuring (2011 Version) (2013 Amendment) issued by Order No 9 of the National Development and Reform Commission on 27 March 2011, and amended in accordance with the Decision of the National Development and Reform Commission on Amending the Relevant Clauses of the Catalogue for Guiding Industry Restructuring (2011 Version) issued by Order No 21 of the National Development and Reform Commission on 16 February 2013.

<sup>(47)</sup> See Implementing Regulation (EU) 2021/635 recitals 134-135 and Implementing Regulation (EU) 2020/508 recitals 143-144.

- (56) Finally, the Commission recalls that in order to produce TPF, a number of inputs are needed. When the producers of TPF purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.
- (57) As a consequence, not only the domestic sales prices of TPF are not appropriate for use within the meaning of Article 2(6a)(a) of the basic Regulation, but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention, as described in Parts I and II of the Report. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that in itself was produced in the PRC by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.
- (58) No evidence or argument to the contrary has been adduced by the GOC or the exporting producers in the present investigation.
- (59) In sum, the evidence available showed that prices or costs of the product under review, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case. Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as discussed in the following section.

### 3.2.3. Representative country

#### 3.2.3.1. General remarks

- (60) The choice of the representative country was based on the following criteria pursuant to Article 2(6a) of the basic Regulation:
- A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank <sup>(48)</sup>;
  - Production of the product under review in that country <sup>(49)</sup>;
  - Availability of relevant public data in the representative country;
  - Where there is more than one possible representative country, preference should be given, where appropriate, to the country with an adequate level of social and environmental protection.
- (61) As explained in recital (40), the Commission informed interested parties in the Second Note of its conclusion that Thailand was considered an appropriate representative country.

<sup>(48)</sup> World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>

<sup>(49)</sup> If there is no production of the product under review in any country with a similar level of development, production of a product in the same general category and/or sector of the product under review may be considered.

### 3.2.3.2. A level of economic development similar to the PRC

- (62) In the First Note, the Commission identified the Russian Federation, Thailand and Turkey as countries with a similar level of economic development as the PRC according to the World Bank, i.e. they are all classified by the World Bank as 'upper-middle income' countries on a gross national income basis and production of the product under review appeared to take place in them.
- (63) No comments were received concerning the level of economic development following that note.

### 3.2.3.3. Production of the product under review in the representative country

- (64) In the First Note, the Commission indicated that production of the product under review was identified in the Russian Federation, Thailand and Turkey. However, the Russian Federation was excluded due to the existence of export ban on mother pipes (see recital (37) above), important raw material used in the production of TPF and more in general of steel. Turkey was excluded because none of the three companies identified in the First Note, and for which recent financial information was readily available, manufactured TPF.

### 3.2.3.4. Availability of relevant public data in the representative country

- (65) For the countries mentioned above, the Commission further verified the availability of the public data, and in particular public financial data from the producers of the product under review.
- (66) The Commission looked for TPF producers with publicly available financial data that could be used to establish undistorted and reasonable amounts for SG&A and profit. The Commission focused the search in particular on profitable companies with publicly available profit and loss statements for the RIP. Thus, the Second Note listed three companies in Thailand.
- (67) The Commission analysed all relevant data available in the file for the factors of production in Thailand and noted the following:
- The Commission analysed the import statistics of mother pipe, and concluded that there were sufficient imports of mother pipe necessary for the production of the product under review in the RIP;
  - Energy and water statistics for the RIP were readily available from the local statistic or providing authorities <sup>(50)</sup>;
  - Statistics for labour cost for the RIP were available on the website of the National Statistical Office of Thailand <sup>(51)</sup> and KPMG <sup>(52)</sup>.
- (68) Based on the above considerations, the Commission considered that Thailand was an appropriate representative country.

### 3.2.3.5. Level of social and environmental protection

- (69) Having established that Thailand was the only available appropriate representative country on the basis of these elements, there was no need to carry out an assessment of the level of social and environmental protection in accordance with the last sentence of Article 2(6a)(a) first indent of the basic Regulation.

<sup>(50)</sup> Electricity (<http://www.mea.or.th/en/profile/109/114>), natural gas (<http://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static>), fuel oil (<http://www.eppo.go.th/index.php/en/en-energystatistics/petroleumprice-statistic>) and water (<https://en.pwa.co.th/contents/service/table-price>).

<sup>(51)</sup> <http://www.nso.go.th/sites/2014en/Pages/Statistical%20Themes/Population-Society/Labour/Labour-Force.aspx>

<sup>(52)</sup> <https://home.kpmg/xx/en/home/insights/2011/12/thailand-other-taxes-levies.html>

## 3.2.3.6. Conclusion on representative country

- (70) In view of the above analysis, Thailand met all the criteria laid down in Article 2(6a)(a), first indent, of the basic Regulation, in order to be considered as an appropriate representative country. In particular, Thailand had a sufficient production of the product under review and relevant data available concerning all factors of production, SG&A and profit.

## 3.2.4. Sources used to establish undistorted costs

- (71) In the First Note, the Commission listed the factors of production such as materials, energy and labour used in the production of the product under review and invited the interested parties to comment and propose publicly available information on undistorted values for each of the factors of production.
- (72) In the Second Note, the Commission stated that, in order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA to establish the undistorted cost of mother pipe in the representative country.
- (73) The Commission further stated that the statistics of the National Statistical Office of Thailand and KPMG would be used to establish the undistorted costs of labour in the representative country; while national statistics, as referred to in recital (67), would be used to establish undistorted energy costs.

## 3.2.5. Undistorted costs and benchmarks

- (74) In the absence of cooperation by Chinese producers, the Commission had to rely on the Union industry in order to establish the factors of production used in the production of TPF.
- (75) Considering all the information submitted by the Union industry and the absence of comments from the exporting producers on the two notes on the sources for the determination of the normal value concerning the factors of production, the following factors of production and their sources have been identified in order to determine the normal value in accordance with Article 2(6a)(a) of the basic Regulation:

Table 1

**Factors of production of TPF**

Factor of Production	Commodity code	Source of data	Unit undistorted value
<b>Raw Material</b>			
Mother pipe	7304 19	GTA	1,843 EUR/kg
<b>Energy/water</b>			
Electricity	[N/A]	Metropolitan Electricity Authority <sup>(53)</sup>	0,09945 EUR/kWh
Natural Gas	[N/A]	Ministry of Energy of Thailand <sup>(54)</sup>	0,035 EUR/kWh
Fuel Oil	[N/A]	Ministry of Energy of Thailand <sup>(55)</sup>	0,37 EUR/litre
Water	[N/A]	Thai Provincial Waterworks Authority <sup>(56)</sup>	0,026 EUR/m <sup>3</sup>

<sup>(53)</sup> See: <http://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static>, in particular Table 7.2.4 – Final Energy Consumption Per Capita.

<sup>(54)</sup> <http://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static>

<sup>(55)</sup> <http://www.eppo.go.th/index.php/en/en-energystatistics/petroleumprice-statistic>

<sup>(56)</sup> <https://en.pwa.co.th/contents/service/table-price>

<b>Labour</b>			
	[N/A]	KPMG <sup>(57)</sup> for social security charges paid by the employer National Statistical Office of Thailand for the actual labour cost <sup>(58)</sup>	3,04 EUR/hour
<b>By-product/waste</b>			
Steel scrap	7204 49	GTA	0,237940 EUR/kg

- (76) The Commission included a value for manufacturing overhead costs in order to cover costs not included in the factors of production referred to above. Given the absence of relevant data in the publicly available financial data of the companies in Thailand, to establish this amount, the Commission made use of the financial data provided by the cooperating Union producers mentioned in recital (18) above. The methodology is duly explained in Section 3.2.2(d).

#### 3.2.5.1. Raw materials

- (77) In order to establish undistorted prices of raw materials as delivered at the gate of a representative country producer's factory, the Commission used as a basis the weighted average import prices into the representative country as reported in GTA to which import duties were added.
- (78) The import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC and countries which are not members of the WTO, listed in Annex 1 to Regulation (EU) 2015/755 of the European Parliament and the Council <sup>(59)</sup>. The Commission decided to exclude imports from the PRC into the representative country as it concluded in recital (59) that it is not appropriate to use domestic prices and costs in the PRC due to the existence of significant distortions in accordance with Article 2(6a)(b) of the basic Regulation. Given that there is no evidence showing that the same distortions do not equally affect products intended for export, the Commission considered that the same distortions affected export prices. The Commission found that imports into Thailand from other third countries remained representative ranging from 14,01 % for the mother pipes to 99,9 % for the steel scrap, of total import volumes.

#### 3.2.5.2. Labour

- (79) The Commission used the publicly available statistics obtained from the National Statistical Office of Thailand <sup>(60)</sup> to compute the labour cost per hour and from KPMG <sup>(61)</sup> to compute the additional social security charges paid by the employer.

<sup>(57)</sup> The 'social security paid by the employer' in Thailand was extracted from the statistics of KPMG Thailand insights: <https://home.kpmg/xx/en/home/insights/2011/12/thailand-other-taxes-levies.html>

<sup>(58)</sup> The labour cost benchmarks during the specific IP period and corresponding exchange rates were extracted from the NSO 'National Statistical Office of Thailand' <http://www.nso.go.th/sites/2014en/Pages/Statistical%20Themes/Population-Society/Labour/Labour-Force.aspx>

<sup>(59)</sup> Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries (OJ L 123, 19.5.2015, p. 33). Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value and, in any event, such import data was negligible.

<sup>(60)</sup> The labour benchmarks with the specific IP period and corresponding exchange rates was extracted from the NSO 'National Statistical Office of Thailand' <http://www.nso.go.th/sites/2014en/Pages/Statistical%20Themes/Population-Society/Labour/Labour-Force.aspx>

<sup>(61)</sup> The 'social security paid by the employer' in Thailand was extracted from the statistics of KPMG Thailand insights: <https://home.kpmg/xx/en/home/insights/2011/12/thailand-other-taxes-levies.html>

### 3.2.5.3. Electricity

- (80) The Commission used the electricity price statistics published by the 'Metropolitan Electricity Authority' <sup>(62)</sup> of Thailand, which covers the whole of Thailand.

### 3.2.5.4. Natural Gas

- (81) The Commission used the publicly available price of gas for industrial users in Thailand published by the Energy Policy and Planning Office – Ministry of Energy of Thailand <sup>(63)</sup>.

### 3.2.5.5. Fuel Oil

- (82) The Commission used the publicly available price of fuel oil published by the Thai Ministry of Energy <sup>(64)</sup>.

### 3.2.5.6. Water

- (83) The Commission used the water tariff of the Provincial Waterworks Authority <sup>(65)</sup>.

### 3.2.6. *Manufacturing overhead costs, SG&A and profits*

- (84) Further to the factors of production summarised under recital (75) above, manufacturing overheads were calculated, i.e. other direct production costs, utilities and depreciation. In view of the lack of cooperation from Chinese producers, the manufacturing overhead costs was based on the manufacturing overheads reported by the Union industry, that amounted to 15,7 % of the cost of manufacturing. This percentage was applied to the undistorted costs of manufacturing.

- (85) According to Article 2(6a)(a) of the basic Regulation, the constructed normal value shall include an undistorted and reasonable amount for SG&A and for profit. As stated in recital (40), the Commission identified three Thai companies (TTU Industrial Corporation, Thai Benkan and Awaji Material Thailand) which had publicly available financial information (as published in Global Financials by Dun & Bradstreet <sup>(66)</sup>) that could be used as a proxy to determine an undistorted and reasonable amount for SG&A and profit. Publicly available financial information of these companies was made available to the interested parties as an attachment to the Second Note.

### 3.2.7. *Calculation*

- (86) On the basis of the above, the Commission constructed the normal value on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.
- (87) First, the Commission established the undistorted manufacturing costs. In the absence of cooperation by the exporting producers, the Commission relied on the information provided by the Union industry on the consumption of each factor of production (raw materials, labour and energy) for the production of the product under review. These consumption volumes were multiplied by the undistorted costs per unit established in Thailand, as described in recitals (76) to (85).
- (88) Second, to the Commission applied the manufacturing overheads determined as described in recital (84) to the undistorted costs of manufacturing.

<sup>(62)</sup> <http://www.meo.or.th/en/profile/109/114> with the following average calculated based on European standards, since there was no cooperation: 3,85 Baht/kWh, 0,10 EUR/kWh, 0,77 CNY/kWh.

<sup>(63)</sup> See: <http://www.eppo.go.th/index.php/en/en-energystatistics/energy-economy-static>, in particular Table 7.2.4 – Final Energy Consumption Per Capita.

<sup>(64)</sup> Thailand's Ministry of Energy, Energy policy and planning office, Energy statistics, 8.1 Petroleum price statistics, Table 8, Retail Price of Petroleum Products available at: <http://www.eppo.go.th/index.php/en/en-energystatistics/petroleumprice-statistic>.

<sup>(65)</sup> Thai Provincial Waterworks Authority: <https://en.pwa.co.th/contents/service/table-price>

<sup>(66)</sup> <https://globalfinancials.com/index-admin.html>

- (89) Finally, the Commission applied the SG&A and profit in the representative country established as explained in recital (85) to the cost of production established as described in recital (88). The SG&A and profit expressed as a percentage of the Costs of Goods Sold ("COGS") and applied to the undistorted costs of production amounted to 14,1 % and 1,7 % respectively. Such a profit level is considered unreasonable due to its low level but, since dumping was already established even before adding a reasonable level of profit, the Commission decided to use such a low level as it would not have any practical impact on the dumping calculation for the purpose of the findings of this review.
- (90) Due to the fact that no exporting producers cooperated, the normal value was established on a countrywide basis.

#### 3.2.8. *Export price*

- (91) In the absence of cooperation from Chinese exporting producers, and thus in the absence of specific information on Chinese prices, the export price was determined on the basis of facts available in accordance with Article 18 of the basic Regulation, i.e. on the basis of Eurostat Comext imports statistics. As these prices are reported on a Cost, Insurance, Freight ("CIF") basis, they were adjusted to an ex-works level by deducting ocean freight and insurance, based on OECD data <sup>(67)</sup> and inland transport based on World Bank data <sup>(68)</sup>.

#### 3.2.9. *Comparison and dumping margin*

- (92) The Commission compared the constructed normal value in accordance with Article 2(6a)(a) of the basic Regulation with the export price on an ex-works basis. On that basis, the dumping margin found, expressed as a percentage of the CIF Union frontier price, duty unpaid, was 100,3 %. The Commission therefore concluded that dumping continued during the review investigation period.

### 3.3. **Likelihood of continuation of dumping**

- (93) To examine the likelihood of continuation of dumping the following elements were examined by the Commission: the production capacity and spare capacity in the PRC, as well as the attractiveness of the Union market.

#### 3.3.1. *Production capacity and spare capacity in the PRC*

- (94) Given the non-cooperation of the GOC and Chinese producers, the production capacity and spare capacity in the PRC were established on the basis of facts available and in particular the information provided by the applicant, in accordance with Article 18 of the basic Regulation.
- (95) According to the data provided in the request, the production capacity of TPF in 2019 amounted to 890 000 tonnes. The applicant also computed that the spare production capacity of the product under review in the PRC amounted to around 197 000 tonnes in 2019. This is equivalent to six times the volume of sales of Union producers into the Union and four times the volume of EU consumption.
- (96) Based on the above, the Commission concluded that the Chinese TPF producers have significant spare capacities, which they could use to produce TPF to export to the Union if the measures were allowed to lapse.

#### 3.3.2. *Attractiveness of the Union market*

- (97) The Union market has always been attractive to Chinese exporting producers of TPF. This is shown by their continuous presence on the Union market since the original investigation period as well as by the efforts deployed trying to circumvent the measures in place in the past via Taiwan, Indonesia, Sri Lanka and the Philippines as mentioned in recital (2).

<sup>(67)</sup> Source: OECD: [https://stats.oecd.org/Index.aspx?DataSetCode=CIF\\_FOB\\_ITIC](https://stats.oecd.org/Index.aspx?DataSetCode=CIF_FOB_ITIC)

<sup>(68)</sup> World Bank 2020 'Doing Business' report: <https://www.doingbusiness.org/en/reports/global-reports/doing-business-2020> and <https://www.doingbusiness.org/en/methodology/trading-across-borders>

- (98) Finally, considered that apart from the EU, Argentina <sup>(69)</sup>, Japan <sup>(70)</sup>, Mexico <sup>(71)</sup>, Turkey <sup>(72)</sup> and USA <sup>(73)</sup> have high anti-dumping measures in place regarding imports of TPFs from the PRC, it is likely that large quantities of these spare capacity would be directed to the Union market, should measures be allowed to lapse.

### 3.3.3. Conclusion on the likelihood of continuation of dumping

- (99) The investigation showed that imports from the PRC continued to enter the Union market at dumped prices during the review investigation period. Considering the imports of TPFs to the Union during the RIP at dumped prices, the large spare capacity in the PRC and the attractiveness of the Union market, the Commission concluded that significant quantities of TPFs from the PRC would likely enter the Union market at dumped price levels, should measures be allowed to lapse.
- (100) In the light of the above, the Commission concluded that the expiry of the anti-dumping measures would be likely to lead to a continuation of dumping.

## 4. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

### 4.1. Definition of the Union industry and Union production

- (101) During the review investigation period, the like product was manufactured by eighteen producers in the Union. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

### 4.2. Union consumption

- (102) The Commission established the Union consumption by adding the Union industry's sales on the Union market to the imports from the PRC and other third countries using Eurostat data at TARIC (integrated tariff of the European Union) code level.
- (103) On this basis, Union consumption developed as follows:

Table 2

#### Union consumption

	2017	2018	2019	RIP
Union consumption (tonnes)	46 277	52 737	49 237	49 684
Index (2017 = 100 %)	100	114	106	107

Source: Verified data of the sampled Union producers, the applicant and Eurostat

- (104) As TPFs are used mainly in the petrochemical industry, construction, energy generation, shipbuilding and industrial installations to connect tubes or pipes, the demand for TPF is therefore notably coupled with the activity in the energy infrastructure sector, which in turn is driven by the evolution of energy prices.

<sup>(69)</sup> World Trade Organization, SemiAnnual Report under Article 16.4 of the Agreement: Argentina, G/AD P/N/195/ARG, 22 February 2010.

<sup>(70)</sup> <https://www.globaltradealert.org/intervention/56880/anti-dumping/japan-definitive-antidumping-duty-on-imports-of-carbon-steel-butt-welding-fittings-from-china-and-the-republic-of-korea3>

<sup>(71)</sup> <https://books.google.pt/books?id=7rKr0uKDNMMC&pg=SL9-PA26&lpg=SL9-PA26&dq=Mexico+China+dumping+fittings&source=bl&ots=kp3iTjjBlU&sig=ACfU3U1RIWaGPCCQZZ#v=onepage&q=Mexico%20China%20dumping%20fittings&f=false>

<sup>(72)</sup> <https://www.globaltradealert.org/intervention/16725/anti-dumping/turkey-extension-of-antidumping-duties-on-imports-of-tube-or-pipe-fittings-from-brazil-bulgaria-china-india-indonesia-and-thailand-as-well-as-on-imports-from-chinese-taipei-following-an-anti-circumvention-investigation5>

<sup>(73)</sup> [https://www.usitc.gov/publications/701\\_731/pub4628.pdf](https://www.usitc.gov/publications/701_731/pub4628.pdf)



- (105) Consequently, following a recovery in the oil and gas prices in 2018 <sup>(74)</sup>, the Union consumption rose by around 14 % in 2018 compared to 2017. This increase of consumption was followed by a decline of 8 % in 2019 (due to drop of oil and gas price) and a slight increase in the RIP, resulting nevertheless in a 7 % increase in Union consumption over the period considered.

### 4.3. Imports from China

#### 4.3.1. Volume and market share of imports from China

- (106) The Commission established the volume of imports on the basis of Eurostat.

Table 3

#### Import volume (tonnes) and market share from China

	2017	2018	2019	Review investigation period
TPF originating in China	5 864	4 925	5 047	5 192
Index (2017 = 100 %)	100	84	86	89
Market share (%)	13	9	10	10

Source: Eurostat

- (107) During the period considered the total volume of imports from China decreased from 5 864 tonnes in 2017 to 5 192 tonnes in the RIP. The Chinese market share followed the same trend and decreased in the period considered from 13 % in 2017 to 10 % in the RIP.

#### 4.3.2. Prices of imports from China and price undercutting

- (108) The Commission established the prices of imports on the basis of Eurostat. On this basis, the average price of imports from the country concerned developed as follows.

Table 4

#### China import prices (EUR/tonne)

	2017	2018	2019	Review investigation period
TPF originating in China	1 265,05	1 696,70	1 870,44	1 852,77
Index (2017 = 100 %)	100	134	148	146

Source: Eurostat

- (109) During the period considered the average import price increased by 46 %, from 1 265 EUR/tonne in 2017 to 1 852 EUR/tonne in the RIP.

- (110) As set out in recital (13), no Chinese exporting producer cooperated in the investigation. Consequently the Commission determined the price undercutting during the investigation period by comparing the weighted average sales price of the sampled Union producers charged to unrelated customers on the Union market, adjusted to an ex-works level and the average price of the imports from the country concerned established on a cost, insurance,

<sup>(74)</sup> See <https://www.statista.com/statistics/262858/change-in-opec-crude-oil-prices-since-1960/> and <https://www.statista.com/statistics/252791/natural-gas-prices/> for evolution of oil and natural gas prices in the period considered.GG

freight (CIF) basis on the basis of Eurostat, with appropriate adjustments for customs duties and post-importation costs. Chinese import prices, without factoring in the AD duties, undercut Union sales prices by 16,4 %. Taking into account the AD duties, Chinese imports were entering the Union market at prices 28 % above the Union sales price level.

#### 4.4. Imports from other third countries

(111) The volume, market share and prices of imports from other third countries developed as follows:

Table 5

#### Import volume (tonnes) and market share from other third countries (excl. China)

Country		2017	2018	2019	Review investigation period
Total third countries excl. China	Imports	10 506	13 632	12 883	13 563
	<i>Index</i>	100	130	123	129
	Market share (%)	23	26	26	27
	Price (EUR/tonne)	2 083	2 209	2 396	2 478
	<i>Index (2016 = 100)</i>	100	106	115	119
Turkey	Imports	1 498	1 907	2 800	2 860
	Market share (%)	3	4	6	6
	Price (EUR/tonne)	1 825	1 978	2 032	2 090
Vietnam	Imports	2 527	2 958	1 976	2 240
	Market share (%)	5	6	4	5
	Price (EUR/tonne)	1 504	1 554	1 794	1 850
Cambodia	Imports	1 905	2 471	2 076	2 172
	Market share (%)	4	5	4	4
	Price (EUR/tonne)	1 328	1 541	1 663	1 597
Other third countries (excl. China, Turkey, Vietnam and Cambodia)	Imports	4 576	6 296	6 031	6 291

	Market share (%)	10	12	12	13
	Price (EUR/tonne)	2 801	2 849	3 015	3 182

Source: Eurostat

- (112) Imports from other third countries totalled 13 563 tonnes in RIP and grew by 29 % compared to 2017. This increase occurred mainly between 2017 and 2018, whereas import volumes remained relatively stable afterwards and until the end of the RIP. The increase in imports is reflected in the market share of these imports which grew from 23 % in 2017 to 27 % in the RIP. The average import price went steadily up throughout the period considered, increasing by 19 % in the RIP compared to 2017. On average these prices were lower than the prices of the Union industry.

#### 4.5. Economic situation of the Union industry

##### 4.5.1. General remarks

- (113) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.
- (114) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of the data provided by the applicant and verified questionnaire replies of the sampled Union producers. The data related to all Union producers. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers. The data related to the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.
- (115) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the dumping margin and recovery from past dumping.
- (116) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments and ability to raise capital.

##### 4.5.2. Macroeconomic indicators

###### 4.5.2.1. Production, production capacity and capacity utilisation

- (117) The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 6

#### Production, production capacity and capacity utilisation of Union producers

	2017	2018	2019	Review investigation period
Production volume (tonnes)	38 617	50 562	46 812	41 162
<i>Index (2017 = 100)</i>	100	131	121	107
Production capacity (tonnes)	144 702	158 271	150 526	150 526

<i>Index (2017 = 100)</i>	100	109	104	104
Capacity utilisation (%)	27	32	31	27

*Source:* Data provided by the applicant and verified questionnaire replies of the sampled Union producers.

- (118) The Union production increased by 7 % over the period considered and followed largely the evolution of the energy prices. More specifically, a relatively sharp increase of 31 % in 2018 was followed by a drop in both 2019 and the RIP.
- (119) The production capacity followed a similar trend as production, i.e. larger increase in 2018 followed then by a drop in 2019 and the RIP. Overall, the production capacity increased by 4 % over the period considered.
- (120) Capacity utilisation, that followed similar trends, remained very low over the period considered (27-32 %). In line with the previous expiry investigation <sup>(73)</sup>, the low level of capacity utilisation is partly due to the method to calculate total capacity, where the reported capacity is a theoretical maximum capacity (3 shifts/day), which does not necessarily reflect accurately the actual capacity.

#### 4.5.2.2. Sales volume and market share

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

*Table 7*

#### **Sales volume and market share of Union producers**

	2017	2018	2019	Review investigation period
Sales volume in the Union (tonnes)	29 907	34 180	31 306	30 929
<i>Index (2017 = 100)</i>	100	114	105	103
Market share (%)	65	65	64	62

*Source:* Data provided by the Union industry and verified questionnaire replies of the sampled Union producers.

- (122) Sales volume of the like product by the Union industry over the period considered essentially followed the market trends and evolution of the Union consumption, growing mainly in 2018 to then decrease almost to 2017 levels in the RIP (+ 3 % increase).
- (123) The market share of the Union industry remained stable at 65 % in the period 2017-18, then decreased to 62 % in RIP. This compares to the Union industry's market share of 64 % in the previous expiry review investigation period <sup>(76)</sup>.

#### 4.5.2.3. Growth

- (124) Despite an increased sales volume of 3 % in the period considered, the Union industry's sales did not grow at the same pace as demand, that increased by 7 %, so the market share of the Union industry went down from 65 % on 2017 to 62 % in the RIP.

<sup>(73)</sup> Implementing Regulation (EU) 2015/1934, recitals 81 and 82.

<sup>(76)</sup> 1 July 2013 – 30 June 2014 (TPF China).

## 4.5.2.4. Employment and productivity

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

Table 8

**Employment and productivity of Union producers**

	2017	2018	2019	Review investigation period
Number of employees	953	1 035	996	958
<i>Index (2017 = 100)</i>	100	109	105	101
Productivity (tonnes/employee)	41	49	47	43
<i>Index (2017 = 100)</i>	100	121	116	106

*Source:* Data provided by the applicant and verified questionnaire replies of the sampled Union producers.

(126) Both employment and productivity rose in 2018 compared to 2017 to then drop in the RIP to levels moderately above 2017 levels (1 % for employment and 6 % for productivity respectively).

## 4.5.3. Magnitude of the dumping margin and recovery from past dumping

(127) The dumping margin established by the investigation in the present case is well above the *de minimis* level. The impact of the magnitude of the actual margin of dumping on the Union industry is therefore substantial, not only in light of the prices of imports from the country concerned, but also given the volumes of those imports.

(128) Furthermore, the Union industry is still in a recovery process from the effects of past injurious dumping by imports of TPFs originating in the Russian Federation, Republic of Korea and Malaysia.

## 4.5.4. Microeconomic indicators

## 4.5.4.1. Prices and factors affecting prices

(129) The average sales prices of the Union industry to unrelated customers in the Union and unit cost developed over the period considered as follows:

Table 9

**Average sales prices in the Union and unit cost**

	2017	2018	2019	Review investigation period
Average unit selling price in the Union (EUR/tonne)	2 479	2 547	2 709	2 583
<i>Index (2017 = 100)</i>	100	103	109	104
Unit cost of production (EUR/tonne)	3 096	2 878	3 007	3 079
<i>Index (2017 = 100)</i>	100	93	97	100

*Source:* verified questionnaire replies of the sampled Union producers.

(130) The Union industry's average unit selling price to unrelated customers in the Union increased by 4 % over the period considered, reaching the highest levels in 2019 (+ 9 % compared to 2017). The unit cost of production decreased 7 % from 2017 to 2018 to then increase until it reached the same level in the RIP as in 2017.

#### 4.5.4.2. Labour costs

(131) The average labour costs developed over the period considered as follows:

Table 10

#### Average labour costs per employee

	2017	2018	2019	Review investigation period
Average labour costs per employee (EUR/employee)	55 627	63 259	62 588	60 718
Index (2017 = 100)	100	114	113	109

Source: verified questionnaire replies of the sampled Union producers.

(132) The average labour costs per employee increased by 9 % over the period considered.

#### 4.5.4.3. Stocks

(133) Stock levels developed over the period considered as follows:

Table 11

#### Stocks

	2017	2018	2019	Review investigation period
Closing stocks (tonnes)	7 416	7 716	8 830	6 938
Index (2017 = 100)	100	104	119	94

Source: verified questionnaire replies of the sampled Union producers.

(134) The level of closing stocks of the sampled Union producers gradually increased over the years 2018-19, while dropping below 2017 levels (by 3 %) in the RIP.

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

(135) Profitability, cash flow, investments and return on investments developed over the period considered as follows:

Table 12

#### Profitability, cash flow, investments and return on investments

	2017	2018	2019	Review investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	- 22	- 4	- 6	- 12

<i>Index (2017 = 100)</i>	- 100	- 20	- 27	- 53
Cash flow (EUR)	- 712 306	3 885 489	- 2 909 316	- 3 154 172
<i>Index (2017 = 100)</i>	- 100	545	- 408	- 443
Investments (EUR)	5 206 064	4 312 069	4 030 480	3 429 405
<i>Index (2017 = 100)</i>	100	83	77	66
Return on investments (%)	- 12	7	- 7	- 14
<i>Index (2017 = 100)</i>	- 100	56	- 61	- 116

Source: verified questionnaire replies of the sampled Union producers.

- (136) The investigation established the profitability of the Union industry by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The profitability of the sampled producers was negative during the period considered, going from -22 % in 2017 to -12 % in the RIP. It was -4 % and -6 % respectively in years 2018-19, in line with an increase in demand coupled with a decrease in the cost of production.
- (137) The net cash flow is the Union industry's ability to finance its activities. The net cash flow remained negative over the entire period considered with the exception of 2018 due to favourable market conditions.
- (138) The investments (mainly focused on upgrades of the production equipment, increase of quality, productivity and flexibility in the production process) gradually decreased over the period considered and were 34 % lower in RIP compared to 2017. Such trend is indicative of market uncertainty resulting from the COVID pandemic and decline in demand triggered by lower energy prices in 2019 and the RIP.
- (139) The return on investment from the production and sale of the like product showed a similar trend as profitability, sharply increasing in 2018, to then drop in 2019 and in the RIP.

#### 4.5.5. Conclusion on the situation of the Union industry

- (140) Despite improvements especially in years with a favourable market climate (e.g. in 2018, i.e. prior to the COVID-19 outbreak and following the increase in energy infrastructure investments thanks to recovering oil and gas prices), the situation of the Union industry continues to be precarious. It could not take full advantage of the increase in demand over the period considered, resulting in a decrease of market share from 65 % to 62 %. The Union industry remained heavily loss-making during the entire period considered. Its losses amounted to - 12 % in the RIP. Cash flow and return on investments have been largely negative over the period considered.
- (141) Having said the above, slightly increased productivity over the period considered and the consistently strong export performance of the Union industry, with the exports of Union producers representing around 20 % of their total sales has contributed to the continued viability of the Union industry, and demonstrates the Union industry's continued efforts to penetrate new markets and remain competitive on the global stage.
- (142) On the basis of the above, the Commission concluded that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.
- (143) The Commission then assessed whether there is a causal link between the imports from the country concerned and the injury suffered by Union industry. The imports quantities from the PRC remained significant throughout the period considered, but decreased by 11 %. Chinese import prices increased by 46 % over the period considered. Taking into account the measures in place, these imports entered the Union market at prices 28 % higher than the Union industry prices, and therefore at non-injurious levels.
- (144) Considering the above, the Commission concluded that the material injury suffered by the Union industry could not have been caused by the imports from the country concerned.

- (145) Against this background, the Commission assessed, in accordance with Article 11(2) of the basic Regulation, whether there would be a likelihood of recurrence of injury originally caused by dumped imports from PRC if the measures were to be repealed.

#### 5. LIKELIHOOD OF RECURRENCE OF INJURY ORIGINALLY CAUSED BY DUMPED IMPORTS FROM THE COUNTRY CONCERNED IF THE MEASURES WERE TO BE REPEALED

- (146) In order to establish whether there is likelihood of recurrence of injury originally caused by the dumped imports from the PRC, the Commission considered the following elements: (1) the spare capacity in the country concerned and the attractiveness of the Union market; and (2) the impact of potential imports and price levels of such imports from the PRC on the Union industry's situation should the measures be allowed to lapse.
- (147) As mentioned above in recital (95), available spare production capacity in China represented four times the Union consumption during the review investigation period. Without the AD duties in place, the Chinese imports would undercut the Union producers' prices by 16,4 %. Given that the undercutting calculations have been based on Union industry sales prices with which the industry is loss making, injury margins would be much higher. Therefore, should the measures be repealed, it is likely that high volumes of dumped imports at injurious prices will penetrate the Union market.
- (148) The continued interest of Chinese exporting producers in the Union market is shown by the relatively stable import volumes during the period considered despite the measures in force. In addition, Chinese exporters have been found to circumvent the anti-dumping measure in force via four different third countries namely Taiwan, Sri Lanka, Indonesia and the Philippines. These repeated circumvention practices clearly show the interest of the Chinese exporting producers in accessing the Union market without restrictions and thus the attractiveness of the Union market for Chinese exports. Finally, as explained in recital (104), a number of other third countries also have anti-dumping measures in place regarding imports of TPFs from the PRC, making it likely that large quantities of TPFs from the PRC are directed to the Union market, should measures be allowed to lapse.
- (149) The likely increase of dumped imports at injurious prices would lead to a further deterioration of the situation of the Union industry. The price pressure would not allow the Union industry to increase its prices to profitable levels and would likely lead to further financial losses and scaling-down of production or even closures of Union producers' plants. Furthermore, these imports would continue to take up market share on the Union market at the Union industry's expense, resulting in reducing even further the already low capacity utilisation by the Union industry.
- (150) The Commission therefore concluded that the repeal of the measures in force would very likely result in a recurrence of injury to the Union Industry originally caused by imports from the PRC within the meaning of Article 11(2) of the basic regulation.

#### 6. UNION INTEREST

- (151) In accordance with Article 21 of the basic Regulation, the Commission examined whether maintaining the existing anti-dumping measures against China would not be in the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.
- (152) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.
- (153) On this basis, the Commission examined whether, despite the conclusions on the likelihood of continuation of dumping and the likelihood of recurrence of injury, compelling reasons existed which would lead to the conclusion that it was not in the Union interest to maintain the existing measures.

##### 6.1. Interest of the Union industry

- (154) As concluded in recitals (140) and (142) and as confirmed by the negative trends of numerous injury indicators, the Union industry continued to be in a very fragile situation during the review investigation period. Furthermore, it was concluded in recital (148), that if the anti-dumping measures against China were allowed to lapse injury would recur.
- (155) Overall, despite the injurious situation of the Union industry on the Union market, the Commission considered that the industry remains viable. Not only is the export performance of the Union industry consistently strong, with the export sales accounting for a significant share of the sales volume, but the productivity levels have also increased over the period considered. However, the Union industry still shows very low levels of capacity utilisation and continues to have a negative profitability.



- (156) Any further deterioration would have an impact on its overall situation with the risk of a scaling-down of production or even definitive closure of production sites in the Union. Therefore, it can be concluded that the continuation of the measures against China would be in the interest of the Union industry.

## 6.2. Interest of importers/traders and users

- (157) Two unrelated importers, accounting for approximately 6 % of the total imports of TPF from China in the RIP came forward following the publication of the notice of initiation. Both importers expressed support for the continuation of the measures. Their business activity related to the product concerned has been profitable in the RIP. Therefore, it is concluded that from the importers' perspective, there are no compelling reasons not to extend the existing measures.
- (158) No user came forward following the publication of the notice of initiation and during the investigation. It is recalled that TPFs are only accessories used to connect tubes or pipes together and hence their cost represent generally only a minor part of the overall project cost.
- (159) Therefore, there were no indications that the maintenance of the measures would have a negative impact on the users outweighing the positive impact of the measures.

## 6.3. Conclusion on Union interest

- (160) In view of the above, the Commission concluded that there were no compelling reasons of Union interest against the extension of the current anti-dumping measures on imports from China.

## 7. ANTI-DUMPING MEASURES

- (161) It follows from the above considerations that, under Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of certain tube and pipe fittings, of iron or steel, originating in the People's Republic of China, applicable under Implementing Regulation (EU) 2015/1934 should be maintained.
- (162) 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. They were also granted a period to make representations subsequent to this disclosure. No comments were received.
- (163) In view of Article 109 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council <sup>(7)</sup>, when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should 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* on the first calendar day of each month.

<sup>(7)</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

(164) 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 imposed on imports of tube and pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, currently falling under CN codes ex 7307 93 11, ex 7307 93 19 and ex 7307 99 80 (TARIC codes 7307 93 11 91, 7307 93 11 93, 7307 93 11 94, 7307 93 11 95, 7307 93 11 99, 7307 93 19 91, 7307 93 19 93, 7307 93 19 94, 7307 93 19 95, 7307 93 19 99, 7307 99 80 92, 7307 99 80 93, 7307 99 80 94, 7307 99 80 95 and 7307 99 80 98) and originating in the People's Republic of China.

2. The rate of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the products described in paragraph 1 and produced by the companies listed below shall be as follows:

Country	Company	Duty rate (%)	TARIC additional codes
China	All companies	58,6	-

#### Article 2

1. The definitive anti-dumping duty imposed by Article 1 on imports originating in the People's Republic of China is hereby extended to imports of the same fittings (currently classified under TARIC codes: 7307 93 11 91; 7307 93 19 91; 7307 99 80 92) consigned from Taiwan (TARIC additional code A 999), whether declared as originating in Taiwan or not, with the exception of those produced by Chup Hsin Enterprise Co. Ltd, Kaohsiung (Taiwan) (TARIC additional code A098), Rigid Industries Co. Ltd, Kaohsiung (Taiwan) (TARIC additional code A099) and Niang Hong Pipe Fittings Co. Ltd, Kaohsiung (Taiwan) (TARIC additional code A100).

2. The definitive anti-dumping duty imposed by Article 1 on imports originating in the People's Republic of China is hereby extended to imports of tube or pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, currently classified under CN codes ex 7307 93 11 (TARIC code 7307 93 11 93), ex 7307 93 19 (TARIC code 7307 93 19 93), and ex 7307 99 80 (TARIC code 7307 99 80 93) consigned from Indonesia, whether declared as originating in Indonesia or not.

3. The definitive anti-dumping duty imposed by Article 1 on imports originating in the People's Republic of China is hereby extended to imports of tube or pipe fittings (other than cast fittings, flanges and threaded fittings) of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, currently classified under CN codes ex 7307 93 11 (TARIC code 7307 93 11 94), ex 7307 93 19 (TARIC code 7307 93 19 94), and ex 7307 99 80 (TARIC code 7307 99 80 94) consigned from Sri Lanka, whether declared as originating in Sri Lanka or not.

4. The definitive anti-dumping duty imposed by Article 1 on imports originating in the People's Republic of China is hereby extended to imports of tube or pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, currently classified under CN codes ex 7307 93 11 (TARIC code 7307 93 11 95), ex 7307 93 19 (TARIC code 7307 93 19 95), and ex 7307 99 80 (TARIC code 7307 99 80 95) consigned from the Philippines, whether declared as originating in the Philippines or not.

5. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

*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, 24 January 2022.

*For the Commission*  
*The President*  
Ursula VON DER LEYEN

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