COMMISSION IMPLEMENTING REGULATION (EU) 2016/1160

of 15 July 2016

imposing a definitive anti-dumping duty on imports of sodium cyclamate originating in the People's Republic of China and Indonesia following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community (1) ('the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

1. PROCEDURE

1.1. Previous investigations and measures in force

- Following an anti-dumping investigation under Article 5 of the basic Regulation, by Regulation (EC) (1)No 435/2004 (2), the Council imposed a definitive anti-dumping duty on imports of sodium cyclamate originating in the People's Republic of China ('the PRC') and Indonesia. The original measures were subsequently subject to different review investigations (3). As a result, the rate of the duty for an individually named Indonesian producer is 0,24 EUR/kg with a residual duty rate of 0,27 EUR/kg imposed on imports of the product concerned produced by other Indonesian producers, whereas the rate of the duty for the PRC ranges between 0 and 0,23 EUR/kg for individually named Chinese producers with a residual duty rate of 0,26 EUR/kg imposed on imports of the product concerned produced by other Chinese producers ('the measures in force').
- (2)The measures in force apply to all imports of sodium cyclamate originating in the PRC and Indonesia, with the exception of imports of sodium cyclamate produced by the Chinese exporting producers Fang Da Food Additive (Shen Zhen) Limited and Fang Da Food Additive (Yang Quan) Limited. A zero duty rate was originally determined for these companies, as no dumping was found (4).
- In line with the WTO Appellate Body report in case Mexico Definitive Anti-dumping Measures on Beef and (3)Rice ('the WTO Appellate Body report'), the Chinese exporting producers Fang Da Food Additive (Shen Zhen) Limited and Fang Da Food Additive (Yang Quan) Limited were not examined in the subsequent reviews of the measures as imposed by Regulation (EC) No 435/2004 and are not subject to the measures in force.

1.2. Initiation of an expiry review

Following the publication of a Notice of impending expiry of the anti-dumping measures in force (5), the (4)Commission received on 6 March 2015 a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of the basic Regulation. The request was lodged by Productos Aditivos S.A., the sole Union producer of sodium cyclamate, thus representing 100 % of the total Union production.

(¹) OJ L 343, 22.12.2009, p. 51. (²) Council Regulation (EC) No 435/2004 of 8 March 2004 imposing a definitive anti-dumping duty and collecting the provisional duty imposed on imports of sodium cyclamate originating in the People's Republic of China and Indonesia (OJ L 72, 11.3.2004, p. 1).

Council Implementing Regulation (EU) No 492/2010 of 3 June 2010 imposing a definitive anti-dumping duty on imports of sodium cyclamate originating in the People's Republic of China and Indonesia following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 140, 8.6.2010, p. 2), Council Implementing Regulation (EU) No 398/2012 of 7 May 2012 amending Implementing Regulation (EU) No 492/2010 imposing a definitive anti-dumping duty on imports of sodium cyclamate originating in, inter alia, the People's Republic of China (OJ L 124, 11.5.2012, p. 1).

See footnote 2.

OJ C 374, 22.10.2014, p. 4.

- (5) The request was based on the grounds that the expiry of the definitive anti-dumping measures would likely result in the continuation and recurrence of dumping and continuation and recurrence of injury to the Union industry.
- (6) Having determined, after consulting the Advisory Committee, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 6 June 2015, by a notice published in the Official Journal of the European Union (6) (the Notice of Initiation), the initiation of an expiry review under Article 11(2) of the basic Regulation.
- (7) On 12 August 2015 the Commission also initiated an investigation under Article 5 of the basic Regulation with regard to imports of the same product manufactured and exported to the Union by Fang Da Food Additive (Shenzhen) Limited and Fang Da Food Additive (Yan Quan) Limited (both companies referred to as 'Fang Da') ('the parallel Article 5 investigation') ('). Imports from Fang Da are not subject to this expiry review investigation.

1.3. Interested parties

- (8) In the Notice of Initiation, the Commission invited interested parties to come forward in order to participate in the investigation. In addition, the Commission specifically informed the complainant, known exporting producers, the authorities of the PRC and Indonesia, known importers, suppliers, users, and traders known to be concerned about the initiation of the investigation and invited them to participate.
- (9) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.3.1. Analogue country producers

- (10) In the Notice of Initiation, in relation to imports from the PRC, the Commission informed interested parties that it envisaged Indonesia as a market economy third country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation.
- (11) However, in view of the available statistical data (see recital (32) below), the Commission also informed the authorities of the United States of America (the 'US') about the initiation of the investigation and invited them to provide names and identities of sodium cyclamate producers in the US, if any. No sodium cyclamate producers in the US were subsequently identified. There were no indications on the file pointing towards possible production of sodium cyclamate in other third countries.

1.3.2. Sampling

- (12) In its Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.
 - Sampling of Union producers
- (13) In its Notice of Initiation, the Commission stated that Productos Aditivos S.A. is the sole Union producer of sodium cyclamate in the Union, thus representing 100 % of the total Union production. Consequently, the sampling was not necessary.

⁽⁶⁾ Notice on initiation of an expiry review of the anti-dumping measures applicable to sodium cyclamate originating in the People's Republic of China and Indonesia (OJ C 189, 6.6.2015, p. 2).

⁽⁷⁾ Notice of initiation of an anti-dumping proceeding concerning imports of sodium cyclamate originating in the People's Republic of China, limited to Fang Da Food Additive (Shen Zhen) Limited and Fang Da Food Additive (Yang Quan) Limited (OJ C 264, 12.8.2015, p. 32).

- Sampling of importers
- (14) To decide whether sampling is necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.
- (15) Since only one unrelated importer came forward with the requested information, it was not necessary to sample unrelated importers.
 - Sampling of exporting producers in the PRC and Indonesia
- (16) In view of the limited number of known exporting producers in the countries concerned, sampling of exporting producers was not foreseen.
 - 1.3.3. Questionnaire replies and verification visits
- (17) The Commission sent questionnaires to the sole Union producer, all known exporting producers in the PRC and Indonesia, one Union unrelated importer and one Union user, which expressed an interest in the investigation.
- (18) A questionnaire reply was received from the sole Union producer and a partial reply from one Union user. No questionnaire replies were received from unrelated importers in the Union and from exporting producers in the PRC and Indonesia.
- (19) The Commission sought and verified all the information deemed necessary for the determination of the likelihood of continuation or recurrence of dumping, resulting injury and Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producer

— Productos Aditivos S.A., Barcelona, Spain.

1.4. Review investigation period and period considered

(20) The investigation of the likelihood of continuation or recurrence of dumping covered the period from 1 April 2014 to 31 March 2015 ('the review investigation period'). The examination of the trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2011 to the end of the review investigation period ('the period considered').

1.5. Disclosure

(21) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to maintain the definitive anti-dumping measures in force. The parties were also granted a period within which they could make representations subsequent to this disclosure. No party submitted any comments after the disclosure.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

(22) The product concerned is sodium cyclamate originating in the People's Republic of China and Indonesia ('the countries concerned'), currently falling within CN code ex 2929 90 00 (TARIC code 2929 90 00 10) ('the product concerned').

- (23) Sodium cyclamate is a commodity product used as a food additive and is widely used as a sweetener by the food industry, as well as by the producers of low-caloric and dietetic table-top sweeteners. Small volumes are also used by the pharmaceutical industry.
- (24) Sodium cyclamate is a chemically pure substance. However, as is the case for any pure chemical, it may contain a small proportion of impurities in amounts of mg/kg of the product. The content of the impurities, determined by the Union legislation, defines the quality of sodium cyclamate. Sodium cyclamate can be found in two different forms: hydrated (HC), with 15 % of moisture; and anhydrous (AC), with a content of up to 1 % of moisture. These two forms of sodium cyclamate have the same main characteristics and uses; it only varies in degree of sweetness; the HC type is less sweet due to the water content. Prices vary due to the same reason. The AC type is more expensive than the HC form. Both forms should be therefore considered as one product for the purposes of this proceeding.

2.2. Like product

- (25) The investigation showed that the following products have the same basic physical and chemical characteristics as well as the same basic uses:
 - the product concerned;
 - the produced and sold by the exporting producers on the domestic market of the PRC and Indonesia;
 - the product produced and sold in the Union by the Union industry.
- (26) The Commission therefore concluded that those 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. **The PRC**

- 3.1.1. Preliminary remarks
- (27) In accordance with Article 11(2) of the basic Regulation, it was examined whether dumping was taking place and whether the expiry of existing measures would be likely to lead to a continuation or recurrence of dumping.
- (28) Although there were significant imports of the product concerned during the review investigation period, none of the Chinese exporting producers subject to measures cooperated in this investigation. Therefore, the findings in relation to the likelihood of a continuation or recurrence of dumping set out below were based on statistical data as well as data contained in the expiry review request.
 - 3.1.2. Dumping during the review investigation period
 - 3.1.2.1. Analogue country
- (29) Pursuant to Article 2(7)(a) of the basic Regulation, due care was taken in identifying a market economy third country for establishing prices or constructed value to determine normal value.
- (30) In the Notice of Initiation, the Commission informed interested parties that it envisaged Indonesia as an appropriate analogue country and invited interested parties to comment. No comments were received. The Commission sought cooperation from producers in Indonesia. Letters and relevant questionnaires were sent to all known Indonesian exporting producers.

- (31) One Indonesian exporting producer came forward and provided a very incomplete questionnaire reply. The Commission received no reply to the subsequent letter requesting the company to complete its reply. The totality of data received was so incomplete that it could not be used to determine the normal value. As a result, the Indonesian exporting producer could no longer be considered as cooperating. Consequently, no cooperation from Indonesia could be obtained.
- (32) According to the information available to the Commission, there is only production of the product concerned in the Union and in the two countries concerned. However, Eurostat statistics suggested limited quantities of exports of the product concerned from the United States of America ('US') to the Union during the period considered. As sodium cyclamate is prohibited for use in the US this was probably a matter of misclassification but the Commission nevertheless contacted the US authorities to identify possible producers of the product concerned in the US, if any. No indications of the existence of such producers were subsequently received.
- (33) Consequently, no cooperation was obtained from any potential analogue country producer.

3.1.2.2. Normal value

- (34) In accordance with Article 2(7)(a) of the basic Regulation, normal value had to be determined on the basis of the prices in an appropriate market economy third country (the 'analogue country'), or the price from such a third country to other countries, including the Union, or, where those are not possible, on any other reasonable basis, including the price actually paid or payable in the Union for the like product, duly adjusted if necessary to include a reasonable profit margin.
- (35) As explained in recitals (30)-(32) above, no cooperation could be obtained from any analogue country producers. Consequently, in accordance with Article 2(7)(a) of the basic Regulation, normal value had to be established on a reasonable basis. To that effect, the Commission considered reasonable to base the normal value on the verified price and costs data of the Union producer.
- (36) The like product was sold by the Union industry in representative quantities. However, the Union industry's domestic sales were loss-making. Therefore, the normal value was constructed, based on the Union industry's manufacturing costs plus a reasonable amount for selling, general and administrative costs (SGA) and profit. The SGA was based on the actual data of the Union producer. The profit rate added was based on the estimated reasonable profit margin of a recent anti-dumping investigation concerning another sweetener, aspartame. In this investigation, the Commission established at the provisional stage (*), that a profit of 5 %-10 % (range given for confidentiality reasons) corresponds to a reasonable profit. Therefore, the Commission finds that this profit is reasonable to be used for the current investigation in the construction of the normal value as well. The weighted average cost data of the two product types produced and sold by the Union producer was used, as no information was available on the product types sold by the Chinese exporting producers due to non-cooperation.

3.1.2.3. Export price

(37) In the absence of cooperation of any Chinese exporting producer, the export price was based on the statistics collected pursuant to Article 14(6) (9) of the basic Regulation ('Article 14(6) database') for all Chinese exports to the Union (excluding Fang Da) of the product concerned during the review investigation period. As no information was available as regards the form (product type) sold, a simple average was taken to calculate the export price.

3.1.2.4. Comparison

(38) The Commission compared the constructed normal value and the export price of the Chinese exporters on an ex-works basis.

⁽⁸⁾ Commission Implementing Regulation (EU) 2016/262 of 25 February 2016 imposing a provisional anti-dumping duty on imports of aspartame originating in the People's Republic of China (OJ L 50, 26.2.2016, p. 4).

^(?) The 14(6) database contains data on imports of products subject to anti-dumping or anti-subsidy measures or investigations, both from the countries and exporting producers concerned by the proceeding and from other third countries and other exporting producers, at the level of the 10-digit TARIC codes and TARIC additional codes.

- (39) Where justified by the need to ensure a fair comparison, the Commission adjusted the normal value and/or the export price for differences affecting prices and price comparability, in accordance with Article 2(10) of the basic Regulation.
- (40) Appropriate adjustments for transport, insurance, handling, loading and ancillary costs, and bank charges were made where they were found to be reasonable, accurate and supported by verified evidence. In the absence of more precise information, these adjustments were based on actual data relating to Fang Da in the parallel Article 5 investigation.
 - 3.1.2.5. Dumping margin
- (41) The dumping margin was calculated as the amount by which the average normal value exceeded the average export price. The results so obtained point to an overall dumping margin of more than 100 %. The dumping margin found is substantially higher than the dumping margins established in the original investigation.
 - 3.1.3. Development of imports should measures be repealed
- (42) The Commission analysed whether there was a likelihood of a continuation of dumping, should the measures lapse. The following elements were analysed: the production capacity and spare capacity in the PRC, export prices to other destinations, and the absorption capacity by other third country markets.
- (43) The analysis was primarily based on information provided in the request and on information that was publicly available and/or submitted in the framework of this investigation. Other sources of information have also been used, such as Eurostat import statistics and export statistics from the country concerned.
 - 3.1.3.1. Unused capacity
- (44) In the absence of cooperation, the information supplied in the review request, the Article 14(6) database and the Chinese export statistics were used. The Chinese capacity was conservatively estimated using publicly available capacity data for only one Chinese exporting producer (10). This resulted in a capacity of at least 40 000 tonnes, but information in the file shows that there are at least two more Chinese producers (excluding Fang Da) and that this conservative figure is therefore underestimating the actual capacity in the PRC.
- (45) Using the Chinese export statistics and the Article 14(6) import statistics to the Union (excluding Fang Da) for the product concerned, the above estimate points to a free capacity of nearly 17 000 tonnes for the Chinese and the Union market together or a spare capacity, which accounts for over three times the size of the Union market.
 - 3.1.3.2. Export prices to third countries
- (46) Based on Chinese export statistics, average Chinese prices to their main other markets (such as South Africa, Brazil, Argentina and Turkey) are at the same level or sometimes even lower than their sales prices to the Union.
- (47) The above shows that the product concerned is being dumped on other third markets as well and that the Union would continue to be an attractive market for Chinese exporting producers should the measures be repealed.

⁽¹⁰⁾ http://www.rainbowrich.com/factory/index.html

3.1.3.3. Absorption by third markets

- (48) Sodium cyclamate is prohibited for use in food, beverage and pharmaceutical products in a number of large third country markets, including the US. There were no indications in the file that point towards an expected growth of other third country markets for sodium cyclamate nor was there any indication in the file of the size of the Chinese domestic market and the expected growth thereof.
- (49) Therefore, it is estimated that the absorption capacity of markets other than the Union market is rather low and hence, the Union would be an attractive market, should measures be repealed.
 - 3.1.4. Conclusion on the likelihood of a continuation of dumping
- (50) The assessment of the abovementioned factors showed that the exporters concerned by the review have continued to export very significant volumes of the product concerned to the Union, at dumped prices. Chinese exports to other third countries are also made at dumped prices. Given the large freely available capacity of Chinese exporters, the lack of other sizeable markets for such capacity, and the attractiveness of the Union market, there is therefore an incentive for Chinese exporting producers to direct even larger volumes at dumped prices to the Union market, should the measures be repealed.
- (51) Having considered the data and information above, it is concluded that dumping from the PRC is likely to continue if the measures were allowed to lapse.

3.2. Indonesia

3.2.1. Preliminary remarks

- (52) Following initiation, one Indonesian exporting producer came forward. An incomplete questionnaire reply was submitted after which the Commission requested the company to complete the questionnaire as part of the deficiency procedure. No response to this request was received and therefore, none of the known Indonesian exporting producers could be considered as cooperating.
- (53) In view of the above, and according to Article 18 of the basic Regulation, information on domestic prices, export prices to other countries, production and capacity in Indonesia for the non-cooperating Indonesian exporting producers has been based on facts available, including the request and publicly available information.
 - 3.2.2. Dumping during the review investigation period

3.2.2.1. Normal value

(54) In the absence of cooperation from Indonesia, the Indonesian normal value as reported in the request was used as there was no other information available on the file. In the request, the Indonesian normal value was constructed using the cost structure of the Union producer and adjusting each of the cost elements to Indonesian levels. The cost elements were raw materials, personnel, energy and water, maintenance, depreciation and overhead. The adjustments made in the request were found to be reasonable. In the absence of other information available, the information in the request was therefore considered as best estimate for the Indonesian normal value.

3.2.2.2. Export price

(55) In the absence of cooperation from any Indonesian exporting producer, other information available had to be used to establish export prices. During the review investigation period, imports from Indonesia to the Union nearly ceased. The imports found during the review investigation period were negligible (around 19 tonnes) and

therefore, the Article 14(6) import statistics to the Union could not be used. Instead, Indonesian export statistics were used to establish export prices. Twelve export destinations were identified. The average export price to all third countries was used as a proxy for the export price to the Union, should the measures be lifted.

3.2.2.3. Comparison

- (56) The Commission compared the constructed normal value and the export price of the Indonesian exporters on an ex-works basis.
- (57) Where justified by the need to ensure a fair comparison, the Commission adjusted the normal value and/or the export price for differences affecting prices and price comparability, in accordance with Article 2(10) of the basic Regulation.
- (58) Adjustments were made to bring the FOB export prices to ex-works level. In the absence of more precise information, these adjustments were based on actual data relating to Fang Da in the parallel Article 5 investigation, which the Commission considers to be an appropriate benchmark for the calculation of the adjustments. Appropriate adjustments for transport, insurance, handling, loading and ancillary costs, and bank charges were made where they were found to be reasonable, accurate and supported by verified evidence.

3.2.2.4. Dumping margin

- (59) The dumping margin was calculated as the amount by which the normal value, as calculated in recital (54), exceeded the export price, as established in recital (55). This resulted in a dumping margin of 33,6 %, which is higher than the highest dumping margin established in the original investigation (18,1 %). This shows that even though exports of the product concerned to the Union have nearly come to a halt, dumping to third countries by the Indonesian companies has continued at a level which is higher than that established in the original investigation.
 - 3.2.3. Development of imports should measures be repealed
- (60) The Commission analysed whether there was a likelihood of recurrence of dumping should the measures lapse. The following elements were analysed: export price to other destinations, the production capacity and spare capacity in Indonesia and the absorption capacity by other third country markets.

3.2.3.1. Unused capacity

- (61) In the absence of cooperation, the Commission had to resort to the data available in the review request, the Eurostat database and Indonesian export statistics. Based on the information available for one Indonesian exporting producer, the Indonesian capacity is estimated to be at least 10 000 tonnes. Using Indonesian export statistics it could be established that Indonesian exports to third countries amounted to 4 700 tonnes during the review investigation period. On this basis, the free capacity of Indonesia for its domestic market and the Union market can conservatively be estimated at 5 300 tonnes. It needs to be noted that in the previous expiry review (11), the total Indonesian capacity was estimated to be 18 000 tonnes for 2008.
- (62) As there is no data available on the domestic sales by the two Indonesian producers, the free (available) capacity that could be directed towards the Union market can only be roughly estimated. However, using the data of the previous expiry review, domestic sales by the two Indonesian companies amounted to ca. 2 000 tonnes, which on the current capacity estimate would still leave a free capacity of 3 300 tonnes for the Union market. This would account for more than 80 % of the Union market during the review investigation period.

⁽¹¹⁾ See footnote 3.

3.2.3.2. Export prices to third countries

(63) Using Indonesian export statistics to other third countries during the review investigation period, it can be observed that average sales prices on two of the main export markets, i.e. Pakistan and the Philippines (accounting for over 50 % of Indonesian export sales to third countries) are considerably lower than the average sales price in the Union during the review investigation period. As explained in recitals (55) to (59), a dumping margin of 33,6 % was found when basing the Indonesian export price on all export sales prices to third countries. Therefore, the Union would be an attractive market for Indonesian exporting producers, should the measures lapse.

3.2.3.3. Absorption by third markets

- (64) As explained in recitals (48) and (49), the absorption capacity of markets other than the Union market is considered to be low. Due to the lack of cooperation, there is no information in the file on the Indonesian domestic consumption of the product concerned, but with an estimated free capacity of 5 300 tonnes for both the Indonesian market and the Union market considering the low absorption capacity of other markets, it is clear that Indonesia would have ample free capacity to cover the Union market.
- (65) Consequently, it cannot be expected that the Indonesian excess capacity will be directed towards other markets than the Union to any significant extent.
 - 3.2.4. Conclusion on the likelihood of a recurrence of dumping
- (66) The assessment of the above factors showed that Indonesian exports to markets other than the Union have been made at prices which are well below the average price level in the Union. Given the large freely available capacity of Indonesian exporters and the lack of other sizeable markets for such capacity, it is therefore likely that the Indonesian exporting producers will direct large volumes at dumped prices to the Union market, should measures be repealed.
- (67) Having considered the data and information above, it is concluded that dumping from Indonesia is likely to recur, if the measures were allowed to lapse.

4. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

4.1. Preliminary remark

(68) As the Union industry consists of only one producer and dumped imports concern a limited number of Chinese and Indonesian exporting producers, injury indicators and import data had to be indexed in order to ensure the confidentiality of business sensitive data.

4.2. Definition of the Union industry and Union production

(69) The like product was manufactured by only one producer in the Union during the review investigation period, which thus constitutes the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

4.3. Union consumption

(70) Sodium cyclamate is produced only in the Union, the PRC and Indonesia. The Commission established the Union consumption on the basis of the sales volume of the Union industry on the Union market, plus the volume of imports of sodium cyclamate from the PRC and Indonesia, established as explained in recital (73).

(71) Union consumption developed as follows:

Table 1

Union consumption

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Total Union consumption	100	103	93	97	101

Source: Union industry's data, Article 14(6) database

(72) The consumption of sodium cyclamate in the Union first decreased by 7 % between 2011 and 2013, and increased in the subsequent period. Consumption during the review investigation period reached more or less the same level as in 2011.

4.4. Imports from the countries concerned

- (73) For the purpose of this investigation imports from the PRC are total imports from the PRC excluding imports from Fang Da, which are not subject to this review. Imports from Fang Da were taken into account only for the calculation of the total Union consumption. In the absence of cooperation of any Chinese and Indonesian exporting producers in this investigation, the Commission used the statistics available in Article 14(6) database to establish the volume and prices of imports from these two countries during the period considered, as it contained sufficiently detailed information at the level of the 10-digit TARIC codes and TARIC additional codes.
- (74) Given that the volumes of imports from Indonesia are negligible within the meaning of Article 3(4) of the basic Regulation, imports from the countries concerned were assessed separately.
 - 4.4.1. The PRC

4.4.1.1. Volume and market share

Table 2

Import volume and market shares

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Import volume	100	114	73	71	77
Market share	100	110	79	73	77

Source: Article 14(6) database

- (75) The volume of imports from the PRC decreased by 23 % over the period considered. They first increased between 2011 and 2012 and subsequently dropped significantly, in particular with a very sharp drop of 41 index points between 2012 and 2013. There was a further slight decrease between 2013 and 2014, followed by an increase of 6 index points between 2014 and the review investigation period.
- (76) The corresponding market share over the period considered followed a similar trend, also with an overall decrease of 23 %.

4.4.1.2. Prices of imports

(77) The Chinese import price trends have been established and analysed separately with and without the inclusion of anti-dumping duties. This was done in this particular case because the level of these duties was amended in 2012, as explained in recital (1) above, and showing price trends including anti-dumping duties allowed to illustrate the impact of these amendments.

Import prices (EUR/kg) Index

Table 3

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
excluding anti-dumping duties	100	105	105	101	104
including anti-dumping duties	100	109	112	108	111

Source: Article 14(6) database

- (78) Over the period considered the average CIF Union frontier prices (prices without anti-dumping duties) of imports from the PRC from other producers than Fang Da increased by 4 %.
- (79) When considering the effect of the anti-dumping duties, import prices increased by 11 % during the period considered. It should be recalled that in May 2012 the anti-dumping duties were more than doubled for the Chinese exporting producers belonging to the Rainbow Rich group, which is reflected in the increase of the average import prices (including anti-dumping duties) from 2011 to 2012.

4.4.1.3. Price undercutting

- (80) In the absence of cooperation from any Chinese exporting producers subject to this review, the Commission determined the price undercutting during the review investigation period by comparing the weighted average sales price of the Union producer charged to independent customers on the Union market, adjusted to an exworks level and the average Chinese import price based on the Article 14(6) database. As no information was available as regards the form (product type) of the Chinese imports, a simple average was taken to calculate the average Chinese import price.
- (81) The comparison showed that, during the review investigation period, the average price undercutting margin, expressed as a percentage of the Union industry's sales prices was 22,8 % when taking into consideration the effect of the anti-dumping duties applied on the Chinese imports. Should the anti-dumping duties applicable to the Chinese exporting producers subject to measures be deducted, the undercutting margin would amount to 32,3 %.

4.4.2. Indonesia

4.4.2.1. Volume and market share

Import volume and market shares

Table 4

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Import volume	100	225	31	18	9
Market share	100	218	34	19	9

Source: Article 14(6) database

(82) During the period considered both the volume and the market share of imports of sodium cyclamate from Indonesia into the Union decreased by 91 %. It should be noted that the absolute volume of imports from Indonesia was low in 2011 and 2012, very low in 2013 and negligible during 2014 and the review investigation period. Even though Indonesian imports fluctuated a lot over the period considered, their impact on the Union industry can be considered as very limited from 2011 to 2012 and even insignificant from 2013 to the review investigation period.

4.4.2.2. Prices of imports

Import prices (EUR/kg) Index

Table 5

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Excluding anti-dumping duties	100	104	107	105	106

Source: Article 14(6) database

(83) Over the period considered the average CIF Union border Indonesian import prices increased by 6 %.

4.4.2.3. Price undercutting

- (84) In the absence of cooperation from any Indonesian exporting producers, the Commission determined the price undercutting during the review investigation period by comparing the weighted average sales price of the Union producer charged to independent customers on the Union market, adjusted to an ex-works level and the average Indonesian import price based on the Article 14(6) database. As no information was available as regards the form (product type) of the Indonesian imports, a simple average was taken to calculate the average Indonesian import price
- (85) The comparison showed that, during the review investigation period, the average price undercutting margin, expressed as a percentage of the Union industry's sales prices was 24,1 %. Should the anti-dumping duties applicable to the Indonesian exporting producers subject to measures be deducted, the undercutting margin would amount to 33,6 %.

4.5. Economic situation of the Union industry

4.5.1. General remarks

- (86) The production of sodium cyclamate consists of two main production steps. During the first step, which requires the use of reactors, the raw materials are converted into crude (impure) sodium cyclamate. During the second production step, the crude sodium cyclamate needs to be purified before it can be used, in view of the relevant regulatory rules, by downstream food, beverages or pharmaceutical industries.
- (87) Due to a technical incident that took place in July 2011 (explosion in the factory), the Union industry could not perform the first production step the reaction process between August 2011 and May 2012, and had to temporarily rely on imported sodium cyclamate which it further purified in order to be able to maintain its commercial activities.
- (88) Since the Union producer had no other choice, but to temporarily rely on imports, and given the limited duration and the volume of imports during the period considered, this incident and its consequences do not invalidate the above conclusions concerning the definition of the Union industry. It however had an important impact on the economic situation of the Union industry for the years 2011-2012, that is to say in the beginning of the period considered, in particular concerning capacity, the production and sales volume as well as the profitability indicators. It also had some impact although minor on the development of imports. These elements are taken into consideration when analysing the development of the injury indicators.
- (89) In this context, and 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. For the injury determination, the Commission evaluated the economic indicators on the basis of data related to the sole Union producer constituting the Union industry within the meaning of Article 4(1) of the basic Regulation.
- (90) The economic indicators of the sole Union producer, which were evaluated by the Commission, are as follows: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, labour costs, magnitude of dumping margin, and recovery from past dumping, average unit prices, unit costs, inventories, profitability, cash flow, investment, return on investment, and ability to raise capital.

4.5.2. Injury indicators

4.5.2.1. Production, production capacity and capacity utilisation

(91) The total Union production, production capacity and capacity utilisation developed over the period considered as

Table 6

Production, production capacity and capacity utilisation

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Production volume	100	104	189	159	157
Production capacity	100	114	171	171	171
Capacity utilisation	100	91	110	93	92

- (92) Production overall increased by 57 % during the period considered. As explained in recitals (87) above and (93) below, the Union industry's production however was unusually low in 2011-2012. Between 2013 and the review investigation period, the production level sharply decreased, by 32 index points.
- (93) The production capacity also significantly increased during the period considered (by 71 %), but this trend is again explained by an abnormally low level in 2011 and 2012 which resulted from the technical incident in the production facilities. The capacity was calculated on the basis of months during which the Union industry could produce its own sodium cyclamate, thus only 7 months in 2011, 8 months in 2012 and 12 months for the other periods. Since 2013 the production capacity level remained stable until the review investigation period.
- (94) The capacity utilisation rate decreased by 8 % between 2011 and the review investigation period, but it followed a significant downward trend since 2013, in line with the decrease of the production volume.
 - 4.5.2.2. Sales volume and market share
- (95) The Union industry's sales volume and market share developed over the period considered as follows:

Table 7

Sales volume and market share

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Sales volume	100	69	146	108	104
Market share	100	67	157	111	104

Source: Union industry's data and Article 14(6) database

- (96) Sales volume on the Union market and the corresponding market share followed the same trend during the period considered. They increased overall by 4 %.
- (97) Since both figures reflect only the sales of the Union industry's own produced sodium cyclamate, the levels for 2011 and 2012 were unusually low, due to the reasons mentioned in recitals (87) and (93) above. Since 2013, when the production of its own sodium cyclamate was already permanently re-established, the Union industry's sales fell by 42 index points as a result of the loss of orders.
- (98) Market share also significantly decreased between 2013 and the review investigation period. This is in contrast with the development of the Union consumption, which increased by 8 index points.

4.5.2.3. Growth

(99) The situation of the Union industry improved between 2011 and 2013 when it was able to increase its production, production capacity, sales and market share. This increase was caused by two factors: (i) the increase of the anti-dumping duties for certain PRC exporting producers, which were doubled in May 2012 and (ii) the fact that the Union industry was again in a position to produce its own sodium cyclamate during 12 months in 2013, as compared to only 7 months in 2011 and 8 months in 2012.

- (100) If the explosion had not taken place in July 2011, the production, capacity utilisation, sales and market shares figures would have been much higher in 2011 and 2012, since the Union industry could have supplied its customers with its own sodium cyclamate instead of imported one which it further processed (purified) between August 2011 and May 2012. As a result, the increase of production, sales and market shares between 2011 and 2013 would have been much smaller, whereas the production capacity would have even remained at its 2013 level during the entire period considered. From 2013 to the review investigation period, all the above mentioned volume related trends, with the exception of production capacity, totally reversed. In fact, although the Union consumption followed an increasing trend since 2013, the Union industry entered into a phase of economic decline. At the same time, the profitability of the Union industry remained strongly negative over the entire period considered, which inhibited its prospects of growth.
 - 4.5.2.4. Employment and productivity
- (101) Employment and productivity developed over the period considered as follows:

Table 8

Employment and productivity

Index (2011 = 100)	2011	2012	2013	2014	Review investi- gation period
Number of employees	100	100	105	105	105
Productivity (production volume over a number of employees)	100	104	180	151	150

- (102) Despite the inability to produce its own sodium cyclamate between August 2011 and May 2012, the Union industry decided to maintain the employment constant in that period, since any reductions were considered to be too costly and unnecessary. Although one employee was laid off in 2012, the level of employment did not change between 2011 and 2012 since the Union industry hired a new employee in the same year. The number of employees was slightly increased in 2013 and then it remained stable until the review investigation period.
- (103) Due to the explosion in the factory, the productivity of the Union industry was affected in a similar way as other economic indicators presented above. Like production, productivity was exceptionally low in 2011 and 2012 and then it sharply increased by almost 80 index points in 2013. Since then, however, due to the loss of orders, it fell by 30 index points in 2014 and remained at this level until the review investigation period.
 - 4.5.2.5. Magnitude of the dumping margin and recovery from past dumping
- (104) Anti-dumping measures have been in place against imports of Indonesian exporting producers and all Chinese exporting producers other than Fang Da since 2004.
- (105) As established above, the dumping margins of the Indonesian and the Chinese producers other than Fang Da during the review investigation period were significantly above the de minimis level. The impact on the economic situation of the Union industry is substantial, given the continued imports of significant volumes of sodium cyclamate at dumped prices from Chinese producers.

4.5.2.6. Prices and factors affecting prices

(106) The average unit sales prices of the sole Union producer to unrelated customers in the Union developed over the period considered as follows:

Table 9

Sales prices in the Union

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Average unit sales price	100	105	103	107	106
Average unit cost of production	100	107	97	95	96

Source: Union industry's data

- (107) The Union industry's average unit sales price increased by 6 % during the period considered. It first increased by 5 index points between 2011 and 2012 and then remained stable until the review investigation period.
- (108) The Union industry average unit production cost increased by 7 index points between 2011 and 2012 and then it decreased by 10 index points in 2013 as compared to 2011. Since 2013 it remained stable until the review investigation period. These changes mainly resulted from the fluctuation of the raw material costs.
- (109) In relation to the above, it should be mentioned that the Union industry could not precisely separate the purification costs from the total production costs. As a result, the indexes of 2011 and 2012, contrary to the indexes of 2013, 2014 and the review investigation period, also reflect the purification costs of the sodium cyclamate which was imported by the Union industry.
- (110) Given the above, the interpretation of trends between 2011-2012 and the subsequent periods should be made with caution since their development has been influenced although only slightly due to the fact that the 2011-2012 indexes were based on different sets of data.
- (111) In any event, during the entire period considered, the average unit sales price was always below the Union industry's average unit costs of production reported in the above Table.

4.5.2.7. Labour costs

(112) The average labour costs of the sole Union producer developed over the period considered as follows:

Table 10

Average labour costs per employee

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Average labour costs per employee	100	127	115	102	95

- (113) The average labour costs decreased by 5 % during the overall period considered. The costs, however, first increased by 27 % in 2012 mainly due to compensations paid to a dismissed employee and then they were constantly decreasing until the review investigation period when they fell 5 % below their 2011 level.
 - 4.5.2.8. Inventories
- (114) Stock levels of the sole Union producer developed over the period considered as follows:

Table 11

Inventories

Index (2011 = 100)	2011	2012	2013	2014	Review investigation period
Closing stocks	100	258	339	406	708
Closing stocks as a percentage of production	100	249	179	255	451

Source: Union industry's data

- (115) During the period considered, the closing stocks expressed as a percentage of production fluctuated significantly. They first increased between 2011 and 2012, then decreased the next year and finally increased significantly until the review investigation period. Overall, during the period considered, they increased by 351 index points. This increase is partially caused by the inability of the Union producer to sell its products due to competition with low-priced imports, but it is also the result of abnormally low stock levels in 2011 following the technical incident explained in recital (87) above.
 - 4.5.2.9. Profitability, cash flow, investments, return on investments and ability to raise capital
- (116) Profitability, cash flow, investments and return on investments of the sole Union producer developed over the period considered as follows:

Table 12

Profitability, cash flow, investments and return on investments

Index (2011 = 100)	2011	2012	2013	2014	Review investi- gation period
Profitability	- 100	- 111	- 82	- 61	- 69
Cash flow	100	- 500	- 1 107	- 559	- 766
Investments	100	203	15	0	0
Return on investments	- 100	- 42	- 104	- 79	- 77

- (117) The Commission established the profitability of the Union industry by expressing the pre-tax net profit of its sales of sodium cyclamate to unrelated customers in the Union as a percentage of the turnover of those sales. As mentioned in recital (109) above, the cost of production used to establish the level of profit/losses for 2011-2012 could only be established overall, i.e. also including costs related to imported sodium cyclamate. On this basis, the analysis of profitability figures showed that the Union industry generated significant losses during the entire period considered. They were particularly high in 2011-2012, but the situation improved since 2013.
- (118) The net cash flow is the ability of the Union industry to self-finance its activities. The trend in net cash flow, established in relation to the total sales (12) of sodium cyclamate, turned from positive in 2011 into strongly negative between 2012 and the review investigation period.
- (119) The only significant investments were made in 2011-2013, and they exclusively relate to the replacement of production tools affected by the explosion in 2011. Those investments were fully covered by the insurance policy.
- (120) The return on investments consists of the profit expressed as a percentage of the net book value of the fixed assets. It was significantly negative over the entire period considered.
- (121) Given the level of losses incurred by the Union industry, its ability to raise capital was seriously affected.

4.5.3. Conclusion on injury

- (122) Even though some economic indicators pertaining to the situation of the Union industry such as production, production capacity, sales, market share and productivity improved between 2011-2012 and 2013, these trends were only partially influenced by the genuine market developments resulting from the imposition of the higher anti-dumping duties on certain PRC exporting producers in May 2012.
- (123) In fact, as it was mentioned in recital (99), those improvements can be to a significant extent also explained by: (i) the explosion in the factory in July 2011, (ii) the fact that the Union industry could not produce as a result of that explosion its own sodium cyclamate between August 2011 and May 2012, and (iii) its return to a full 12 months production process in 2013 after the destroyed production lines had been replaced. Clearly, the increase of those indicators by 2013 would have been significantly lower, if that explosion had not taken place.
- (124) The positive evolution of the above mentioned trends clearly changed since 2013, as the Union industry's production, sales, productivity as well as its market share substantially worsened.
- (125) In addition, during the overall period considered, the financial situation of the Union industry remained permanently in a precarious state. In particular, the Union industry's indicators such as profitability, cash flow and return on investments showed very negative results overall.
- (126) 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 during the review investigation period.

4.6. Likelihood of a continuation of injury

4.6.1. Preliminary remark

(127) As concluded in recitals (122)-(126) above, the Union industry suffered material injury during the review investigation period. While the level of Chinese imports remained significant, imports from Indonesia were almost inexistent during the review investigation period.

⁽¹²⁾ Contrary to sales reported in Table 7, the total sales referred to in this recital cover sales, which were made both on the Union and export markets, of the Union industry's own sodium cyclamate and sodium cyclamate based on the material imported in 2011 and 2012.

(128) To assess the likelihood of a continuation of injury if the measures were allowed to lapse, the actual and potential impact of the Chinese imports, on the one hand, and Indonesian imports, on the other hand, on the Union industry was analysed pursuant to Article 11(2) of the basic Regulation. The determination of the potential impact of imports on the situation of the Union industry was based on (i) the availability of spare capacity of the exporters; (ii) the likely development of the volume of dumped imports and (iii) the level of prices of the Chinese and Indonesian imports.

4.6.2. The PRC

- (129) Even if imports from the PRC decreased during the period considered (see Table 2 above), they remained at a significant level, with a market share ranging between 40 % and 60 %. As mentioned in recital (81) above, the corresponding prices significantly undercut Union prices, i.e. by 23 % when considering the impact of the anti-dumping measures currently in force. There is no doubt that with such a volume of imports at that level of price, the Chinese dumped imports have a price depressing impact on the Union market, thus also contributing to the injury suffered by the Union industry.
- (130) As regards the potential impact of Chinese imports in case measures would be repealed, it should first be recalled that the above analysis of available capacities in the PRC (see recital (45) above) has shown that the freely available production capacity of the companies concerned by the review in the PRC is at least three times the size of the Union market. It was furthermore concluded that the Union is still an attractive market for Chinese exporters as also confirmed by the current level of imports and that at least part of the additional excessive capacities would be exported to the Union, should measures be repealed.
- (131) Given the significant levels of dumping and undercutting in particular when discounting the effect of the antidumping duties in place — the additional export volumes to the Union mentioned above would be made at dumped prices and be significantly lower than the prices and costs of the Union producer.
- (132) The combined effect of such volumes and prices would likely continue to cause and even increase the injury to the Union industry which is already in a precarious situation.

4.6.3. Indonesia

- (133) Indonesian imports were almost inexistent on the Union market during the review investigation period and therefore the analysis below will focus on the likely development of imports should the measures be repealed.
- (134) The above analysis has shown that Indonesia would have a spare capacity corresponding to almost the entire Union market for sodium cyclamate. Based on Indonesian export prices to third country markets and given the fact that sodium cyclamate is prohibited for use in food, beverage and pharmaceutical products in a number of large third country markets, there is a high likelihood that if measures were repealed, Indonesia would resume its exports to the Union market.
- (135) In terms of prices, the investigation has showed that Indonesian export prices to other third countries during the review investigation period were dumped and these prices were generally low, and much lower than the prices and costs of the Union producer.
- (136) Based on the above, it can be concluded that, if the measures were repealed, it is very likely that Indonesia would resume exports of significant quantities of sodium cyclamate to the Union at dumped and low prices, which would undercut the Union industry price. This would in all likelihood have the effect of continuing the material injury currently suffered by the Union industry and even worsen its situation.

4.7. Conclusion

(137) Based on the above, it is concluded that there is a likelihood of continuation of injury, if the measures are repealed.

5. UNION INTEREST

- (138) In accordance with Article 21 of the basic Regulation, the Commission examined whether maintaining the existing anti-dumping measures on imports from the PRC and Indonesia would be against 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/traders and users.
- (139) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.
- (140) On this basis, the Commission examined whether, despite the above conclusions, compelling reasons existed which would lead to the conclusion that it was not in the Union interest to maintain the existing measures.

5.1. Interest of the Union industry

- (141) The investigation established that during the whole period considered, despite the existing measures against Indonesia and the PRC (with the exception of Fang Da), the Union industry remained loss-making and lost production, sales volume and market share on the Union market. During the same period imports from the PRC remained significant and undercut the Union industry's prices. As explained above, should measures be repealed, there is a high likelihood that Chinese imports other than Fang Da will further increase and Indonesian imports will resume at dumped and low prices. It was established above that a lapse of the existing measures is likely to lead to further deterioration of the already precarious situation of the Union industry and may ultimately force it to cease the production of sodium cyclamate altogether, with consequent loss of employment and alternative sources of supply in the Union.
- (142) Should measures be maintained, it is expected that the Union industry would be able to increase its prices, production and volume and gradually return to profit.
- (143) The Commission therefore concluded that maintaining the measures in force against the PRC and Indonesia would be in the interest of the Union industry.

5.2. Interest of importers/traders

(144) There was no cooperation from any importers/traders. Given this non-cooperation, it is reasonable to assume that the product concerned does not represent a major proportion of the importers/traders' turnover and that there are no factors suggesting that importers/traders would be disproportionally affected if measures were to be maintained.

5.3. Interest of users

- (145) There was only partial cooperation from one user in this investigation.
- (146) The main final users of the product concerned in the Union are in the food, beverage and pharmaceutical industries. In the previous investigations concerning imports of sodium cyclamate it was established that sodium cyclamate accounted for such a low proportion of the cost of production that the effect of the imposition of anti-dumping duties was not significant. This was confirmed in the partial questionnaire reply that the Commission received from the above user. In the absence of any other representations of food, beverage and pharmaceutical in this investigation, it is reasonable to assume that if the measures were to be extended, the impact on the users would not be significant.
- (147) In view of the above observation that in the absence of measures, the Union industry may be forced to cease the production of sodium cyclamate and in view of the existence of only a few producers of sodium cyclamate globally, the measures are even likely to benefit users in so far as they preserve the production of sodium cyclamate in the Union and choice for users to source cyclamate produced by different competing producers.

5.4. Conclusion on Union interest

(148) On the basis 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 the PRC and Indonesia.

6. ANTI-DUMPING MEASURES

- (149) It follows from the above considerations that, under Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of sodium cyclamate originating in the PRC and Indonesia, imposed by Regulation (EU) No 492/2010, as amended by Regulation (EU) No 398/2012, should be maintained. Fang Da Food Additive (Shen Zhen) Limited and Fang Da Food Additive (Yang Quan) Limited should be excluded from these measures since no dumping was established for these exporters in the original investigation.
- (150) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) Regulation (EC) No 1225/2009,

HAS ADOPTED THIS REGULATION:

Article 1

- 1. A definitive anti-dumping duty is hereby imposed on imports of sodium cyclamate, currently falling within CN code ex 2929 90 00 (TARIC code 2929 90 00 10) and originating in the People's Republic of the PRC and Indonesia.
- 2. The rate of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and produced by the companies listed below shall be as follows:

Country	Company	Rate of anti-dumping duty (EUR per kilogramme)	TARIC additional code
The People's Republic of China	Golden Time Enterprise (Shenzhen) Co. Ltd, Shanglilang, Cha Shan Industrial Area, Buji Town, Shenzhen City, Guangdong Province, People's Republic of China; Golden Time Chemical (Jiangsu) Co., Ltd, No 90-168, Fangshui Road, Chemical In- dustry Zone, Nanjing, Jiangsu Province, People's Republic of China	0,23	A473
The People's Republic of China	All other companies (except Fang Da Food Additive (Shen Zhen) Limited — TARIC additional code A471 and Fang Da Food Additive (Yang Quan) Limited — TARIC additional code A472)	0,26	A999
Indonesia	PT. Golden Sari (Chemical Industry), Mitra Bahari Blok D1- D2, Jalan Pakin No 1, Sunda Kelapa, Jakarta 14440, Indonesia	0,24	A502
Indonesia	All other companies	0,27	A999

- 3. The application of the individual duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the Member States' customs authorities of a valid commercial invoice, on which it must appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume) of sodium cyclamate sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in the (country concerned). I declare that the information provided in this invoice is complete and correct.' If no such invoice is presented, the duty applicable to 'All other companies' shall apply.
- 4. In cases where goods have been damaged before entry into free circulation and, therefore, the price actually paid or payable is apportioned for the determination of the customs value pursuant to Article 131 of the Commission Implementing Regulation (EU) 2015/2447 (13), the amount of anti-dumping duty, calculated on the basis of paragraph 2 of this Article, shall be reduced by a percentage which corresponds to the apportioning of the price actually paid or payable.
- 5. Unless otherwise specified, the relevant provisions in force concerning customs duties shall apply.

Article 2

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, 15 July 2016.

For the Commission
The President
Jean-Claude JUNCKER

⁽¹³⁾ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).