

**COMMISSION REGULATION (EC) No 771/2005****of 20 May 2005****imposing a provisional anti-dumping duty on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China, Indonesia, Taiwan, Thailand and Vietnam**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community <sup>(1)</sup> (the 'basic Regulation'), and in particular Article 7 thereof,

After consulting the Advisory Committee,

Whereas:

**A. PROCEDURE****1. Initiation of the present proceeding**

- (1) In August 2004, the Commission announced, by a notice published in the *Official Journal of the European Union* <sup>(2)</sup>, the initiation of an anti-dumping proceeding with regard to imports into the Community of stainless steel fasteners and parts thereof originating in the People's Republic of China (the PRC), Indonesia, Malaysia, the Philippines, Taiwan, Thailand and Vietnam and commenced an investigation.
- (2) The proceeding was initiated as a result of a complaint lodged by the European Industrial Fasteners Institute (EIFI), on behalf of Community producers representing a major proportion, in this case more than 50 %, of the total Community production of stainless steel fasteners and parts thereof. The complaint contained evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the initiation of a proceeding.

**2. Parties concerned and verification visits**

- (3) The Commission officially advised the applicant Community producers, their association, other Community producers, the exporting producers, importers, suppliers and users known to be concerned and the representatives of the exporting countries of the initiation of the proceeding. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the notice of initiation.
- (4) Given the large number of known exporting producers in the PRC and Taiwan, Community producers and importers, sampling for the determination of dumping and injury was envisaged in the notice of initiation, in accordance with Article 17 of the basic Regulation.
- (5) In order to allow exporting producers in the PRC and Vietnam to submit a claim for market economy treatment (MET) or individual treatment (IT), if they so wished, the Commission sent claim forms to the exporting producers known to be concerned and the authorities of the two countries.
- (6) The Commission sent questionnaires to all parties known to be concerned and received replies from five sampled exporters in Taiwan, four sampled Community producers, two Community producers not selected in the sample, from two exporting producers in the PRC, two in Indonesia, two in Malaysia, two in the Philippines, four in Thailand, one in Vietnam, from four sampled importers, one Community user and from one upstream supplier in the Community.

<sup>(1)</sup> OJ L 56, 6.3.1996, p. 1, Regulation as last amended by Regulation (EC) No 461/2004 (OJ L 77, 13.3.2004, p. 12).

<sup>(2)</sup> OJ C 212, 24.8.2004, p. 2.

- (7) A German importer/distributor association (Fachverband des Schrauben-Großhandels e.V.) also made their views known in writing. All parties who so requested within the set time limit and indicated that there were particular reasons why they should be heard, were granted a hearing.
- (8) The Commission sought and verified all the information it deemed necessary for the purpose of the preliminary determination of dumping, resulting injury and Community interest and carried out investigations at the premises of the following companies:

*Community producers*

- Bontempi Vibo SpA, Brescia, Italy
- Bulnava Srl, Milano/Suello, Italy
- Inox Viti Snc, Grumello Del Monte, Italy
- Reisser Schraubentechnik GmbH, Ingelfingen-Criesbach, Germany.

*Exporting producers and related companies in the exporting countries*

PRC

- Tong Ming Enterprise (Jiaxing) Co. Ltd, Zhejiang.

Indonesia

- PT. Shye Chang Batam Indonesia, Batam.

Malaysia

- Tigges Stainless Steel Fasteners (M) Sdn. Bhd, Ipoh, Chemor
- Tong Heer Fasteners Co. Sdn., Bhd, Penang.

The Philippines

- Rosario Fasteners Corporation, Cavite
- Philshin Works Corporation, Cavite.

Taiwan

- Arrow Fasteners Co. Ltd and its related company Header Plan Co. Inc., Taipei
- Jin Shing Stainless Ind. Co. Ltd, Tao Yuen
- Min Hwei Enterprise Co. Ltd, Pingtung
- Tong Hwei Enterprise, Co. Ltd and its related companies Tong Jou Enterprise Co. Ltd and Winlink Fasteners Co., Ltd, Kaohsiung
- Yi Tai Shen Co. Ltd, Tainan.

Thailand

- A.B.P. Stainless Fasteners Co. Ltd, Ayutthaya
- Bunyat Industries 1998 Co. Ltd, Samutsakorn
- Dura Fasteners Company Ltd, Samutprakarn
- Siam Screws (1994) Co. Ltd, Samutsakorn.

Related importer in the Community

— Tigges GmbH & Co. KG, Wuppertal, Germany.

- (9) The investigation of dumping covered the period from 1 July 2003 to 30 June 2004 (investigation period or IP). The examination of injury covered the period from 1 January 2001 to 30 June 2004 (period considered).

## B. PRODUCT CONCERNED AND LIKE PRODUCT

### 1. General

- (10) Stainless steel fasteners and parts thereof (SSF) are bolts, nuts and screws of stainless steel which are used to mechanically join two or more elements. Screws are fastener products with an external threading on the shank. They can either be used without any other part and fixed into the wood (wood screws) or metal sheets (self-tapping screws) or be combined with a nut and washers to form a bolt. Screws may have a variety of head shapes (cup, socket, flat, hexagonal, etc.), shank lengths and diameters. The shank may be totally or partially threaded. SSF are used by a variety of consumer industries and in a wide range of final applications where resistance to both atmospheric and chemical corrosion is necessary and where hygiene may also be essential, such as equipment for processing and storing food products, plants in the chemical industry, manufacture of medical equipment, public lighting equipment, shipbuilding, etc.

### 2. The product concerned

- (11) SSF, i.e. bolts, nuts and screws of stainless steel which are used to mechanically join two or more elements, are normally declared within CN codes 7318 12 10, 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61, 7318 15 70 and 7318 16 30. There are many types of SSF, each one being defined by its specific physical and technical characteristics and by the grade of stainless steel from which it is made.
- (12) In the course of the investigation, it was alleged by importers and by a German importer/distributor association that nuts should be excluded from the scope of the investigation, because of an alleged lack of production in the Community.
- (13) This issue was considered. In the course of the provisional investigation, doubts arose as to whether nuts could indeed be regarded as a single product with other SSF. In this respect, a number of aspects need to be explored further, e.g. whether and to what extent bolts and nuts are marketed together as a system, to what extent these types are developed together etc. Further examination will also be needed to what extent the producers in the Community are able to offer these systems. On this basis, it was provisionally decided not to include nuts normally declared within CN code 7318 16 30 in the definition of the product concerned.
- (14) In this respect, it is pertinent to note that virtually all imports from the Philippines appear to consist of nuts. Therefore, should it be decided at the definitive stage of the investigation that nuts are to be excluded from the product scope, the proceeding will have to be terminated with regard to the Philippines.
- (15) It was further claimed by importers and the German importer/distributor association that the product scope should be limited to CN codes 7318 15 61 and 7318 15 70, i.e. hexagon socket head screws of stainless steel and hexagon bolts of stainless steel, because there is no sufficient production of all other kinds of SSF in the Community. However, the investigation confirmed that these other types of SSF are produced in the Community. Thus, the claim could not be accepted.
- (16) It was found that all types, other than nuts, fall under the broad definition of fasteners and have the same basic physical and technical characteristics, the same basic uses and the same distribution channels.

- (17) Consequently, all different types of SSF, with the exception of nuts, normally declared within CN codes 7318 12 10, 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61 and 7318 15 70 originating in the PRC, Indonesia, Malaysia, Taiwan, Thailand and Vietnam form provisionally one product for the purpose of the present investigation (the product concerned).

### 3. Like product

- (18) The Commission found that any SSF produced and sold on the respective domestic markets in the PRC, Indonesia, Malaysia, Taiwan, Thailand and Vietnam and those exported to the Community from the countries concerned as well as those produced and sold in the Community by the Community industry have the same physical, chemical and technical characteristics and uses. It is therefore provisionally concluded that all are like products within the meaning of Article 1(4) of the basic Regulation.

## C. SAMPLING

### 1. Sampling for exporting producers in the PRC and Taiwan

- (19) In view of the large number of exporting producers in the PRC and Taiwan, sampling was envisaged in the notice of initiation, in accordance with Article 17(1) of the basic Regulation.
- (20) In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, exporting producers were requested to make themselves known within 15 days from the date of the initiation of the investigation and to provide basic information on their export and domestic sales, their precise activities with regard to the production of the product concerned and the names and activities of all their related companies involved in the production and/or selling of the product concerned. The authorities in the PRC and Taiwan were also consulted.

#### 1.1. Pre-selection of cooperating exporting producers

- (21) Only two exporting producers in the PRC came forward and provided the requested information within the three weeks period set by Article 17(2) of the basic Regulation. In these circumstances, the Commission decided that sampling was not necessary for exporting producers in the PRC.
- (22) Forty nine companies in Taiwan came forward and provided the requested information within the given deadline set by Article 17(2) of the basic Regulation. However, only 37 exporting producers reported exports to the Community during the investigation period. Those exporting producers that exported the product concerned to the Community during the investigation period and expressed a wish to participate in the sample, were initially considered as cooperating companies and were taken into account in the selection of the sample. Eleven out of the 12 remaining companies were either traders or exporting producers without exports to the Community during the investigation period. Therefore, these companies cannot be taken into account for the purposes of a dumping calculation. It should finally be noted that one of the remaining 12 companies was an exclusive exporting producer of nuts and is consequently not concerned by the provisional measures.
- (23) The cooperating exporting producers represented around 78 % of total exports of the product concerned from Taiwan to the Community.
- (24) Exporting producers which did not make themselves known within the aforesaid period were considered as non-cooperating with the investigation.

#### 1.2. Selection of the sample

- (25) According to Article 17(1) of the basic Regulation, the selection was based on the largest representative volume of exports, which could reasonably be investigated within the time available. On this basis, five Taiwanese exporting producers were selected for the sample. The selected companies represented around 47 % of Taiwanese exports to the Community and around 57 % of domestic sales in Taiwan. In accordance with Article 17(2) of the basic Regulation, the Taiwanese authorities were consulted and raised no objection.

- (26) The thirty two cooperating exporting producers, which were not finally retained in the sample, were informed through the Taiwanese authorities that any anti-dumping duty on their exports would be calculated in accordance with the provisions of Article 9(6) of the basic Regulation.
- (27) Questionnaires were sent for completion to all five sampled companies and replies from all of them were received within the given deadlines.

### 1.3. Individual examination

- (28) Two exporting producers in Taiwan which have not been included in the sample have claimed an individual dumping margin and duty rate, if any, with a view to the application of Articles 9(6) and 17(3) of the basic Regulation. In view of the large number of countries and parties involved and the time constraints, the Commission concluded that no individual examination of exporting producers in Taiwan could be granted because this would be unduly burdensome and would prevent completion of the investigation in good time. Furthermore, it should be noted that one of the exporting producers requesting such individual examination was only producing nuts, which, as stated above, are provisionally excluded from the scope of this proceeding.

### 2. Sampling of Community producers

- (29) In view of the large number of Community producers, sampling was envisaged in the notice of initiation in accordance with Article 17(1) of the basic Regulation. For these purposes, the Commission requested Community producers to provide information concerning production and sales of the like product.
- (30) Eight Community producers came forward and provided the requested information within the given deadline set by Article 17(2) of the basic Regulation. In accordance with Article 17(1) of the basic Regulation, the Commission selected four companies in two Member States, three in Italy and one in Germany, for the sample as they represented the largest representative volume of production in the Community (around 50 %), which could be reasonably investigated within the time available. In accordance with Article 17(2) of the basic Regulation, the association of Community producers was consulted and raised no objection. In addition, the remaining four producers, situated in Belgium, Germany, Italy and the United Kingdom, were requested to provide certain general data for the injury analysis. All sampled Community producers and two other Community producers cooperated and sent questionnaire replies within the deadlines. However, one of the two non-sampled cooperating companies was an exclusive producer of certain special nuts which have provisionally been excluded from the scope of the investigation and, therefore, this company was not considered further for the provisional findings.

### 3. Sampling of Importers

- (31) In view of the large number of importers in the Community, sampling was envisaged in the notice of initiation in accordance with Article 17(1) of the basic Regulation. For these purposes, the Commission requested importers to provide information concerning imports and sales of the product concerned.
- (32) On the basis of the information received, the Commission selected five importers in four Member States, two in Germany, one in Italy, one in Sweden and one in the United Kingdom, for the sample. Two known associations of importers were consulted. These importers represented the largest representative volume of sales of known importers in the Community (around 37 %), which could be reasonably investigated within the time available. Four importers cooperated and sent questionnaire replies. The Swedish importer failed to cooperate further and only two importers provided complete replies with all information requested.

**D. DUMPING****1. Market economy treatment (MET)**

- (33) Pursuant to Article 2(7)(b) of the basic Regulation, in anti-dumping investigations concerning imports originating in the PRC and Vietnam, normal value shall be determined in accordance with paragraphs 1 to 6 of the said Article for those exporting producers which were found to meet the criteria laid down in Article 2(7)(c) of the basic Regulation, i.e. where it is shown that market economy conditions prevail in respect of the manufacture and sale of the like product. Briefly, and for ease of reference only, these criteria are set out in a summarised form below:
1. business decisions and costs are made in response to market conditions, and without significant State interference;
  2. accounting records are independently audited, in line with International Accounting Standards (IAS) and applied for all purposes;
  3. there are no significant distortions carried over from the former non-market economy system;
  4. legal certainty and stability is provided by bankruptcy and property laws;
  5. currency exchanges are carried out at the market rate.
- (34) Two Chinese producers and one Vietnamese producer requested MET pursuant to Article 2(7)(b) of the basic Regulation and replied to the MET claim form for exporting producers within the given deadlines.
- (35) One Chinese producer was in a start-up phase and did not have either audited or any other sort of financial accounts. The Commission concluded that the lack of such accounts prevents the determination on whether criteria 2 and 3 are met. Consequently, it was concluded that the company did not meet the requirements for MET. The company was informed accordingly and raised no objection.
- (36) For the other Chinese exporting producer, the Commission sought all information deemed necessary and verified all information submitted in the MET claim at the premises of the company in question.
- (37) The verification established that the company did not have one clear set of basic accounting records which are prepared and audited in line with IAS. Even though the accounts had been audited by independent external auditors, numerous problems and discrepancies persisted. Throughout the investigation, the company submitted diverging versions of their accounts, all of which contained significant errors like closing and opening balances of consecutive financial years that did not correspond (IAS 1), or alleged changes in accounting policy that were not properly substantiated by any kind of disclosure in the accounts (IAS 8). It has not been possible to reconcile important figures such as sales turnover with other company records. Moreover, the company reported significant profits when it actually appeared to be making significant losses and the accounts presented did not contain proper consolidated turnover figures covering all its operations. The reports of the auditors were completely silent on all the problems identified above.

In view of the above, criterion 2 was not fulfilled. Consequently, it was concluded that the company did not fulfil the conditions set out in Article 2(7)(c) of the basic Regulation.

- (38) For the Vietnamese producer the Commission sought all information deemed necessary.

- (39) As far as criterion 1 is concerned, it was concluded that this was not met. In particular, it was established that there was a certain quantity restriction on export and domestic sales. This restriction existed in the business investment licence, the application for the issuance of the licence as well as in the company's charter. Finally, all decisions on matters involving the lease of land policy are explicitly determined by the State in the company's business investment licence. The company also enjoys a waiver on the payment of land lease until its basic construction plans will be completed, as well as an additional waiver from the payment of the land lease for a number of years. Under these circumstances, it was found that the company had not demonstrated that its business decisions and costs were made in response to market conditions, and without significant state interference.
- (40) As far as criterion 2 is concerned, it was concluded that it was not met because contrary to IAS 1 the financial statements of 2002 were not published in good time and they were not properly audited.
- (41) It was consequently concluded that the company did not fulfil the conditions set out in Article 2(7)(c) of the basic Regulation.
- (42) The exporting producers concerned in China and Vietnam as well as the Community industry were given an opportunity to comment on the above findings.
- (43) Two exporting producers contested the determination and argued that they should be granted MET.
- (44) The Chinese exporting producer argued that the accounting policies followed were in line with the Chinese corporate accounting rules and practice.
- (45) In this respect, it is noted that according to the criteria of Article 2(7)(c) of the basic Regulation, the Commission shall examine whether the accounts of the companies are prepared and audited in line with the IAS. The compliance or non-compliance with the Chinese standards is not decisive in the context of a MET assessment. Furthermore, the findings of the verification constitute either non-compliance with basic accounting principles or significant accounting changes that need to be documented and explained properly.
- (46) Notwithstanding the above, it is noted that the Chinese Accounting System for Business Enterprises, in its Article 155, requires companies to present complete and detailed notes to accounting statements. Given the absence of any meaningful notes or explanations in the accounts of the company, it appears that the audit was not only breaching the IAS but it was also not in compliance with the Chinese standards.
- (47) Consequently, it was concluded that the comments of the Chinese exporting producer were not justified and MET could not be granted.
- (48) The Vietnamese exporting producer argued that the export/domestic sales ratio, which appears in the business investment licence, is not binding and only mirrors the special tax incentives that the Vietnamese Government has introduced in order to encourage investments. Hence, no state authority allegedly prescribes how much the company can sell on the export and domestic market.
- (49) In this respect, it is noted that no direct correlation exists between the provisions concerning the issuance of a licence and the provisions concerning tax and financial issues. Furthermore, the business investment licence itself did not contain any indication that the export sales ratio would be set purely for taxation purposes.

- (50) As regards the lease of land, the company argued that the land lease procedure followed in Vietnam was not contrary to the market economy principles and that all special provisions in relation to the land lease policy were merely incentives used by the Vietnamese Government to attract foreign investments. The exporting producer alleged that the lease amount itself was a kind of 'tax' and that it had bought the land from another company which was the 'original landlord'.
- (51) It is noted that there is no free market of land in Vietnam. According to a government circular submitted by the company, the price of land is set by the State. As regards the argument concerning the purchase of land from the 'original landlord', this term is rather misleading since there is no private ownership of land in Vietnam. In fact, the company referred to compensation for the right to use the land paid to the previous tenant, which was determined unilaterally by the State. Moreover, no evidence was submitted which could support the allegation that the land lease is a kind of 'tax'. In any event, as set out in recital 39, the company has not been paying any land lease for a number of years.
- (52) As regards criterion 2, the company argued that the auditors had spotted that it had published its Financial Statements for 2002 later than the IAS prescribed, but it received an approval from the Ministry of Finance to ignore this discrepancy.
- (53) It is noted that this allegation was not confirmed by the auditor's report. On the contrary, the auditors stated that the audit was concluded in accordance with the IAS and no reservation on the accounts or explanation in a form of a note were included on why the company deviated from a clearly defined IAS practice. Moreover, the fact that a letter issued by the Ministry of Finance can allegedly change or relax a clearly stipulated law policy proves that the IAS were not applied properly in practice.
- (54) Consequently, it was concluded that criteria 1 and 2 were not met and, therefore, MET should not be granted.

## 2. Individual treatment (IT)

- (55) Pursuant to Article 2(7)(a) of the basic Regulation, a country-wide duty, if any, is established for countries falling under that Article, except in those cases where companies are able to demonstrate that they meet all criteria set out in Article 9(5) of the basic Regulation.
- (56) As far as the PRC is concerned, both cooperating exporting producers which requested MET had also claimed IT in the event that they were not to be granted MET.
- (57) On the basis of information available, it was found that the two companies met all the requirements for IT as set forth in Article 9(5) of the basic Regulation.
- (58) It was therefore concluded that IT should be granted to the following exporting producers in the PRC:
- Tengzhou Tengda Stainless Steel Product Co., Ltd, Tengzhou City,
  - Tong Ming Enterprise (Jiaxing) Co. Ltd, Zhejiang.
- (59) As far as Vietnam is concerned, the exporting producer who requested MET also claimed IT in the event that it was not to be granted MET.

- (60) On the basis of information available, it was found that this company did not meet all the requirements for IT as set forth in Article 9(5) of the basic Regulation.

In particular, it was established, as set out under the analysis of MET above, that the export sales quantities were not freely determined by the company, but were fixed by the State in the company's business licence. Therefore, it was found that the company did not meet the conditions for being granted IT.

- (61) Two other Vietnamese exporting producers also claimed IT within the given deadlines. However, one submitted an incomplete reply to the questionnaire and the other did not submit any reply to the questionnaire.

The two companies did not provide the requested information or any other explanation. Consequently, the Commission concluded that these companies had not demonstrated that they met the conditions for being granted IT.

### 3. Normal value

#### 3.1. *Analogue country*

- (62) According to Article 2(7)(a) of the basic Regulation, in economies in transition normal value for exporting producers not granted MET has to be established on the basis of the price or constructed value in an analogue country.
- (63) In the notice of initiation, India was proposed as an appropriate analogue country for the purpose of establishing normal value for the PRC and Vietnam. The Commission invited all interested parties to comment on this.

Various interested parties submitted comments proposing as analogue country Taiwan, Thailand, the Republic of Korea or Italy. The Commission contacted known companies in India, which was initially envisaged as an appropriate analogue country. However, no questionnaire replies or any meaningful comments were received from producers in India. With regard to the Republic of Korea and Italy, the parties which have suggested them did not provide any specific information. Therefore, they have not been considered further as alternative analogue countries.

As regards Thailand, it is noted that during the course of the investigation it became apparent from the cooperating producers that there were no domestic sales in the ordinary course of trade in Thailand and, therefore, it could not be considered as an analogue country.

However, Taiwan, which is one of the biggest worldwide producers of the product concerned, was found to have a representative domestic market, where a wide range of products and a large number of suppliers ensured a sufficient level of competition. The investigation established that significant domestic sales in the ordinary course of trade were made by four cooperating sampled exporting producers in Taiwan.

- (64) In view of the above, it is concluded that Taiwan constitutes an appropriate analogue country in accordance with Article 2(7)(a) of the basic Regulation.

### 3.2. Methodology applied for the determination of normal value

#### 3.2.1. Global representativeness

- (65) In accordance with Article 2(2) of the basic Regulation, the Commission first examined in each exporting country whether the domestic sales of the product concerned to independent customers by each exporting producer were representative, i.e. whether the total volume of such sales was equal to or greater than 5 % of the total volume of the corresponding export sales to the Community.

#### 3.2.2. Product type comparability

- (66) The Commission subsequently identified those product types sold domestically by the companies having overall representative domestic sales, which were identical or directly comparable with the types sold for export to the Community. The criteria used are the following: CN code, type of raw material used, DIN number (i.e. code number under which the product is classified within the DIN nomenclature), diameter in millimetres, length in millimetres.

#### 3.2.3. Product type specific representativeness

- (67) Domestic sales of a particular product type were considered as sufficiently representative when the volume of that product type sold on the domestic market to independent customers during the investigation period represented 5 % or more of the total volume of the comparable product type sold for export to the Community.

#### 3.2.4. Ordinary course of trade test

- (68) The Commission subsequently examined whether the domestic sales of each company in each exporting country could be considered as being made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation.
- (69) This was done by establishing the proportion of domestic sales to independent customers, of each exported product type, sold at a loss on the domestic market during the investigation period.
- (a) For those product types where more than 80 % by volume of sales on the domestic market were not below unit costs and where the weighted average sales price was equal to or higher than the weighted average production cost, normal value, by product type, was calculated as the weighted average of all domestic sales prices of the type in question.
- (b) For those product types where at least 10 %, but no more than 80 %, by volume of sales on the domestic market were not below unit costs, normal value, by product type, was calculated as the weighted average of domestic sales prices which were found equal to or above unit costs only, of the type in question.
- (c) For those product types where less than 10 %, by volume, was sold on the domestic market at a price not below unit costs, it was considered that the product type concerned was not sold in the ordinary course of trade and therefore, normal value was constructed.

#### 3.2.5. Normal value based on actual domestic price

- (70) For the types sold for export to the Community by investigated companies where the requirements set out in sections 3.2.3 to 3.2.4(a) and (b) above were met, normal value was based, for the corresponding product types, on the actual prices paid or payable, by independent customers in the domestic market of the country under investigation, during the IP, as set out in Article 2(1) of the basic Regulation.

### 3.2.6. Normal value based on constructed value

- (71) For product types falling under section 3.2.4(c) above, as well as for the product types which were not sold by the exporting producer in representative quantities on the domestic market of the countries under investigation, as mentioned in Section 3.2.3 above, normal value had to be constructed.

To construct normal value pursuant to Article 2(6) of the basic Regulation, the selling, general and administrative (SG & A) expenses incurred and weighted average profit realised by the cooperating exporting producers concerned on domestic sales of the like product, in the ordinary course of trade, during the IP, was added to their own average cost of manufacturing during the IP. Where necessary, the manufacturing costs and SG & A expenses reported were corrected, before being used in the ordinary course of trade test and in constructing normal values.

In the countries under investigation where no exporting producers having domestic sales of the like product or of the same general category of products in the ordinary course of trade during the IP existed, normal value was constructed using the cost of manufacturing of the exporting producer concerned, if necessary corrected where appropriate. To this cost of manufacturing, it was provisionally considered appropriate to add the weighted average SG & A expenses incurred and profit realised by four Taiwanese cooperating sampled exporting producers on their domestic sales of the like product during the IP, pursuant to Article 2(6)(c) of the basic Regulation.

### 3.2.7. Economies in transition

- (72) Pursuant to Article 2(7)(a) of the basic Regulation, normal value for the PRC and Vietnam was established on the basis of verified information received from the producers in the analogue country, i.e. on the basis of prices paid or payable on the domestic market of Taiwan for comparable product types, where these were found to be made in the ordinary course of trade, or on constructed normal values, where no domestic sales in the ordinary course of trade for comparable product types were found.

As a result, normal value was established as the weighted average domestic sales price to unrelated customers or constructed value per type by the four cooperating sampled producers in Taiwan.

### 3.3. Determination of normal value

#### (a) People's Republic of China

- (73) Since no MET was granted, normal value for the PRC was established as set out in recital 72.

#### (b) Indonesia

- (74) For the sole Indonesian cooperating exporting producer, it was established that no domestic sales of the like product existed. Therefore, normal value had to be constructed in accordance with the provisions set in recital 71.

- (75) It is noted that another Indonesian exporting producer had initially replied to the questionnaire sent by the Commission, but later on it terminated its business activities thus making any verification of its questionnaire response impossible. It was therefore concluded that this particular company did not cooperate anymore with the investigation. The company and the Indonesian authorities were informed accordingly and made no comment on this development.

#### (c) Malaysia

- (76) For the two cooperating Malaysian exporting producers, which were based in free trade zones, it was established that the sales of the like product reported as domestic were mainly made to free trade zones or to bonded warehouses, i.e. sales for export by other independent parties.

Consequently, it was concluded that no representative domestic sales existed during the IP for these exporting producers and therefore normal value had to be constructed in accordance with the provisions set in recital 71.

(d) Taiwan

- (77) For four exporting producers normal value was established in line with the methodology set out in recitals 65 to 71.
- (78) In the course of the investigation it was established that, of these four cooperating exporting producers, two were related. These companies sold the like product on the domestic market both through a related selling company and directly to unrelated customers. It is noted that, pursuant to the third paragraph of Article 2(1) of the basic Regulation where the product types are sold to a related selling company, these sales may be considered as not made in the ordinary course of trade. For this reason, and in order to establish normal value, the two companies were requested well in advance of the on-the-spot verification to submit the prices charged by the related reselling company to the first independent customer. It was established on the spot that the two cooperating producers could not provide such information. The reselling company purchased the product concerned from various sources, including the two exporting producers and sold it to end-users, retailers and distributors. Nevertheless, the reselling company was not in a position to demonstrate through its accounting records which products were bought from the two cooperating producers and hence could not give resale prices for such products when sold to independent customers.

Based on the above, the Commission provisionally concludes that sales of the product concerned made on the domestic market through the related reselling company should be disregarded in the calculation of normal value, as the remaining domestic sales could still be considered as representative.

- (79) For the fifth sampled exporting producer in Taiwan, it was established that no domestic sales of the like product existed. Therefore, normal value was constructed as set out in recital 71. However, serious discrepancies were found during the course of the investigation in the submitted information. Firstly, the company did not classify the different types of the product concerned according to the clear specifications given by the Commission and, therefore, no comparisons with domestic sales of other producers in Taiwan for a significant number of product types could be established. Secondly, it was not possible during the on-the-spot verification to reconcile the cost of production for the product concerned, as reported in the questionnaire response, with the cost of goods sold in the profit and loss table of the reply to the questionnaire or any accounting record of the company. Nor could a link be established between the purchases of raw materials and the reported cost of production per product type. The company submitted new cost of production following the verification visit which could not be supported by verified information.

Due to the aforesaid developments and pursuant to Article 18 of the basic Regulation, the company was informed that certain information could not be used for the dumping calculations and that provisional findings would be partially established on the basis of facts available. Consequently, in order to determine constructed normal value, the Commission used an adjusted cost of production for the exported product types which could be clearly identified on the basis of the available specifications. To this cost of production was added, the weighted average SGA expenses and profit on domestic sales of the other four cooperating exporting producers in Taiwan.

(e) Thailand

- (80) For the four Thai cooperating exporting producers, it was established that no representative domestic sales in the ordinary course of trade for the like product existed. Therefore, normal value had to be constructed in accordance with the provisions set in recital 71.

(f) *Vietnam*

- (81) Since no MET was granted to any Vietnamese exporting producer, normal value for Vietnam was established as set out in recital 72.

**4. Export Price**

(a) *People's Republic of China*

- (82) Exports of the two cooperating exporting producers granted IT were made directly to independent customers in the Community. Export prices were therefore based on prices actually paid or payable for the product concerned in accordance with Article 2(8) of the basic Regulation.

(b) *Indonesia*

- (83) Exports of the sole cooperating exporting producer were made directly to independent customers in the Community. The export price was therefore based on prices actually paid or payable for the product concerned in accordance with Article 2(8) of the basic Regulation.

(c) *Malaysia*

- (84) For one exporting producer which made export sales to the Community directly to independent customers, the export price was established on the basis of the prices actually paid or payable for the product concerned in accordance with Article 2(8) of the basic Regulation.

- (85) The other Malaysian exporting producer made exports of the product concerned to independent customers and to one related party in the Community. For the former exports, the export price was established on the basis of the prices actually paid or payable for the product concerned in accordance with Article 2(8) of the basic Regulation. For the exports made to the related party, the export price was established in accordance with Article 2(9) of the basic Regulation, on the basis of prices at which the imported products were first resold to an independent buyer. For this purpose, adjustments were made to take account of all costs, including duties and taxes, incurred between importation and resale, and of profits normally accruing by independent cooperating importers, so that a reliable export price could be established.

(d) *Taiwan*

- (86) The exporting producers made export sales to the Community either directly to independent customers or through trading companies located in Taiwan.

- (87) Where export sales to the Community were made directly to independent customers, the export prices were established on the basis of the prices actually paid or payable for the product concerned in accordance with Article 2(8) of the basic Regulation.

- (88) Where export sales to the Community were made through trading companies, export prices were established on the basis of the prices of the product when sold for export to the trading companies by the producers concerned in accordance with Article 2(8) of the basic Regulation.

- (89) One exporting producer, which was also selling the product concerned via trading companies in Taiwan, was not in a position to present any supporting documentation which could clarify the destinations of its products sold via traders. Such sales were therefore disregarded and the export price was based only on direct exports to independent customers in the Community.

(e) *Thailand*

- (90) The exports of the four cooperating exporting producers were made directly to independent customers in the Community. The export price was therefore based on prices actually paid or payable for the product concerned in accordance with Article 2(8) of the basic Regulation.

(f) *Vietnam*

- (91) As was explained under the analysis of IT above, only one company cooperated in Vietnam, but it was not granted IT. Furthermore, this company was operating as a subcontractor of a Taiwanese related company, which cooperated with the investigation. The Taiwanese company was the owner of the raw materials and it was performing all functions related to export sales. However, it was not able to demonstrate through its accounts that the export prices to independent customers, as reported in the reply to the questionnaire of the Vietnamese subcontractor, concerned products manufactured in Vietnam and exported to the Community. Therefore, such prices cannot be used as export prices from Vietnam to the Community. The company was informed accordingly. Since no other source was available, export prices were provisionally based on Eurostat import statistics for all exporting producers.

**5. Comparison**

- (92) The comparison between normal value and export price was made on an ex-factory basis.
- (93) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. For all investigated exporting producers, allowances for differences in transport costs, ocean freight and insurance costs, handling, loading and ancillary costs, packing costs, credit costs, warranty and guarantee costs and commissions have been granted where applicable and justified.

**6. Dumping margins**

*6.1. General methodology*

- (94) Pursuant to Article 2(11) and (12) dumping margins were established on the basis of a comparison of a weighted average normal value by product type with a weighted average export price by product type as established above.
- (95) The dumping margin for cooperating exporting producers, who made themselves known in accordance with Article 17 of the basic Regulation, but were not examined individually, has been established on the basis of the weighted average of the dumping margins of the companies in the sample pursuant to Article 9(6) of the basic Regulation.
- (96) For those exporting producers which neither replied to the Commission's questionnaire nor otherwise made themselves known, the dumping margin was established on the basis of the facts available, in accordance with Article 18(1) of the basic Regulation.
- (97) In order to determine the dumping margin for non-cooperating exporting producers, the level of non-cooperation was first established. To this end, the volume of exports to the Community reported by the cooperating exporting producers was compared with the equivalent Eurostat import statistics.
- (98) Where the level of non-cooperation was high, i.e. more than 20 %, it was considered appropriate to set the dumping margin for the non-cooperating exporting producers at a level higher than the highest dumping margin established for the cooperating exporting producers. Indeed, there is reason to believe that the high level of non-cooperation results from the non-cooperating exporting producers in the investigated country generally having dumped at a higher level than any cooperating exporting producer. In such cases, the dumping margin was therefore established at a level which corresponds to the weighted average dumping margin of the most sold representative product types of the cooperating exporting producers with the highest dumping margins.
- (99) Where the level of cooperation was high, it was considered appropriate to set the dumping margin for any non-cooperating exporting producers at the level of the highest dumping margin found for a cooperating exporting producer in the country concerned, since there was no reason to believe that any non-cooperating exporting producer had dumped at a lower level.

- (100) It has been the consistent practice of the Commission to consider related exporting producers or exporting producers belonging to the same group as one single entity for the determination of a dumping margin and thus establish one single dumping margin for them. This is in particular because calculating individual dumping margins might encourage circumvention of anti-dumping measures, thus rendering them ineffective, by enabling related exporting producers to channel their exports to the Community through the company with the lowest individual dumping margin.

In accordance with this practice, the two related exporting producers in Taiwan belonging to the same group were regarded as one single entity and attributed one single dumping margin. For these exporting producers, it was decided to first calculate a dumping margin per company and then to establish a weighted average of these dumping margins which was attributed to the group as a whole.

#### 6.2. Dumping margins

##### (a) People's Republic of China

- (101) There was significant non-cooperation of exporting producers in the PRC (around 85 %).
- (102) The provisional dumping margins, expressed as a percentage of the cif import price at the Community border, duty unpaid, are the following:
- Tengzhou Tengda Stainless Steel Product Co., Ltd, Tengzhou City 21,5 %
  - Tong Ming Enterprise (Jiaxing) Co. Ltd, Zhejiang 12,2 %
  - all other companies 27,4 %.

##### (b) Indonesia

- (103) There was significant non-cooperation of exporting producers in Indonesia (around 60 %). The provisional dumping margins, expressed as a percentage of the cif import price at the Community border, duty unpaid, are the following:
- PT. Shye Chang Batam Indonesia, Batam 9,8 %
  - all other companies 24,6 %.

##### (c) Malaysia

- (104) There was 100 % cooperation of exporting producers in Malaysia. No provisional dumping margins were found for both cooperating exporting producers (Tigges Stainless Steel Fasteners (M) Sdn. Bhd., Ipoh, Chemor and Tong Heer Fasteners Co. Sdn., Bhd, Penang) and, therefore, no provisional measures should be imposed on imports from Malaysia. Should these findings be confirmed in the further course of the investigation, the proceeding shall be terminated as regards Malaysia.

##### (d) The Philippines

- (105) As stated in recital 14, it was found that virtually all exports from the Philippines to the Community appear to consist of nuts. Since it was provisionally concluded that nuts should be excluded from the product scope, no dumping margin has been established and no provisional measures should be imposed on imports from the Philippines.

##### (e) Taiwan

- (106) For one sampled Taiwanese exporting producer, the dumping margin was established by using partially facts available in accordance with Article 18(1) of the basic Regulation. Therefore, in accordance with Article 9(6) of the basic Regulation, its dumping margin has been disregarded in calculating the weighted average dumping margin for the non-sampled cooperating exporting producers.

- (107) Two sampled exporting producers were related and, therefore, one dumping margin was calculated for them.
- (108) There was significant non-cooperation of exporting producers in Taiwan (around 22). The provisional dumping margins, expressed as a percentage of the cif import price at the Community border, duty unpaid, are the following:
- Arrow Fasteners Co. Ltd, Taipei 15,2 %
  - Jin Shing Stainless Ind. Co. Ltd, Tao Yuan 18,8 %
  - Min Hwei Enterprise Co. Ltd, Pingtung 16,1 %
  - Tong Hwei Enterprise, Co. Ltd, Kaohsiung 16,1 %
  - Yi Tai Shen Co. Ltd, Tainan 11,4 %
  - cooperating exporting producers not in the sample 15,8 %
  - all other companies 23,6 %.
- (f) Thailand
- (109) There was 100 % cooperation of exporting producers in Thailand. The provisional dumping margins, expressed as a percentage of the cif import price at the Community border duty unpaid, are the following:
- A.B.P. Stainless Fasteners Co. Ltd, Ayutthaya 15,9 %
  - Bunyat Industries 1998 Co. Ltd, Samutsakorn 10,8 %
  - Dura Fasteners Company Ltd, Samutprakarn 14,6 %
  - Siam Screws (1994) Co. Ltd, Samutsakorn 11,0 %
  - all other companies 15,9 %.
- (g) Vietnam
- (110) The provisional dumping margin for all companies in Vietnam, expressed as a percentage of the cif import price at the Community border duty unpaid, is 7,7 %.

## E. INJURY

### 1. Community production

- (111) The investigation established in the framework of the sampling exercise that the like product was manufactured by seven producers in the Community during the investigation period (see recital 30). However, two of them have not cooperated further with the investigation. Furthermore, in the context of the complaint there was a number of other small producers in the Community, which are also not cooperating with the investigation.
- (112) Hence, the volume of Community production for the purpose of Article 4(1) of the basic Regulation has been provisionally calculated by adding the production of the seven producers known from the sampling exercise plus the volume of production of the other small non-cooperating producers known from the complaint.

## 2. Definition of the Community industry

- (113) The five cooperating producers referred to in recital 30 represented 54 % of the total Community production of the like product. These companies, therefore, constitute the Community industry within the meaning of Article 4(1) of the basic Regulation and are referred to as such hereafter. Four of these companies, representing the largest representative volume of production, have been sampled in accordance with Article 17(1) of the basic Regulation. They are referred to as the 'sampled Community producers'.
- (114) Due to the use of sampling, the injury indicators have been established partially for the Community industry as a whole and partially for the sampled Community producers only. The injury analysis with regard to market share, production, capacity and capacity utilisation, sales volume and value, growth, stocks, employment and productivity is based on data of the Community industry as a whole. Otherwise, data with regard to the sampled Community producers have been used (transaction prices, investment & return on investment, wages, profitability, cash flow and ability to raise capital).

## 3. Analysis of the situation on the Community market

### 3.1. Introduction

- (115) The relevant Eurostat statistics for CN codes 7318 12 10, 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61 and 7318 15 70 together with data obtained from the verified questionnaire responses of the Community industry were used in the evaluation of volume and price trends. It should be recalled that nuts are, at this provisional, stage not considered as part of the product scope. Therefore, data relating to this item (CN code 7318 16 30) have not been integrated in the present analysis.
- (116) Community industry data were obtained from the verified questionnaire responses of the cooperating Community producers.
- (117) From September 1997 until February 2003 anti-dumping measures with regard to SSF imports from the PRC, India, Malaysia, the Republic of Korea, Taiwan and Thailand were in place <sup>(1)</sup>.

### 3.2. Community consumption

- (118) In calculating the apparent Community consumption of the product concerned and the like product, the Commission added:
- the volume of total imports of the product concerned and the like product into the Community as reported by Eurostat,
  - the volume of sales of the like product in the Community produced by the Community industry,
  - and, on the basis of the information contained in the complaint, the estimated volume of sales of the like product in the Community by the other known Community producers.

As shown in the table below, the Community consumption of the product concerned and the like product increased by 24 % over the period considered.

Consumption in kg	2001	2002	2003	IP
Product concerned and like product	63 907 918	70 113 833	75 854 601	79 427 756
<i>Index</i>	100	110	119	124

<sup>(1)</sup> Council Regulation (EC) No 393/98 (OJ L 50, 20.2.1998, p. 1).

### 3.3. Imports of the product concerned into the Community

#### 3.3.1. Cumulation

- (119) The dumped imports of SSF originating in the PRC, Indonesia, Taiwan, Thailand and Vietnam (the countries concerned) have been assessed cumulatively in accordance with Article 3(4) of the basic Regulation. It is recalled that imports from Malaysia were not found to be dumped and imports from the Philippines concerned only nuts, which have been provisionally excluded from the scope of this proceeding. Therefore, these imports have not been considered with the dumped imports. The margins of dumping established in relation to the imports from each country concerned are more than *de minimis* as defined in Article 9(3) of the basic Regulation, i.e. 2 % of the export prices, and the volume of imports from each country concerned is above the threshold of 1 % market share set by Article 5(7) of the basic Regulation. Average import prices from all countries concerned constantly dropped over the period considered. Furthermore, the SSF imported from the countries concerned were alike in all respects, they are interchangeable and are marketed in the Community through comparable sales channels and under similar commercial conditions, thus competing with each other and with the SSF produced in the Community. Therefore, it is provisionally concluded that a cumulative assessment of the effects of the imports is appropriate.

#### 3.3.2. Volume, price and market share of imports from the countries concerned

Imports (in kg)	2001	2002	2003	IP
Product concerned	13 988 700	14 303 000	22 428 600	27 399 700
<i>Index</i>	100	102	160	196

- (120) The volume of imports of the product concerned increased significantly throughout the period considered. Imports in the investigation period were 96 % greater than in 2001.

Average import price per kg (in EUR)	2001	2002	2003	IP
Product concerned	3,53	2,90	2,50	2,41
<i>Index</i>	100	82	71	68

- (121) The average import price of the product concerned decreased continuously over the period considered. Overall price levels in the investigation period were 32 % lower than in 2001.

EC market share	2001	2002	2003	IP
Product concerned	21,9 %	20,4 %	29,6 %	34,5 %
<i>Index</i>	100	93	135	158

- (122) The share of the countries concerned on the Community market fell from 2001 to 2002 by 7 %. However, starting in 2003, the countries concerned increased their activities strongly and rapidly on the Community market, overall resulting in 58 % growth of their market share in the period considered.

### 3.3.3. Price undercutting

- (123) For the determination of price undercutting, price data referring to the investigation period was analysed. To this end, sales prices of the Community industry to their unrelated customers on an ex-works basis have been compared with sales prices of the exporting producers of the countries concerned to their first independent customers in the Community on a cif import basis, in both cases after deduction of discounts, rebates, commissions and taxes.
- (124) The Community industry's sales prices and the cif import prices of the exporting producers were compared at the same level of trade, namely traders/distributors within the Community market, on the basis of weighted average prices. The comparison was made separately per type of SSF and stainless steel used. During the investigation period, virtually all sales of the exporting producers in the Community were made via traders/distributors.
- (125) The results of the comparison, when expressed as a percentage of the Community industry's sales prices during the investigation period, showed significant price undercutting margins (up to 59,2 %). These price undercutting margins indicate price pressure exerted by the imports from the countries concerned on the Community market.
- (126) Per country concerned the undercutting margins were as follows:

Country	Undercutting margin
PRC	from 8,6 to 59,2 %
Indonesia	from 28 to 31,9 %
Taiwan	from 7 to 38,9 %
Thailand	from 13,1 to 44,4 %
Vietnam	28,2 %

### 3.4. Economic situation of the Community industry

#### 3.4.1. Production, capacity and capacity utilisation

	2001	2002	2003	IP
Production (kg)	18 808 577	24 601 594	21 672 591	21 688 461
<i>Index</i>	100	131	115	115
Capacity (kg)	36 210 417	45 866 665	43 931 762	45 081 275
<i>Index</i>	100	127	121	124
Capacity utilisation	51,9 %	53,6 %	49,3 %	48,1 %
<i>Index</i>	100	103	95	93

- (127) After an increase in output of 31 % in 2002, surpassing growth of Community consumption in relative terms, the production of the Community industry subsequently declined to remain since 2003 stable on a level 15 % higher than in 2001. It is noted that this level of increase lags behind the 24 % growth of Community consumption over the period considered.
- (128) The production capacity of the Community industry, again with a peak in 2002, has increased by 24 %, reflecting the investments made by the sampled Community producers.

- (129) The capacity utilisation rate of the Community industry, after a slight improvement in 2002, subsequently decreased, overall by 7 % over the period considered.

### 3.4.2. Sales volume, sales price, market share and growth

Sales in the Community of the like product	2001	2002	2003	IP
Volume (kg)	20 691 876	25 326 440	23 362 418	22 115 591
<i>Index</i>	100	122	113	107
Average sales price (EUR/kg)	2,83	2,47	2,67	2,99
<i>Index</i>	100	87	94	106
Market share	32,4 %	36,1 %	30,8 %	27,8 %
<i>Index</i>	100	112	95	86

- (130) The sales volume of the Community industry increased by 7 % over the period considered. However, it should be noted that, after an increase by 22 % in 2002, the sales volume of the Community industry constantly decreased. Moreover, this increase is significantly lower than the 24 % growth of Community consumption and by far lagging behind the 96 % increase of imports from the countries concerned over the period considered.
- (131) Average sales prices of the Community industry increased by 6 % over the period considered. After a decrease by 13 % between 2001 and 2002, prices have been constantly increasing.
- (132) Over the period considered market share of the Community industry decreased by 14 %. After an increase by 12 % between 2001 and 2002, the market share has been constantly decreasing. A comparison of the situation in the IP with 2002 reveals even a 26 % decline. At the same time, the share of imports from the countries concerned increased strongly.
- (133) As can be seen by the trends for production and sales volume in absolute terms, the Community industry experienced growth over the period considered, but still a decline since 2002. Furthermore, market share declined over the period considered, indicating that in relative terms, i.e. compared with competitors, the Community industry did not grow.

### 3.4.3. Profitability

	2001	2002	2003	IP
Profitability Community industry	2,0 %	- 2,7 %	- 0,7 %	4,3 %
<i>Index</i>	100	- 134	- 37	214

- (134) Over the period considered profitability of the sampled Community producers improved. After making small profits in 2001, profitability decreased resulting in a loss-making situation in 2002. Between 2002 and 2003 profitability improved, but the Community industry still remained loss-making. In the period 2003-IP the Community obtained its best profitability result over the period considered and achieved on average a profit margin of 4,3 %. This might appear at first sight positive but requires further evaluation in its proper context.

- (135) In fact, even in the IP the sampled Community producers on average did not achieve the minimum profit margin considered adequate and achievable in the absence of dumping, i.e. 5 % (see recital 178) and were remote from the profitability level the Community industry reached in 1995, i.e. 9,1 % <sup>(1)</sup> achieved before dumped imports arrived on the market.
- (136) In addition, it is pertinent to consider that such improved profitability in the IP was (i) achieved at the expense of decreasing market share and (ii) essentially the result of a strong speculative increase of the price for the main cost driver, i.e. stainless steel. The anticipated increase of stainless steel prices, enabled the Community industry to achieve higher prices for the like product, by using temporarily in their production stocks of comparatively cheap stainless steel procured before the speculative increase in price. However, this cost advantage was brought to an end once the existing stocks of raw material were used up and new steel had to be procured at significantly increased price levels. Furthermore, such speculative phase is generally not of a lasting nature and customers, notably large distributors with strong negotiating power, restart exercising severe price pressure again, once a stagnation or downturn of steel prices is perceived. Consequently, the increased profitability is essentially due to very benevolent market conditions for the Community industry mainly in the second phase of the IP and not of a sustainable nature.

#### 3.4.4. Stocks

	2001	2002	2003	IP
Stocks (kg)	7 965 825	6 425 035	4 194 493	3 800 389
<i>Index</i>	100	81	53	48

- (137) The Community industry's year-end stock levels strongly dropped by 52 % over the period considered. This can be explained by: (i) increased 'on demand' production (in that case stocks becomes of limited relevance) and (ii) a decrease in production since 2002.

#### 3.4.5. Investments, return on investment, cash flow and the ability to raise capital

	2001	2002	2003	IP
Investments	1 595 223	1 977 279	2 776 586	1 039 989
<i>Index</i>	100	124	174	65
Return on investment	8,6 %	- 11,1 %	- 3,0 %	19,3 %
<i>Index</i>	100	- 129	- 34	224
Cash flow	7 170 700	- 979 445	3 178 050	4 602 063
<i>Index</i>	100	- 14	44	64

- (138) From 2001 to 2003 the sampled Community producers continually increased their investments, in particular because of replacement of obsolete machinery and equipment. In the investigation period investment decreased by 35 % as compared to the beginning of the period considered. However, this decline in the IP can partially be explained by significant investments in previous years. Investments for the manufacture of the like product are necessary to maintain and improve competitiveness and improve environmental and security standards.

<sup>(1)</sup> OJ L 243, 5.9.1997, p. 17, recital 69.

- (139) Return on investment improved over the period considered. This (i) confirms the appropriateness of investment decisions taken by the management; and (ii) reflects the improved profitability levels of the sampled Community producers during the IP. However, as already set out in the context of the profitability analysis, the improved profitability can largely be explained by special, non-lasting circumstances (speculative steel price development during the IP). Furthermore, the fact that part of the sampled Community producers increasingly used leased machinery for their production explains the relatively better performance of the return on investment indicator compared with the profitability indicator.
- (140) Although the cash flow of the sampled Community producers generated by the sales of the like product improved since 2002, over the period considered it decreased by 36 %.
- (141) The sampled Community producers did not experience any significant difficulty to raise capital as demonstrated by their ability to make investments during the period considered.

#### 3.4.6. Employment, productivity and wages

	2001	2002	2003	IP
Employment	266	285	269	252
<i>Index</i>	100	107	101	95
Productivity (in kg per worker)	70 643	86 463	80 427	86 159
<i>Index</i>	100	122	114	122
Labour cost EUR	7 429 616	8 347 464	8 266 487	7 870 657
<i>Index</i>	100	112	111	106
Labour cost EUR per employee	33 887	34 704	36 341	37 350
<i>Index</i>	100	102	107	110

- (142) The Community industry increased employment in 2002. However, subsequently employment constantly decreased, overall by 5 % over the period considered. This negative development coincides with the reduced production since 2002.
- (143) Productivity, as expressed in kg of production per worker, improved by 22 % over the period considered, indicating a determination and capability to maintain and improve competitiveness.
- (144) Wages per worker increased by 10 % over the period considered. Such increase reflects rewards for improved productivity and compensation for inflation with regard to employees' remuneration. Furthermore, in absolute terms labour costs decreased since 2002.

#### 3.4.7. Magnitude of dumping and recovery from past dumping

- (145) Given in particular the volume of dumped imports from the countries concerned, the margins of dumping found cannot be considered to be negligible.

- (146) Until the beginning of 2003, anti-dumping measures were in place with regard to imports of the product concerned from the PRC, India, Malaysia, the Republic of Korea, Taiwan and Thailand. However, the Community industry did not fully recover from past dumping, as in particular shown by the evolution of market share, sales volume and employment. This became particularly apparent after the expiry of the previous anti-dumping measures.

#### 3.4.8. Conclusion on injury

- (147) Over the period considered the Community industry increased production and sales volume, was able to reduce its stocks and it continually invested. It did not experience difficulties to raise capital and improved productivity. Labour costs in absolute terms decreased. Furthermore, the Community industry was able to increase its prices in the IP so as to improve its profitability and return on investment.
- (148) Yet, these positive aspects require evaluation in their context. Higher prices and improved profitability were gained at the expense of significant losses in market share for the Community industry, i.e. 14 % over the period considered and even 26 % since 2002. In particular, due to the availability of cheap dumped imports, customers opted for alternative sources of supply and the Community industry was not able to keep track.
- (149) Furthermore, and in line with the findings on market share, over the period considered, growth in production (15 %) and sales volume (7 %) of the Community industry did not keep pace with the significantly more favourable development of consumption on the Community market (24 %). Employment in the Community industry dropped by 5 %, which, in fact, is the explanation for reduced labour costs. In addition, the profitability situation for the sampled Community producers cannot, overall, be considered to be satisfactory. For the most part of the period considered, it was clearly insufficient (losses or insufficient profit margin). Although profitability of the sampled Community producers improved in the IP (4,3 % profit margin), this (i) is still lagging behind the minimum margin of 5 % that the Community industry could be expected to obtain in the absence of injurious dumping and (ii) can largely be attributed to non-lasting effects of rising steel prices. The negative situation of the Community industry is further reflected in the picture displayed by the trend for cash flow.
- (150) As a result, overall the negative trend indicators outweigh the positive trends and it is provisionally concluded that the Community industry has suffered material injury within the meaning of Article 3(1) of the basic Regulation.

### F. CAUSATION

#### 1. Introduction

- (151) According to Article 3(6) and (7) of the basic Regulation, the Commission has examined whether the dumped imports of the product concerned originating in the countries concerned have caused material injury to the Community industry. Known factors other than the dumped imports, which could at the same time be injuring the Community industry, were also examined to ensure that possible injury caused by these other factors was not attributed to the dumped imports.

#### 2. Effect of the dumped imports

- (152) The countries concerned have, since 2003, strongly improved their market position. It can clearly be observed that their increase in market share by 58 % coincides with a decrease for the Community industry. Moreover, the import volume from the countries concerned (96 % increase) grew much stronger than the consumption on the Community market (24 %). Finally, the average import price of the countries concerned was since 2003, as a consequence of unfair trade in the form of dumping following the expiry of the anti-dumping measures, significantly lower than the price level of the Community industry, thus exercising price pressure.

It was therefore provisionally established that the dumped imports from the countries concerned had a considerable negative impact on the situation of the Community industry during the period considered, in particular in terms of market share and sales volume.

### 3. Impact of other factors

#### 3.1. Imports from other third countries

Third country imports	2001	2002	2003	IP
Volume (in 000 kg)				
Switzerland	3 901	3 218	3 971	3 970
<i>Index</i>	100	82	102	102
Japan	2 825	2 600	3 062	1 612
<i>Index</i>	100	92	108	57
Malaysia	1 242	437	1 057	1 456
<i>Index</i>	100	35	85	117
India	35	21	701	1 148
<i>Index</i>	100	61	2 021	3 307
Norway	681	384	406	438
<i>Index</i>	100	56	60	64
Republic of Korea	40	36	109	221
<i>Index</i>	100	89	271	549
Philippines	89	28	59	80
<i>Index</i>	100	31	66	89
Rest of the world	2 833	2 011	2 150	2 574
<i>Index</i>	100	71	76	91
Average import price per kg (EUR)				
Switzerland	10,48	11,47	9,82	9,90
<i>Index</i>	100	109	94	94
Japan	5,52	4,68	3,99	7,55
<i>Index</i>	100	85	72	137
Malaysia	3,20	3,15	2,62	2,70
<i>Index</i>	100	98	82	84
India	6,20	10,69	1,76	1,91
<i>Index</i>	100	172	28	31
Norway	2,33	1,61	2,36	2,89
<i>Index</i>	100	100	100	100
Republic of Korea	5,04	5,61	2,65	2,72
<i>Index</i>	100	111	53	54
Philippines	3,38	4,06	3,45	3,47
<i>Index</i>	100	120	102	103
Rest of the world	11,70	12,37	10,23	8,34
<i>Index</i>	100	106	87	71

- (153) Imports of the product under consideration from countries, other than the countries concerned, decreased overall. In fact, the market share of such other imports declined by 20 % over the period considered. Furthermore, on average the import price of those other countries was significantly higher as compared with the price levels from the countries concerned.
- (154) Two exporters submitted that imports from India, the Republic of Korea and Norway would break any causal link that may exist between the material injury that might be sustained by the Community industry and the dumped imports from the countries concerned.
- (155) However, on the basis of the facts at hand, imports from the Republic of Korea (IP: 221 tonnes at 2,72 EUR/kg on average) and Norway (IP: 438 tonnes at 2,89 EUR/kg on average) can both in terms of their small volume and their price levels not explain the injury caused to the Community industry. It is further noted that imports from Norway decreased during the period considered by 36 %.
- (156) With regard to India though, it can be observed that starting in 2003 imports increased considerably (IP: 1 147,6 tonnes) at low prices (average 1,91 EUR/kg). It cannot be ruled out that in the IP those imports from India could have had a certain negative impact, in particular in terms of price pressure on the state of the Community industry. Yet, given the relatively small amount of the Indian import volume in comparison to the import volume from the countries concerned (27 400 tonnes on average at 2,41 EUR/kg), it was concluded that the impact of the Indian imports (market share in the IP 1,4 %) was not such as to break the causal link of the dumped imports and the material injury suffered by the Community industry. Imports from India in isolation cannot explain the significant loss of market share sustained by the Community industry and, in relation to the growth in consumption, its much less favourable increase of sales.
- (157) Furthermore, despite the allegations of two exporters, it is not discriminatory in the meaning of Article 9(5) of the basic Regulation that imports from India were not subject to the present investigation. In this context, it should be recalled that over the period considered imports from India have been until the IP negligible in the meaning of Article 5(7) of the basic Regulation. Only in the IP have imports increased but even then, they remain relatively minor (1,4 % market share). Furthermore, it should be noted that the Commission had no *prima facie* evidence that such imports from India were dumped when this proceeding was initiated.
- (158) Since imports from the Philippines and Malaysia are now excluded from the present investigation, it was further considered if those imports have broken the causal link between dumped imports and the material injury suffered by the Community industry. However, after the exclusion of nuts from the product scope, imports from the Philippines of other SSF were clearly negligible (IP market share 0,1 %) and at a rather high price level (3,47 EUR/kg). On this basis, no relevant injurious impact could have been asserted. Imports from Malaysia were also lower in volume and on average higher in prices (IP: 1 456 tonnes at 2,70 EUR/kg) in comparison to the imports from the countries concerned. Furthermore, the market share of Malaysian imports decreased by 6 % over the period considered. Consequently, although Malaysian imports could have had a negative impact on the state of the Community industry, it is provisionally concluded that this was not such as to neutralise the injurious effects caused by dumped imports from the countries concerned.
- (159) It was therefore provisionally concluded that imports from countries other than the countries concerned have not broken the causal link between the material injury suffered by the Community industry and the dumped imports from the countries concerned.

### 3.2. *Development of consumption of the Community market*

- (160) Consumption of the product under investigation on the Community market increased by 24 % during the period considered. Thus, the injury suffered by the Community industry cannot be attributed to a contraction of demand on the Community market.

### 3.3. *Competitiveness of the Community industry*

- (161) The Community industry is an important competitor for the like product as demonstrated by its market share and has constantly invested to maintain the state-of-the-art of its production. Indeed, productivity per worker even improved by 22 % over the period considered. Contrary to the allegations made by four exporters, this improved productivity of the Community industry, which coincides with its investments, shows that its investment policy cannot explain the material injury it suffered. To the contrary, in view of the improved productivity, the investments contributed to minimise injury. Consequently, no evidence was found that lack of competitiveness could have broken the causal link between imports from the countries concerned and the injury suffered by the Community industry.

### 4. **Conclusion on causation**

- (162) Overall, it was therefore provisionally concluded that the imports from the five countries concerned taken together have caused material injury to the Community industry. No other factor has been established which has broken this causal link.

## G. **COMMUNITY INTEREST**

### 1. **Introduction**

- (163) It was examined whether compelling reasons existed which would lead to the conclusion that it is not in the Community interest to provisionally impose measures in this particular case. For this purpose, and pursuant to Article 21(1) of the basic Regulation, the likely impact of measures on all parties concerned in the investigation was considered. In order to assess whether it is in the interest of the Community to introduce measures, questionnaires were sent to users and importers of the product concerned and to upstream suppliers of raw materials used in producing the like product.

### 2. **Interest of the Community industry**

- (164) The investigation has shown that the Community industry is viable and able to compete under fair market conditions. As set out above, the Community industry has significant spare capacity to produce the like product. Usage of this spare capacity would be beneficial for improving its sales and market share, for increased employment and, by means of augmented economies of scale, eventually for a sustainable adequate profitability. However, such improvements are prevented, in particular, by the continuous price pressure exerted by the dumped imports of the product concerned on the Community market. The imposition of anti-dumping measures would alleviate the effects of such unfair price pressure.
- (165) It is considered that without measures to correct the negative effects of the dumped imports, the Community industry will continue to face price undercutting and thus price depression with its adverse effects, in particular, on the industry's market share and sales volume. Eventually, this could even put the viability of the Community industry at risk. Consequently, it is considered that the imposition of measures would be in the interest of the Community industry.

### 3. **Interest of the importers/distributors**

- (166) Importers/distributors have a virtually exclusive role as intermediaries between producers (in and outside the Community) and users of SSF. Their negotiating power and their capacity to stock large quantities of SSF have a strong impact on the prices of SSF.

- (167) Four of the sampled importers/distributors sent questionnaire replies. Only two importers, though, provided complete replies. These two importers accounted for around 14 % of Community imports of the product concerned during the IP. In addition, a German importer/distributor association made comments. Further, a hearing with importers/distributors and this association was held.
- (168) Importers/distributors in the Community are not in favour of the imposition of measures. The cooperating importers and their association argued that the imposition of measures will increase prices for users whilst allegedly the product concerned and the like product produced by the Community industry is not always comparable. Furthermore, such measures would be to the detriment of their business and their employees.
- (169) However, on the basis of the information received, it appears that importers/distributors purchase the product under investigation from a variety of sources in and outside the Community, including from the Community industry. Since there are no fundamental quality or product type differences between the product imported from the countries concerned and the like product obtained from any other sources, it is provisionally considered that the importers/distributors in the Community would have no difficulty in obtaining the product if anti-dumping measures are imposed, in particular, in view of the significant number of alternative suppliers. Furthermore, the importers did not substantiate their claim that the imposition of anti-dumping measures would have any significant impact on employment, especially that import activities are not labour intensive. Concerning the increase in prices that would result from the imposition of provisional anti-dumping duties, it is noted that the anti-dumping measures in place from 1997 to 2003 did not put the economic situation of the importers/distributors at risk. Furthermore, the profit margins of the importers appear, on the basis of the received questionnaire replies, over the period considered well above the profitability of the Community industry. In such circumstances, it is not expected that any increase on prices, because of the imposition of measures, would automatically be passed through to users.
- (170) Although importers/distributors are not in favour of measures, it can be concluded on the basis of the information available that any advantage they may gain from not having anti-dumping measures imposed are outweighed by the interest of the Community industry in having the unfair and injurious trading practices from the countries concerned redressed.

#### **4. Interest of upstream suppliers**

- (171) In order to assess the likely effect that anti-dumping measures could have on the upstream suppliers of the Community industry, questionnaires were sent to all such known suppliers. In total, nine questionnaires were sent out and one reply was received. This upstream supplier, a stainless steel producer, is in favour of the imposition of measures. Although the Community industry is not one of the most important customers of this upstream supplier, this business still contributes to its employment and profitability. If the Community industry would curb or even stop production of the like product, upstream suppliers would lose some of their business.
- (172) Therefore, and in the absence of any information to the contrary, it is concluded that the imposition of anti-dumping measures would be in the interests of upstream suppliers.

#### **5. Interest of users and consumers**

- (173) Consumer associations have neither made themselves known nor provided any information in accordance with Article 21(2) of the basic Regulation. Therefore, and since utilisation of SSF essentially takes place in the assembly of further downstream products, the analysis has been limited to the effect of measures on users. SSF are used in a wide variety of sectors, *inter alia*, automotive, ship-building, construction, chemical, pharmaceutical, medical and foodstuffs. Questionnaires were sent to 12 known Community users of the product concerned. The Commission requested, amongst other information, their comments on whether the imposition of anti-dumping measures would be in the interest of the Community and how these measures would affect them. One questionnaire reply was received by a manufacturer of rolling stock vehicles. It pointed out that the product under investigation accounts for less than 1 % of the total costs of its finished products.

- (174) Taking into consideration that users could obtain the product under investigation not only from the countries concerned but from other sources as well, and given the marginal impact of SSF on the costs of downstream products, no adverse users' interest of tantamount importance was established.

## 6. Conclusion

- (175) Having examined the various interests involved, it is provisionally concluded that, from an overall Community interest perspective, no interest outweighs the Community industry's interest to provisionally impose measures with the aim to eliminate trade distorting effects resulting from dumped imports.

## H. PROVISIONAL ANTI-DUMPING MEASURES

- (176) In view of the conclusions reached with regard to dumping, injury, causation and Community interest, it is considered appropriate to introduce provisional anti-dumping measures in order to prevent further injury being caused to the Community industry by the dumped imports. For the purpose of determining the level of these measures, account was taken of the dumping margins found during the investigation period and of the amount of duty necessary to eliminate the injury sustained by the Community industry.

### 1. Injury elimination level

- (177) The necessary price increase to eliminate injury was determined on a per-company basis by comparing the weighted average import price of the product concerned with the non-injurious price of the like product sold by the Community industry on the Community market. The price difference was expressed as a percentage of the cif import value.
- (178) The non-injurious price has been obtained by taking the weighted cost of production of the Community industry together with a profit margin of 5 %. This is provisionally considered to be the profit margin that the Community industry could achieve in the absence of dumped imports. It reflects the achievable profit margin for similar product groups of the Community industry not subject to unfair competition, e.g. fasteners which do not fall under the CN codes of the product scope of the present investigation.

### 2. Level of the provisional anti-dumping duty

- (179) In the light of the foregoing, it is considered that, in accordance with Article 7(2) of the basic Regulation, a provisional anti-dumping duty should be imposed on imports from the countries concerned. This duty should be imposed at the level of the dumping margins found or the injury elimination level, if the latter is lower (Article 7(2) of the basic Regulation).
- (180) With regard to the level of duty, in the case of two cooperating exporting producers (one in Taiwan and one in the PRC) the injury elimination level was found to be lower than the dumping margin. In these cases, the level of the duty should be restricted by the injury elimination level. In all other cases, the level of the duty should be set at the level of the dumping margin found. The rates of the provisional anti-dumping duty for the countries concerned should be as follows:

Country	Exporting producer	AD duty rate
The PRC	Tengzhou Tengda Stainless Steel Product Co., Ltd, Tengzhou City	11,4 %
	Tong Ming Enterprise (Jiaxing) Co. Ltd, Zhejiang	12,2 %
	All other companies	27,4 %
Indonesia	PT. Shye Chang Batam Indonesia, Batam	9,8 %
	All other companies	24,6 %
Taiwan	Arrow Fasteners Co. Ltd, Taipei	15,2 %
	Jin Shing Stainless Ind. Co. Ltd, Tao Yuan	8,8 %
	Min Hwei Enterprise Co. Ltd, Pingtung	16,1 %
	Tong Hwei Enterprise, Co. Ltd, Kaohsiung	16,1 %
	Yi Tai Shen Co. Ltd, Tainan	11,4 %
	Cooperating exporting producers not in the sample	15,8 %
	All other companies	23,6 %
Thailand	A.B.P. Stainless Fasteners Co. Ltd, Ayutthaya	15,9 %
	Bunyat Industries 1998 Co. Ltd, Samutsakorn	10,8 %
	Dura Fasteners Company Ltd, Samutprakarn	14,6 %
	Siam Screws (1994) Co. Ltd, Samutsakorn	11,0 %
	All other companies	15,9 %
Vietnam	All companies	7,7 %

- (181) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of the present investigation. Therefore, they reflect the situation found during that investigation with respect to these companies. These duty rates (as opposed to the country-wide duty applicable to 'all other companies') are thus exclusively applicable to imports of products originating in the countries concerned and produced by the companies and thus by the specific legal entities mentioned. Imported products produced by any other company not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to 'all other companies'.
- (182) Any claim requesting the application of these individual company anti-dumping duty rates (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission<sup>(1)</sup> forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with e.g. that name change or that change in the production and sales entities. The Commission, if appropriate, will, after consultation of the Advisory Committee, amend the Regulation accordingly by updating the list of companies benefiting from individual duty rates.

#### I. FINAL PROVISION

- (183) In the interest of sound administration, a period should be fixed within which the interested parties which made themselves known within the time limit specified in the notice of initiation may make their views known in writing and request a hearing. Furthermore, it should be stated that the findings concerning the imposition of duties made for the purposes of this Regulation are provisional and may have to be reconsidered for the purpose of any definitive duty,

<sup>(1)</sup> European Commission  
 Directorate-General for Trade  
 Directorate B  
 J-79 5/17  
 Rue de la Loi/Wetstraat 200  
 B-1049 Brussels.

HAS ADOPTED THIS REGULATION:

*Article 1*

1. A provisional anti-dumping duty is hereby imposed on imports of certain stainless steel fasteners and parts thereof, falling within CN codes 7318 12 10, 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61, and 7318 15 70 originating in the People's Republic of China, Indonesia, Taiwan, Thailand and Vietnam.

2. The rate of the provisional duty applicable to the net, free-at-Community-frontier price, before duty, for products manufactured by the Taiwanese exporting producers listed in the Annex shall be 15,8 % (TARIC additional code A649).

3. The rate of the provisional duty applicable to the net, free-at-Community-frontier price, before duty, for products manufactured by the companies listed below shall be as follows:

Country	Exporting producer	AD duty rate (%)	TARIC additional code
The People's Republic of China	Tengzhou Tengda Stainless Steel Product Co., Ltd, Tengzhou City	11,4	A650
	Tong Ming Enterprise (Jiaxing) Co. Ltd, Zhejiang	12,2	A651
	All other companies	27,4	A999
Indonesia	PT. Shye Chang Batam Indonesia, Batam	9,8	A652
	All other companies	24,6	A999
Taiwan	Arrow Fasteners Co. Ltd, Taipei	15,2	A653
	Jin Shing Stainless Ind. Co. Ltd, Tao Yuan	8,8	A654
	Min Hwei Enterprise Co. Ltd, Pingtung	16,1	A655
	Tong Hwei Enterprise, Co. Ltd, Kaohsiung	16,1	A656
	Yi Tai Shen Co. Ltd, Tainan	11,4	A657
	All companies other than the above and those listed in the Annex	23,6	A999
Thailand	A.B.P. Stainless Fasteners Co. Ltd, Ayutthaya	15,9	A658
	Bunyat Industries 1998 Co. Ltd, Samut-sakorn	10,8	A659
	Dura Fasteners Company Ltd, Samut-prakarn	14,6	A660
	Siam Screws (1994) Co. Ltd, Samut-sakorn	11,0	A661
	All other companies	15,9	A999
Vietnam	All companies	7,7	—

4. The release for free circulation in the Community of the product referred to in paragraph 1 shall be subject to the provision of a security, equivalent to the amount of the provisional duty.
5. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

#### *Article 2*

Without prejudice to Article 20 of Council Regulation (EC) No 384/96, interested parties may request disclosure of the essential facts and considerations on the basis of which this Regulation was adopted, make their views known in writing and apply to be heard orally by the Commission within one month of the date of entry into force of this Regulation.

Pursuant to Article 21(4) of Council Regulation (EC) No 384/96, the parties concerned may comment on the application of this Regulation within one month of the date of its entry into force.

#### *Article 3*

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

Article 1 of this Regulation shall apply for a period of six months.

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

Done at Brussels, 20 May 2005.

*For the Commission*  
Peter MANDELSON  
*Member of the Commission*

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## ANNEX

**(TARIC additional code A649)**

A-STAINLESS INTERNATIONAL CO LTD, Taipei  
BOLTUN CORPORATION, Tainan  
CHAEN WEI CORPORATION, Taipei  
CHIAN SHYANG ENT CO LTD, Chung-Li City  
CHONG CHENG FASTENER CORP., Tainan  
DIING SEN FASTENERS & INDUSTRIAL CO LTD, Taipei  
DRAGON IRON FACTORY CO LTD, Kaohsiung  
EXTEND FORMING INDUSTRIAL CORP. LTD, Lu Chu  
FORTUNE BRIGHT INDUSTRIAL CO LTD, Lung Tan Hsiang  
FWU KUANG ENTERPRISES CO LTD, Tainan  
HSIN YU SCREW ENTERPRISE CO LTD, Taipin City  
HU PAO INDUSTRIES CO LTD, Tainan  
J C GRAND CORPORATION, Taipei  
JAU YEOU INDUSTRY CO LTD, Kangshan  
JOHN CHEN SCREW IND CO LTD, Taipei  
KUOLIEN SCREW INDUSTRIAL CO LTD, Kwanmiao  
KWANTEX RESEARCH INC, Taipei  
LIH LIN ENTERPRISES & INDUSTRIAL CO LTD, Taipei  
LIH TA SCREW CO LTD, Kweishan  
LU CHU SHIN YEE WORKS CO LTD, Kaohsiung  
M & W FASTENER CO LTD, Kaohsiung  
MULTI-TEK FASTENERS & PARTS MANUFACTURER CORP., Tainan  
NATIONAL AEROSPACE FASTENERS CORP., Ping Jen City  
QST INTERNATIONAL CORP., Tainan  
SEN CHANG INDUSTRIAL CO LTD, Ta-Yuan  
SPEC PRODUCTS CORP., Tainan  
SUMEEKO INDUSTRIES CO LTD, Kaohsiung  
TAIWAN SHAN YIN INTERNATIONAL CO LTD, Kaohsiung  
VIM INTERNATIONAL ENTERPRISE CO LTD, Taichung  
YEA-JANN INDUSTRIAL CO LTD, Kaohsiung  
ZONBIX ENTERPRISE CO LTD, Kaohsiung  
ZYH YIN ENTERPRISE CO LTD, Kaohsiung

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