COMMISSION IMPLEMENTING REGULATION (EU) 2018/186

of 7 February 2018

imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain corrosion resistant steels originating in the People's Republic of China

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union [1], and in particular Article 9(4) thereof,

Whereas:

1. PROCEDURE

1.1. Provisional measures

(1) On 10 August 2017 the European Commission (hereinafter referred to as 'the Commission') imposed a provisional anti-dumping duty on imports into the Union of certain corrosion resistant steels ('CRS') originating in the People's Republic of China ('the PRC' or 'the country concerned') by Commission Implementing Regulation (EU) 2017/1444 [2] ('the provisional Regulation') under Article 7 of Regulation (EU) 2016/1036 ('the basic Regulation').

(2) The investigation was initiated on 9 December 2016 [3] following a complaint lodged on 25 October 2016 by the European Steel Association ('Eurofer' or 'the complainant') on behalf of producers representing more than 53 % of the total Union production of certain corrosion resistant steels.

(3) As stated in recital 30 of the provisional Regulation the investigation of dumping and injury covered the period from 1 October 2015 to 30 September 2016 ('the investigation period' or 'IP'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2013 to the end of the investigation period ('the period considered').

1.2. Registration

(4) The Commission made imports of the product concerned originating in and consigned from the PRC subject to registration by Commission Implementing Regulation (EU) 2017/1238 [4]. The registration of imports ceased with the imposition of provisional measures on 11 August 2017.

1.3. Subsequent procedure

(5) Subsequent to the disclosure of the essential facts and considerations on the basis of which a provisional anti-dumping duty was imposed ('the provisional disclosure'), several interested parties made written submissions making known their views on the provisional findings. The parties who so requested were granted an opportunity to be heard.

(6) During the definitive stage of the investigation, hearings took place with the International Steel Trade Association ('ISTA') on 13 November 2017 and the Chinese Iron and Steel Association ('CISA') on 17 November 2017.

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[1] OJ L 176, 30.6.2016, p. 21.

[2] Commission Implementing Regulation (EU) 2017/1444 of 9 August 2017 imposing a provisional anti-dumping duty on imports of certain corrosion resistant steels originating in the People's Republic of China (C/2017/5512) (OJ L 207, 10.8.2017, p. 1).

[3] Notice of initiation of an anti-dumping proceeding concerning imports of certain corrosion resistant steels originating in the People's Republic of China (2016/C 459/11) (OJ C 459, 9.12.2016, p. 17).

[4] Commission Implementing Regulation (EU) 2017/1238 of 7 July 2017 making imports of certain corrosion resistant steels originating in the People's Republic of China subject to registration (C/2017/4629) (OJ L 177, 8.7.2017, p. 39).

(7) The Commission continued seeking and verifying all information it deemed necessary for its definitive findings. In order to have at its disposal information regarding the registration of imports, the sampled Union producers, Eurofer and all known importers were requested to provide additional data. The sampled Union producers, Eurofer and six importers submitted questionnaire replies.

(8) In order to verify the questionnaires replies mentioned in recital 7 above, on-spot verification visits were carried out of the data submitted by:

— Eurofer, Brussels, Belgium,

— Vergalle NV, Oudenaarde, Belgium.

(9) As announced in recital 22 of the provisional Regulation, at definitive stage verification visits were carried out at the premises of the following traders/importers related to sampled exporting producers in the PRC:

Hebei Iron and Steel Group ('HBIS'):

— Duferco Deutschland GmbH, Ratingen, Germany,

— Duferco SA, Lugano, Switzerland.

(10) The Commission informed all parties of the essential facts and considerations on the basis of which it intended to impose a definitive anti-dumping duty on imports into the Union of corrosion resistant steels originating in the PRC and definitively collect the amounts secured by way of provisional duty ('the definitive disclosure'). All parties were granted a period within which they could make comments on the final disclosure. Following definitive disclosure, one party requested and received additional company-specific explanations. The Commission received no comments on these additional explanations.

(11) The comments submitted by the interested parties were considered and taken into account where appropriate.

1.4. **Individual treatment**

(12) In Recital 21 of the provisional Regulation the Commission noted that three groups of exporting producers in the PRC requested individual treatment under Article 17(3) of the basic Regulation. Recital 22 of the provisional Regulation explained the reasons why the examination of such requests was not possible at the provisional stage.

(13) Following the imposition of provisional anti-dumping measures, the group of companies referred to in recital 23 of the provisional Regulation claimed that its request for individual treatment should be examined at the definitive stage (i) on the grounds that it was the only Chinese exporting producer supplying certain products into the Union market; (ii) because of the peculiarities of its products which is a reiteration, without new elements in support, of a previous claim readdressed in recital 23 of the provisional Regulation; and (iii) because WTO law lays down the obligation to determine individual dumping margins for each known producer (unless a restricted number of exceptions occur). The party also claimed that overall the number of exporters could not be considered to be 'so large' as to make the determination of individual margins impracticable.

(14) With regard to the first two claims, it is confirmed that the product range already covered in the sample is considered representative as the sample is considered representative accounting for almost half of the total Chinese imports to the Union.

(15) With regard to the third claim, the Commission confirms the conclusion reached at the provisional stage that the number of requests for individual treatment (by three groups of exporting producers in the PRC, composed of several individual undertakings) was so large as to make individual examinations unduly burdensome and prevent the completion of the investigation in good time. Indeed, after an assessment of the workload expected to be generated by the requests, the Commission decided that no individual treatment could be granted at definitive stage as the number of entities to be additionally investigated and the number of different locations to be visited for the verification would have been unduly burdensome and prevented completion of the investigation in good time in view of the timeline of the investigation and the resources available on the Commission's side. The Commission already investigated 22 entities in seven locations as part of the sample.

(16) Moreover, as noted in recital 9 above, important verifications which are normally performed at the provisional stage of an investigation, had already to be postponed to the definitive stage of the investigation given the size of the case and the number of interested parties to be investigated in this case, thus putting an additional burden on the investigation.

(17) It is also recalled that the sample of the exporting producers accounts for almost half of the total Chinese import volumes of the product concerned to the Union during the investigation period. The groups requesting individual treatment would account altogether for less than 5 % of the total imports.

(18) Finally, the Commission also refers to the principle of non-discrimination that could be breached if only one additional group is individually examined and not the other two companies/groups outside the sample who also requested individual examination.

(19) Following definitive disclosure, the group of companies referred in recital 13 above reiterated its request for individual examination on the grounds that (i) it is a non-integrated producer of the product concerned with different cost structure and profit composition from the exporting producers in the sample; (ii) the Commission, allegedly, did not intend to give an earlier decision on the individual examination in order to deprive interested parties of the opportunity to provide comments on the issue; (iii) according to WTO law, refusal of requests for individual examination should be an exception; (iv) the Commission had verified all sampled exporting producers before April 2017 and (v) the principle of non-discrimination is not an issue since, according to case law, the Commission should have assessed the MET claims from the other two companies/groups outside the sample who also requested individual examination.

(20) None of the grounds laid down above undermines the overall conclusion that the examination of individual examination requests was not possible. Firstly, the alleged difference in cost structure and profit composition cannot on its own justify a request for individual examination. Rather, all companies having requested an individual examination are in the same factual and legal situation. In addition, the company always can ask for a refund or an interim review, if the applicable conditions are met. Secondly, the Commission never prevented interested parties from providing comments on the issue. Thirdly, the Commission recalls that WTO law clearly states, in Article 6.10 of the Anti-Dumping Agreement, that in cases where the number of [exporters] involved is so large as to make [individual examination] impracticable the authorities may limit their examination to a reasonable number of interested parties by using samples. Applying this rule does not discourage voluntary replies. Fourthly, the Commission completed the verification of the sampled groups only in October 2017. Lastly, the Commission notes that the burden of carrying out the analyses of requests from three additional companies/groups was developed *ad abundum* in the provisional Regulation and the recitals 15 to 17 above.

(21) In the absence of any further comments concerning individual examination, the provisional findings set out in recitals 21 to 24 of the provisional Regulation are confirmed.

1.5. **Market economy treatment ('MET')**

(22) Recital 25 of the provisional Regulation noted that two groups of non-sampled cooperating producers in the PRC had submitted MET claim forms within their request for individual treatment. As the Commission decided not to grant individual treatment to these groups, their MET claims were not assessed.

(23) In the absence of any comments concerning MET, the provisional findings set out in recital 25 of the provisional Regulation are confirmed.

1.6. **Product concerned and like product**

(24) Recital 31 of the provisional Regulation set out the definition of the product concerned. This definition is definitively confirmed. As mentioned at recital 34 of the provisional Regulation certain parties continued to request clarification on the definition of the product concerned. Such clarifications were issued on a case by case basis.

(25) It is clarified that TARIC code 7225 99 00 35 that was in recital 31 and Article 1 of the provisional Regulation should be removed as it was included by mistake since it was already allocated to another product subject under measures. This code has not been used by importers to the Union market of the product concerned.

(26) In the absence of any comments regarding the product concerned and the like product, the conclusions reached in recitals 31 to 39 of the provisional Regulation are confirmed.

2. DUMPING

2.1. Normal value

(27) The details for the calculation of the normal value are set out in recitals 40 to 51 of the provisional Regulation.

(28) After the imposition of provisional measures, CISA claimed that the difference between the injury and dumping margins raised doubts as to the accuracy of the Commission's findings and calculations, or the choice of the analogue country. CISA estimated that the normal value in the analogue country was 21 % higher than the target price for the Union industry and that the average sale price of the analogue country producer was higher than the (already high) prices in Brazil. According to CISA, the fact that normal value was constructed for most sales of the sampled exporting producers also casted doubts about the choice of the analogue country or the quality of the data obtained in Brazil. Ultimately, CISA asked the Commission to invalidate the choice of Brazil as an analogue country.

(29) The last claim seems to contradict CISA's statement of 24 March 2017 that Brazil appeared 'to be the best choice among several candidate countries, i.e. Canada, Australia and Brazil, especially after comparing the size of each market and market power of the cooperating producers'.

(30) On substance, Brazil is a competitive market with three domestic producers and substantial imports, predominantly from China, representing a Brazilian domestic market share of around 15 %. It has no anti-dumping and countervailing measures in force and its companies operate under normal conditions of competition. Therefore, Brazil is an appropriate choice.

(31) As to the quality of data and calculations, the data of the analogue country producer are verified for accuracy and they were found reliable. The calculations are performed in line with the applicable legal rules of the basic Regulation. They are factually correct.

(32) Following provisional disclosure, one sampled group of exporting producers noted that normal value had to be constructed for more than 75 % of its sales volume to the Union and indicated that this cast serious doubt on the comparability of the product types sold on the analogue country domestic market.

(33) In this regard, it should be noted that the product scope includes a large range of product types presenting various characteristics. The fact that certain Brazilian product types were not sold in sufficient quantities or could not be matched with the Chinese product types exported to the Union does not mean that the Brazilian product types were not comparable. Indeed, the product types produced by the Brazilian producer belong to the same product group and could to a certain extent be matched with those exported by the sampled Chinese exporting producers to the Union. Furthermore, for exported products which could not be directly matched with Brazilian normal values, normal value was adjusted to take account of all physical differences (in particular, as concerns width, surface quality and coating mass), on the basis of the analogue country producer's price list which indeed foresaw such differences. This also means that the product types for which the normal value was constructed were indeed part of the product portfolio of the analogue country producer, just like they were for the Chinese sampled parties. After final disclosure, the party went further and requested the exact value of each of the adjustments for physical differences. This claim is addressed in recital 35 below.

(34) The same party also claimed that no meaningful data relating to the normal value was disclosed. The party asked for access to the entire data via its lawyers on the grounds that the principle of rights of defence requires that the addressees of decisions which significantly affect their interests should be placed in a position in which in they may effectively make known their views on the evidence on which the contested decision is based.

(35) The normal value calculation is based on data relating to the sales and costs of the analogue country producer. The analogue country producer requested and justified confidentiality treatment of its sales and costs data for the purposes of this investigation, as such disclosure could harm the company's competitive position. In addition, the disclosure of the normal value could provide the possibility to a competitor to construct back the prices and costs of the analogue country producer. Therefore, the normal value calculations are accorded with confidential

treatment. Recital 50 of the provisional Regulation used ranges to disclose data regarding profit and selling, general and administrative ('SGA') costs of the analogue country producer on a percentage basis. Furthermore, the exporting producers received a specific disclosure with the normal value per product type in ranges. Finally, for these matters, the interested party was informed that it has the possibility to have recourse to the Hearing Officer in trade proceedings under Article 15 of its terms of reference ([1]). The party did not contact the Hearing Officer on this issue.

(36) Following definitive disclosure, the party indicated that it fully understood the confidentiality of the data for establishing normal value and that it appreciated the concerns addressed by the analogue country producer about the unprotected disclosure of their data. Therefore, it reiterated its request to have access to the normal value calculation through its legal counsel 'under protective measures' or under 'any other constructive solution'. The Commission notes there is no provision in the basic Regulation allowing, during the investigation, access to information for which confidential treatment has been requested by its supplier.

(37) Following definitive disclosure, the party claimed that the ranges in the specific disclosure with the normal value per product type were meaningless. The Commission notes that the party failed to make this claim at the time of the provisional disclosure while the ranges in question were exactly the same in the provisional and the definitive disclosures. In any event, the Commission considers that the ranges used are necessary to preserve the confidential treatment of the relevant data given by the analogue country producer, and give a sufficient understanding of the information submitted in confidence.

(38) In the absence of any other comments regarding the determination of the normal value, recitals 40 to 51 of the provisional Regulation are confirmed.

2.2. **Export price**

(39) The details for the calculation of the export price are set out in recitals 52 and 53 of the provisional Regulation.

(40) The Shagang group claimed that the Commission did not disclose the legal basis for the deduction of the SGA cost and profit of its related traders in Hong Kong and Singapore. In addition, the Shagang group claimed that it should be considered a single economic entity together with its related companies and, therefore, it contested the above-mentioned adjustments. The party alleged that its related traders located in Hong Kong and Singapore played a marginal function in the entire sales process and simply executed the instructions of another legal entity.

(41) The Commission clarified that the legal ground for the adjustments in question is Article 2(10)(i) of the basic Regulation as it refers to a mark-up received by a related company which performs functions similar to those of an agent working on a commission basis.

(42) In line with Article 2(10)(i) the Commission analysed various factors and established, inter alia, that: (i) in light of the written contracts, there was a consistent mark-up charged by a related company in the PRC to the related traders abroad; (ii) those written contracts suggested that traders assumed the customer default risk; (iii) the main activity of the related traders, amounting to more than 95 % of their turnover, consisted of trading products other than the product concerned including trading activities with unrelated parties; (iv) traders were paying compensation for quality claims made by customers; (v) traders were paying sea freight and bank charges in export sales of the product concerned to the Union; (vi) the business licence of one of the related traders described its main activities as 'wholesale on a fee or contract basis, e.g. commission agents'; (vii) based on the verified profit and loss sheet, the related traders' own profit covered relevant office expenditures; (viii) traders were not located at the premises or near the producers and kept their accounting records at their premises. Therefore, the Commission concluded that the related traders performed functions similar to those of an agent working on a commission basis. Consequently, the adjustments under Article 2(10)(i) of the basic Regulation were maintained.

(43) Following definitive disclosure, the party contested the finding that the two related traders in Hong Kong and Singapore and the exporting producer did not constitute a single economic entity. They contested the elements listed above and did not find them relevant for determining that the functions of the two related traders in question are similar to those of commission-based agents.

([1]) OJ L 107, 19.4.2012, p. 5.

(44) The Commission considered that none of the arguments put forward by the party could lead to a different conclusion than the one reached in recital 42 above. Rather, the party confirmed in its submission the following facts:

— the two traders retained a mark-up when buying from the related company in the PRC,

— more than 95 % of the related traders' turnover consisted of trading products other than the product concerned including trading activities with unrelated parties,

— the two traders were paying compensation for quality claims made by customers and assumed sea freight and bank charges,

— the two traders were physically far from the exporting producer and kept their own accounting records,

— the business licence of one of the related traders described its main activities as 'wholesale on a fee or contract basis, e.g. commission agents'. In particular, the party did not contest the nature of the business activity as such and the fact that that activity description does not link specifically to the product concerned is in any case irrelevant,

— the profit of the related traders covered relevant office expenditures.

(45) In addition, the investigation showed that Jiangsu Shagang International Trade Co. Ltd sells directly on third countries markets and on the Chinese domestic market. This confirms that the Shagang Group has its own sales department including for export sales. For the above reasons, the related traders in Hong Kong and Singapore act as agents working on a commission basis.

(46) Consequently, in line with the established case law [1], since no such commission or mark-up was applied on the normal value, the adjustment of the export price was warranted in accordance with Article 2(10)(i) of the basic Regulation.

(47) In the absence of any other comments concerning the export price, recitals 52 to 53 of the provisional Regulation are confirmed.

2.3. **Comparison**

(48) Recitals 54 to 56 of the provisional Regulation explain how the comparison between the normal value and the export price was made.

(49) The Shagang group contested the methodology for the VAT adjustment described in recital 56 of the provisional Regulation. As the normal value is higher than the export price, the party claimed that the Commission should adjust the export price by the reported VAT lost amount.

(50) In line with Article 2(10)(b) of the basic Regulation, for the difference in the indirect taxation, in this case the VAT that is partially refunded with regard to export sales, the Commission could duly adjust only the normal value and not the export price. The claim was therefore rejected.

(51) Recital 56 of the provisional Regulation is clarified as follows. The Commission took both normal values and export prices with VAT included and adjusted the normal value to match the VAT rate applicable on exports after reimbursement, where applicable.

(52) Following definitive disclosure the Shagang group contested again the methodology for the VAT adjustment described in recital 56 of the provisional Regulation. According to the party Article 2(10)(b) of the basic Regulation applies to the situation where the like product borne VAT on the domestic market, as opposed to products exported to the Union. The party repeated its claim that not the normal value but the export price should be adjusted and, alternatively, proposed adjusting the normal value by adding VAT, such VAT being calculated as per tonnage amount per product type. The claim was rejected. The Commission considers that the methodology applied in its calculations is in line with the requirements of the basic Regulation as interpreted in case law.

[1] T-26/12, PT Musim Mas of 25 June 2015, as confirmed by C-468/15 P of 26 October 2016, paragraphs 79-84.

(53) In the absence of any other comments concerning comparison, recitals 54 to 55 of the provisional Regulation are confirmed and recital 56, clarified.

2.4. **Dumping margins**

(54) The details of the dumping calculation were set out in recitals 57 to 61 of the provisional Regulation.

(55) Following provisional disclosure the Shagang group claimed that dumping margin calculations should be conducted on a monthly basis due to the significant fluctuation of the iron ore price (61,9 % between December 2015 and August 2016 according to the source quoted), which affected the export price of the product concerned.

(56) The Commission calculated the dumping margin by comparing the weighted normal value with the weighted average export price for the entire investigation period. In the present case, export sales are not exclusively limited to a particular short period of the investigation period. Any possible impact of the fluctuation of iron ore prices would be equally distributed throughout the investigation period. Therefore, this would not justify any monthly calculations. In addition, given the late stage at which the request was made, the different level of integration of exporting producers, that other sources point to a different fluctuation and that no other party raised similar concerns, the claim was rejected. It is also noted that in the specific examples given by the party the price variation in the finished products was much lower than the fluctuation in iron ore prices in the period in question.

(57) Following definitive disclosure the Shagang group reiterated that dumping margin calculations should be conducted on a monthly basis. The request was not accompanied by new elements that could justify monthly calculations, thus could not be accepted.

(58) Following the verification visits held at Duferco Deutschland GmbH and Duferco SA, certain information pertaining to sales and costs in the Union had to be revised.

(59) Following the above revision and the correction of a clerical error, the definitive dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Table 1

Dumping margins, the PRC

Group & Company	Definitive dumping margin (%)
HBIS: — Hesteel Co., Ltd Handan Branch — Handan Iron & Steel Group Han-Bao Co., Ltd — Hesteel Co., Ltd Tangshan Branch — Tangshan Iron & Steel Group High Strength Automotive Strip Co., Ltd	62,9
Shougang group: — Beijing Shougang Cold Rolling Co., Ltd — Shougang Jingtang United Iron and Steel Co., Ltd	46,2
Shagang group: — Zhangjiagang Shagang Dongshin Galvanized Steel Sheet Co., Ltd — Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd	56,4
Other cooperating companies	58,7
All other companies	62,9

3. INJURY

3.1. Definition of the Union industry and Union production

(60) In the absence of any comments with respect to the definition of the Union industry and Union production the conclusions set out in recitals 62 to 64 of the provisional Regulation are confirmed.

3.2. Union consumption

(61) Union consumption figures were revised slightly downwards as a consequence of the correction to import volumes from the country concerned explained in recitals 64 to 66 below. On this basis, the Union free market consumption developed as follows:

Table 2

Free market consumption (tonnes)

	2013	2014	2015	IP
Free market consumption	7 430 649	7 525 627	8 250 580	9 302 838
Index (2013 = 100)	*100*	*101*	*111*	*125*

Source: Eurofer questionnaire reply and Eurostat statistics with correction of 15 %

(62) During the period considered, the Union free market consumption increased by 25 %. The increase was mainly due to an increase of demand in the major downstream industries.

(63) In the absence of further comments with respect to the Union consumption the conclusions set out in recitals 65 to 72 of the provisional Regulation are confirmed.

3.3. Imports from the country concerned

3.3.1. *Volume, market share and price of the imports from the country concerned*

(64) Following provisional disclosure, in a submission of 20 October 2017 Eurofer provided evidence, in the form of a market intelligence survey which covered all the major markets for CRS, that imports from the PRC were overestimated in the provisional Regulation by up to 15 % for the period considered. Eurofer enquired its members, consisting of companies present in all major markets in the Union, about the magnitude of imports into the Union market of products which are not the product concerned but were declared under the same CN codes. All of the complainants agreed with the methodology employed and the conclusions reached: to the best estimate 15 % of Chinese imports were to be considered non-product-concerned. There was no evidence that this affected imports from other countries. CISA also pointed out in a submission that importation statistics of CRS could be overstated.

(65) At provisional stage the Commission did not have enough evidence on file to conclude, that imports were overstated, or the extent of it, as discussed in recital 74 of the provisional Regulation.

(66) In the light of the new evidence on file, the Commission accepted the claim as justified and applied a correction of 15 % to the imports of the PRC. The Commission considered the correction of 15 % as reasonable as it represented an adequate estimate based on a thorough analysis of the import market. The Commission also took into account confidential statistical data which was collected during the definitive stage of the investigation which again confirmed that not all imports under the above-mentioned CN codes were the product concerned. Parties were informed of the correction and given an opportunity to express their views. No comments were received.

(67) Accordingly, imports into the Union from the PRC developed as follows:

Table 3

Import volume (tonnes) and market share

	2013	2014	2015	IP
Volume of imports from the PRC	755 238	907 320	1 176 071	1 857 490
Index (2013 = 100)	*100*	*120*	*156*	*246*
Market share of the PRC	10,2 %	12,1 %	14,3 %	20,0 %
Index (2013 = 100)	*100*	*119*	*140*	*196*

Source: Eurostat statistics with correction of 15 %

(68) The above table shows that in absolute figures imports from the PRC increased by 146 % during the period considered. In parallel, the total market share of the dumped imports into the Union increased by 9,8 percentage points during the period considered.

(69) The corrected import statistics continue to demonstrate a major increase in imports in both absolute terms and in terms of market share. In fact even if no correction was made to the imports in 2013-2015 a simulation showed that import volumes would increase by 109 % and market share by 70 %.

(70) With regard to the undercutting, the CIF import value of two of the three sampled exporting producers were recalculated following verification visits to related importers. Revisions to these CIF values were also made following comments received from an exporting producer after the provisional disclosure (as explained in Section 2.2 above). The definitive undercutting margins have thus been revised and amount to 8,1 % to 15,1 % for the PRC.

(71) In the absence of any further comments with respect to imports from the country concerned, the rest of the conclusions set out in recitals 73 to 81 of the provisional Regulation are confirmed.

3.4. **Economic situation of the Union industry**

3.4.1. *General remarks*

(72) One interested party claimed that their rights of defence are breached because of the use of indexed figures for the microeconomic indicators. Indexing was used, as explained in the provisional Regulation, to protect the confidentiality of the sampled Union producers which come from two groups. The interested party was provided with additional information that could be disclosed in ranges without jeopardising the confidential treatment. In any event, indexing is considered an appropriate approach because it protected the confidentiality of data but also provides meaningful information to interested parties. In addition this approach was only used to the extent necessary, namely only for the microeconomic indicators. The Commission therefore rejects this claim.

(73) In its response to the definitive disclosure the interested party concerned (CISA) contested the form of the micro economic data disclosed. CISA stated that it continues to not understand why the micro economic data is confidential because it relates to the four sampled Union producers. As explained above at recital 72 this data, although being a consolidation of four sampled producers, in fact relates to producers that form part of only two groups. If this data was published then each group would be able to calculate the data of the other group. The claim that the disclosure breached the CISA's rights of defence is therefore rejected.

3.4.2. *Macroeconomic and microeconomic indicators*

(74) The free market share of the Union industry developed as follows as a result of the correction to imports from the country concerned mentioned above.

Table 4

Free market share

	2013	2014	2015	IP
Market share	80,2 %	78,8 %	74,7 %	67,5 %
Index (2013 = 100)	*100*	*98*	*93*	*84*

Source: Eurofer questionnaire reply and Eurostat statistics with correction of 15 %

(75) It should be noted that, although the market share of the Union industry was reassessed at a slightly higher level in the period considered after the correction on import volumes from the PRC, the market shares still decreased by nearly 13 percentage points or 16 %.

(76) One exporting producer claimed that the Union industry invested in new capacity which is a sign of health rather than injury. This point was addressed in recital 117 of the Provisional Regulation already. It is recalled that in order to survive the Union industry had to maintain its efficiency and productivity in the context of reduced capacity. It is clarified that the majority of investment in production lines was for replacement of existing lines. Therefore, this claim is rejected as unfounded.

(77) CISA claimed that the prices of Union imports from the PRC in the post-investigation period have increased significantly. CISA compared the period May-June 2017 with the IP and found an increase of 35 %. They claimed that this development means that the measures are no longer needed. Eurofer explained that raw material prices (iron ore, scrap and coking coal) also increased by between 10 and 100 % and this mitigated any improvement in profitability for the Union industry. Eurofer noted that the Union industry has not made a profit since 2008.

(78) As specified in recital 30 of the provisional Regulation and confirmed in recital 3 above, the investigation of injury covered the investigation period from 1 October 2015 to 30 September 2016 and the examination of trends relevant for the assessment of injury covered the period from 1 January 2013 to the end of the investigation period. In line with Article 6(1) of the basic Regulation information relating to a period subsequent to the investigation period is normally not to be taken into account. The investigation revealed no circumstances that would justify departure from this approach. The evolution of prices is not considered in this case as such justification as there is no indication of its lasting effects, for instance. Therefore this claim is also rejected. In any case the basic Regulation foresees the possibility of initiating interim reviews if warranted by a fundamental change of the circumstances.

3.4.3. *Conclusion on injury*

(79) Bearing in mind the corrected import figures for the country concerned and their impact on consumption and market shares the conclusion on injury was reassessed at the definitive stage.

(80) The trend in import volumes shows an increase of almost 150 %. The market share of these imports increased by 9,8 percentage points or nearly 100 % over the period considered. The market share of the Union industry also showed a very injurious trend.

(81) Certain interested parties argued that the injury analysis was flawed because many indicators show a positive development and it was claimed that the Commission relies on only two indicators in coming to its conclusion.

(82) This claim has to be rejected as the conclusion that the Union industry suffered material injury was based on an assessment of all indicators and no one of those indicators necessarily gave decisive guidance. While certain micro- and macroeconomic indicators indeed show a positive development it was adequately substantiated how the finding of material injury was reached.

(83) This party further claimed that certain volume indicators show a positive trend (such as production, capacity utilisation and sales volume) and not enough weight was given to these trends in the injury determination. However, these trends were fully taken into account in the provisional Regulation (at recital 121) together with all injury indicators and analysed in their proper context. To this end, it is noted these volumes were sold in the context of decreasing and loss-making prices, which did result in a decreased market share. Therefore, this claim is rejected as unfounded.

(84) Taking these facts into account together with the unchanged injury indicators detailed in the provisional Regulation, it was definitively confirmed that the Union industry suffered material injury in the investigation period.

(85) On the basis of the above and in the absence of any other comments on the issue, the conclusion of the situation of the Union industry as described in recitals 82 to 122 of the provisional Regulation is confirmed.

4. **CAUSATION**

4.1. **Effect of dumped imports**

(86) The effect of dumped imports is described in the provisional Regulation at Section 5.1. Several interested parties claimed that the injury could not be attributed to the dumped imports from the country concerned and that other factors were breaking the causal link. Some of the claims were a mere reiteration of the claims already discussed in the provisional Regulation without any new elements. The comments not previously raised are analysed below together with an assessment of additional data collected after the provisional disclosure, where appropriate.

(87) As a result of the correction to imports from the PRC described at the recitals 64 to 66 above, the market shares of the Union industry and imports from the PRC were revised. The Chinese market share evolved from 10,2 to 20,0 % (instead of 11,7 % to 22,7 % as in recital 125 of the provisional Regulation) whilst the Union industry free market share decreased from 80,2 to 67,5 % (instead of 78,8 % to 65,2 % in the same recital). Consequently, recital 125 of the provisional Regulation is considered amended accordingly. These changes were relatively minor as explained above and had even less impact in terms of the trend analysis. This is because the trend of import volume from the PRC remains unchanged and the trend of its market share still shows an increase of over 90 %. Such changes did not materially affect the causation analysis described at recitals 124 to 128 of the provisional Regulation.

4.2. **Effect of other factors**

4.2.1. *Imports from third countries*

Table 5

Market share of imports from other countries

	2013	2014	2015	IP
All third country imports (%)	9,6	9,1	11,0	12,5
Republic of Korea (%)	4,6	5,4	6,4	6,2
India (%)	1,1	0,6	0,7	1,7
Other third countries (%)	3,9	3,1	3,9	4,6

Source: Eurostat statistics with correction of 15 % (for the PRC only)

(88) Import volumes from third countries did not change in absolute terms but their market share changed slightly as a result of the correction to imports from the PRC described at the recitals 64 to 66 above. These changes were minor and had even less impact in terms of the trend analysis. This is because the third country market share after correction increased from 9,6 % to 12,5 % instead of 9,5 % to 12,1 % in recital 129 of the provisional Regulation). Such changes did not materially affect the causation analysis described at recitals 129 to 134 of the provisional Regulation.

(89) One Chinese exporting producer claimed that imports from third countries were not assessed correctly in the provisional Regulation. This party disputes the provisional assessment of Korean prices (based on Eurostat average prices) because the exact type of products being imported is not mentioned. The investigation analysis is indeed based on average prices as information at this level was available in Eurostat statistics.

(90) In any event, the exporting producer did not provide any information concerning product types or the product mix imported from Korea and did not explain why the average price approach was flawed. The claim is rejected as unfounded.

4.2.2. *Raw Material Prices*

(91) CISA claimed that the Commission did not properly assess the impact of the decrease in raw material costs in the causation analysis. As explained in the provisional Regulation at recitals 103 to 105, the cost of production of the Union industry fell by 20 % over the period considered. The fall in raw material prices was the most important factor in this development. CISA claims that the fall in raw material costs caused the fall in prices of the Union industry of 18 %. However it should be stated that Chinese import prices fell by 22 % as explained at recital 77 of the provisional Regulation. It should also be recalled that recitals 111 and 71 clarifies the context for the above developments in that the Union industry made losses throughout the period considered and free market consumption on the Union market increased by 27 %.

(92) It is clear that the Union industry throughout the analysis period was striving to increase its prices in order to return to a profitable situation. It failed to achieve this even though consumption increased by 27 %. This is because of the impact of the dumped Chinese imports which increased their volume by nearly 150 % and market share by 96 % as explained at recital 67 above. In terms of prices these imports fell by 22 % in excess of the fall in costs.

(93) As the fall in raw material costs was exceeded by the fall in Chinese import prices it is clear that the predominant cause of injury was the price pressure exerted by the Chinese imports. Although the fall in raw material costs should have helped the Union industry to recover, it found itself in a loss-making situation throughout the period considered. The losses in the IP were not as high as in 2013-2015 but clearly by suffering losses in the IP its situation was getting worse not better. This claim was therefore rejected.

4.2.3. *Profitability of the Union industry at the end of the period considered*

(94) The trend of profitability during the period considered shown at recital 111 of the provisional Regulation demonstrates that losses are smaller at the end of the period considered when Chinese import volumes are highest. CISA claims that this development breaks the causal link between dumped imports and injury. However, losses were occurring throughout the period considered and the minor improvement over that period was not capable of alleviating the injury suffered. Furthermore, it is clear from the Commission's analysis that the Union market is suppressed throughout the period considered as stated at recital 113 of the provisional Regulation. This claim should therefore be rejected as unfounded.

4.3. **Conclusion on causation**

(95) The correction of import volumes from the PRC meant that the conclusion on causation had to be reassessed at the definitive stage of the investigation. The revised import volumes and market shares on the Union market described above were relatively minor and had even less impact when examined in a trend analysis.

(96) Furthermore, none of the comments made by interested parties altered the assessment of the factors made at the provisional stage.

(97) On the basis of the above and in the absence of any other comments, the conclusions set out in recitals 138 to 140 of the provisional Regulation are confirmed.

5. UNION INTEREST

5.1. Interest of the Union industry

(98) In the absence of any comments regarding the interest of the Union industry, the recitals 142 to 147 of the provisional Regulation are confirmed.

5.2. **Interest of unrelated importers and users**

(99) Following provisional disclosure, importers and users provided further information. The level of cooperation from importers and users is still considered as low.

(100) More specifically, six importers replied to the questionnaires regarding the registration of imports. A verification was carried out at a steel service centre. A hearing was held with ISTA on 13 November 2017 whereby they made their views known and one large user in the household goods sector also put forward its views in a written submission.

(101) Steel service centres normally sell CRS in a slightly different form to that imported (i.e. by cutting coils and sheets into shapes required by smaller customers). However, it was clarified that this important user segment is able to switch their sources of supply and pass on any additional costs to their customers. Therefore, their turnover, profitability and employment are not substantially threatened by the measures.

(102) At a hearing on 17 November 2017 CISA noted that post-investigation period developments in the structure of the Union industry were being investigated by the Commission. The claim pointed to a Memorandum of Understanding between ThyssenKrupp and Tata Steel and a merger between Ilva and ArcelorMittal as evidence that it was not in the Union interest to impose duties on Chinese imports. Although it can be expected that as a consequence of such concentration the negotiating power of the largest Union producers will increase, no clearance decision has yet been adopted in respect of these arrangements at the moment of adoption of this regulation, which would enable the Commission to assess their relevance for the current case. In any case the basic Regulation provides the possibility to address changes in circumstances where justified and accordingly initiate interim reviews.

(103) In its response to the definitive disclosure CISA reiterated its point relating to changes in competition on the Union market. However, the Commission maintains its view that the basic Regulation provides the possibility to address changes in circumstances where justified but that, in this specific case, it has received no evidence that the opening of a review is necessary.

(104) CISA further claimed that, because the situation on the market had changed since the investigation period was determined, a situation now exists which would justify a suspension of the measures in accordance with Article 14(4) of the basic Regulation. The reasons quoted by CISA are price rises for the product concerned, an alleged shortage of supply and an ongoing merger investigation conducted by the Commission. Firstly, the Commission has no evidence that the rise in prices has made a substantial difference to the situation of the Union industry. Secondly, the claim of shortage of supply is unconvincing as explained at recital 111. Thirdly, the Commission has no evidence that conditions of competition on the Union market have changed and if so to what degree. Furthermore, there is no evidence showing that injury would be unlikely to resume as a result of the suspension. Therefore, the Commission considers that the suspension of the measures would not be justified.

(105) CISA also commented that the definitive anti-dumping duties should be imposed in the form of a minimum price rather than the *ad valorem* duties as imposed by the provisional Regulation because of alleged significant negative impacts on importers and users. It was pointed out that two recent cases had concluded that this was justified. The change in the form of the measures was also proposed by ISTA, representing Union importers. In this particular case Eurofer objected to the introduction of minimum prices because of the potential for compensatory arrangements in this market sector.

(106) It should be noted that the form of the measures is determined on a case by case basis. In this case the Commission disagreed with CISA's argument that the imposition of *ad valorem* duties would have significant negative impacts on importers and users. In fact it has been demonstrated at recitals 148 to 156 of the provisional Regulation that importers were able to pass on anti-dumping duties to their customers and had other sources of supply. Also for the main user industries the introduction of a minimum price would not reduce their costs because the resulting effect of both a minimum price and *ad valorem* duties would be the same.

(107) In its response to the definitive disclosure CISA reiterated its point relating to the form of the measures claiming that certain minimum price systems or a fixed duty should be imposed in the interests of Union users and importers. The Union users were described by CISA as being in a 'fragile situation', because of an alleged concentration of negotiating power at the level of the Union industry.

(108) However, as explained above at recital 100 and Section 6.2 of the provisional Regulation the cooperation of users and importers in this investigation is low. In fact only one Union user and/or importer has supplied the

requested data covering the investigation period. The Commission therefore has not been able to establish accurately the situation of these sectors but the information available certainly does not correspond to the fragile situation referred to by CISA. Furthermore, CISA did not provide any substantiation as concerns the users/importers' financial situation and the impact of the alleged concentration. Therefore, the Commission could not conclude that evidence existed to change the form of the measures in the interests of users and importers. This claim was therefore rejected.

(109) Therefore it was concluded that there was no compelling evidence to support a change in the form of the measures.

(110) ISTA, representing Union importers, claimed that problems of supply on the market would result from the imposition of measures as Union producers would not be able to increase output. Further they claim that the measures would make Chinese imports uncompetitive. Bearing in mind that the Union industry was only at a capacity utilisation rate of 79 % in the investigation period and that many import sources exist users have various sources available to them and there is no reason to believe that they cannot switch supplier. Although temporary supply problems cannot be ruled out, it is unlikely that the measures would generate a general shortfall because the Union industry is not at full capacity and can increase production if orders increase.

(111) ISTA and Electrolux claimed that costs of users would increase if measures were imposed. However, the main user industries did not cooperate with the investigation. In fact no company provided data to demonstrate that duties imposed on the product concerned would substantially increase the cost of their finished products or cause an important reduction of profits. Therefore, the claim is rejected as unfounded.

(112) Electrolux also claimed that any rise in prices of the product concerned/like product caused by this investigation would make them less competitive as compared to other household goods producers in third countries. However, increases in prices started in the investigation period and are taking place worldwide and are therefore not solely related to this investigation. Nevertheless, it cannot be ruled out that some loss of competitiveness may result from the imposition of duties. However, as explained above neither Electrolux nor any other manufacturer of household goods provided a questionnaire reply or any information regarding the importance of CRS in the final cost of their products. Therefore, this claim was rejected as it was not substantiated. In any case as mentioned above various sources of supply exist for the product concerned.

(113) On the basis of the above, and in absence of other comments, the conclusion that there are no compelling reasons proving that it is not in the interest of the Union to impose the measures in recitals 157 to 160 of the provisional Regulation is confirmed.

6. **CONSIDERATION OF RETROACTIVE IMPOSITION OF THE MEASURES**

(114) As mentioned at recital 4 above imports of the product concerned were subject to registration from 8 July 2017 until the date of the imposition of provisional measures on 11 August 2017 with a view of the possible imposing measures retroactively on the registered imports.

(115) During the definitive stage of the investigation, the data collected in the context of the registration was assessed and it was analysed whether the criteria under Article 10(4) of the basic Regulation are met for the retroactive imposition of measures.

(116) At the time of Registration of imports the data available, on a CN code level, showed that a substantial rise in imports had taken place. However, subsequently data became available to the Commission on TARIC level which demonstrated that no further substantial rise in imports took place following the level of imports during the investigation period. Therefore, this condition under Article 10(4)(d) is not met.

(117) Further, an examination of the injury factors of the Union industry showed no evidence that the remedial effect of the measures was being undermined in the post-IP period. It was therefore concluded that this criterion was not met.

(118) On the basis of the above, the Commission concluded that the retroactive imposition of the measures is not justified in this case.

7. DEFINITIVE ANTI-DUMPING MEASURES

7.1. Injury elimination level

(119) Following provisional disclosure, certain parties objected to the 7,4 % target profit used for the calculation of the injury margin at provisional stage. This was the profit actually achieved by the Union industry in 2008, as explained in recital 164 of the provisional Regulation.

(120) Eurofer considered the target profit too low because the final quarter of 2008 was the start of the financial crisis. The Chinese exporting producers argued that 7,4 % was too high and that information should have been used from other sources such as previous anti-dumping cases or the BACH database.

(121) It is considered that any deterioration of profitability in the final quarter of 2008 would be mainly felt in 2009. Furthermore, as the figure is based on actual profitability data for the product concerned, it is the best information available for this purpose. No other information was available to call into question the analysis and conclusion in recital 164 of the provisional Regulation. Furthermore, consultation of the BACH database (or any other external source) was not necessary because verified specific data for the Union industry was available in the framework of the investigation. Therefore the profitability of 7,4 % achieved in 2008 remains representative for the purpose of this investigation and recitals 162 to 165 of the provisional Regulation are confirmed.

(122) An exporting producer commented on target profit in its response to the definitive disclosure. The claim is that 2008 was not a representative year for the determination of target profit because that year was followed by several years during which the Union industry suffered from various causation factors. As the situation of 2008 did not repeat itself afterwards, the choice of a target profit based on 2008 is judged to be unrepresentative and using it creates the suspicion that the Commission attributed injury caused by other factors to the dumped imports.

(123) Because 2008 was the first year prior to the economic crisis, the Commission considered it to be a representative year, the profit of which can be considered to be the one that was established in the absence of dumped imports and in the absence of other factors such as the economic crisis. The use of such target profit therefore does not attribute injury caused by the crisis to the dumped imports, on the contrary. Therefore, this claim was rejected.

(124) Eurofer provided more data to support its claim that 2008 was not a representative year because profitability in the final quarter was distorted by the financial crisis. This related to macroeconomic data on the start of the financial crisis and data produced by the German Steel Federation and a press report from a Greek producer. However, the Commission has used 2008 as a representative year in previous anti-dumping cases including Cold Rolled Flat Steel Products which is the upstream product to CRS ([1]). The Commission position was that the impact of the financial crisis on profitability would be mainly felt in 2009. Although some impact on profitability might have been felt at the end of 2008, the Commission was satisfied that 2008 was a representative year when taken as a whole.

(125) Several exporting producers challenged the application of Article 2(9) of the basic Regulation to the injury calculations, stating that this provision is under the dumping section of the basic Regulation and could not be used by analogy for calculating injury. They argued that the relevant price to be used should be based on the price actually charged by the related importers in the Union to the first independent customers in the Union.

(126) As explained in recital 166 of the provisional regulation, the calculation of the injury margin is based on the import price at the Union frontier level brought to a level comparable to the Union industry ex-works price. If sales are made via related importers, the import price has to be constructed on the basis of the resale price to the first independent customer, duly adjusted, so that any importation costs and for SGA and profit of related importers are duly excluded and the price is reliable. This is indeed the rationale for construction of the export

([1]) Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation (OJ L 210, 4.8.2016, p. 20).

price under Article 2(9) of the basic Regulation. There is no reason why the same rationale for construction of the export price in case of sales via related importers would not be valid for the import price in case of related sales for the purposes of the injury calculations. After all, the dumping and the injury margin are compared for the application of the lesser duty rule under Articles 7(2) and 9(4) of the basic Regulation.

(127) Furthermore, if the import price in case of related sales for the purposes of the injury calculations is based on the price actually charged by the related importers in the Union to the first independent customers in the Union, as suggested by the party, then this price would include SGA and profit for resale in the Union after customs clearance, while if the exporting producer sells directly to independent importers the price would not include such costs. This would lead to unequal treatment between exporting producers selling through related importers and those selling directly to independent importers, which is unjustified. Therefore, the claim is rejected as unfounded.

(128) An exporting producer commented that the source for post-importation costs was not disclosed and disputed the figure used of 7 EUR per tonne. This figure was based on another investigation ([1]) due to similarities of the products belonging to the same industry and the lack of other data available. Following the imposition of the provisional measures and the slightly improved cooperation from importers, the figure was verified at an unrelated importer and was found to be reasonable based on the importer's data. The exact post-importation cost figure of the importer is not quoted here for reasons of confidentiality. This claim is rejected.

(129) The exporting producer concerned claimed that it still did not understand the nature of post-importation costs and requested a breakdown. Post-importation costs are an allowance granted in the favour of exporting producers in order to establish a fair comparison between their export prices and the ex-works prices of the Union industry. They related to normal handling, storage and documentary charges at the port on entry to the Union market (excluding onward transport). These costs exist for all imports and are similar for all types of steel imports. The figure of 7 EUR per tonne was suggested by a Chinese exporting producer in the case referred to above. The Commission is therefore satisfied that the figure quoted above is reasonable, especially bearing in mind the abovementioned cross check to an importer of the product concerned in the current investigation. Finally it should be pointed out that 7 EUR per tonne equates to around 1 % of the CIF import price of the product concerned. The Commission only has cooperation from one traditional unrelated importer in this investigation and is not in a position to give the detailed breakdown of costs requested by the exporting producer for reasons of confidentiality. Therefore, the claim that the Commission's approach has breached this party's rights of defence is rejected.

(130) Certain corrections were made to the CIF prices of certain exporting producers. The revised CIF prices were disclosed to the exporting producers concerned at the definitive stage of the investigation.

(131) In the absence of any further comments regarding the injury elimination level, the recitals 162 to 166 of the provisional Regulation are confirmed.

Definitive measures

(132) Definitive anti-dumping measures should be imposed on imports of the product concerned originating in the country concerned, in accordance with the lesser duty rule provided for in Article 7(2) of the basic Regulation. The Commission compared the injury margins and the dumping margins. The amount of the duties should be set at the level of the lower of the dumping and the injury margins.

(133) On the basis of the above, the definitive injury and dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, and the definitive duty rates resulting from the lesser duty rule are as follows.

([1]) Commission Implementing Regulation (EU) 2016/1328 of 29 July 2016 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain cold rolled flat steel products originating in the People's Republic of China and the Russian Federation (OJ L 210, 4.8.2016, p. 1).

Table 6

Definitive margins and duty rates

Group & Company	Definitive dumping margin (%)	Definitive injury margin (%)	Definitive duty rate (%)
HBIS: — Hesteel Co., Ltd Handan Branch — Handan Iron & Steel Group Han-Bao Co., Ltd — Hesteel Co., Ltd Tangshan Branch — Tangshan Iron & Steel Group High Strength Automotive Strip Co., Ltd	62,9	27,8	27,8
Shougang group: — Beijing Shougang Cold Rolling Co., Ltd — Shougang Jingtang United Iron and Steel Co., Ltd	46,2	17,2	17,2
Shagang group: — Zhangjiagang Shagang Dongshin Galvanized Steel Sheet Co., Ltd — Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd	56,4	27,9	27,9
Other cooperating companies	58,7	26,1	26,1
All other companies	62,9	27,9	27,9

(134) 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 this 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 product concerned originating in the country concerned and produced by the companies and thus by the specific legal entities mentioned. Imported product concerned produced by any other company whose name is not specifically mentioned in the operative part of this Regulation, including entities related to those specifically mentioned, should not benefit from these rates and should be subject to the duty rate applicable to 'all other companies'.

(135) Any claim requesting the application of these individual company anti-dumping duty rates (for example 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 [1] with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for example, that name change or that change in the production and sales entities. If appropriate, the present Regulation will be amended accordingly by updating the list of companies benefiting from individual duty rates.

(136) In order to minimise the risks of circumvention, it is considered that special measures are needed in this case to ensure the proper application of the anti-dumping measures. These special measures include the following: the presentation to the customs authorities of the Member States of a valid commercial invoice which shall conform to the requirements set out in Article 1(3) of this Regulation. Imports not accompanied by such an invoice shall be made subject to the duty rate applicable to all other companies.

(137) In view of the recent case-law of the Court of Justice [2], it is appropriate to provide for the rate of default interest to be paid in case of reimbursement of definitive duties, because the relevant provisions in force concerning customs duties do not provide for such an interest rate, and the application of national rules would lead to undue distortions between economic operators depending on which Member State is chosen for customs clearance.

[1] European Commission, Directorate-General for Trade, Directorate H, 1049 Brussels, Belgium.
[2] Judgment in *Wortmann*, C-365/15, EU:C:2017:19, paragraphs 35 to 39.

7.2. **Definitive collection of the provisional duties**

(138) In view of the dumping margins found and given the level of the injury caused to the Union industry, the amounts secured by way of the provisional anti-dumping duty, imposed by the provisional Regulation, should be definitively collected.

7.3. **Enforceability of the measures**

(139) This regulation is in accordance with the opinion of the Committee established by Article 15(1) of the Regulation (EU) 2016/1036,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is imposed on imports of flat-rolled products of iron or alloy steel or non-alloy steel; aluminium killed; plated or coated by hot dip galvanisation with zinc and/or with aluminium, and no other metal; chemically passivated; containing by weight: 0,015 % or more but not more than 0,170 % of carbon, 0,015 % or more but not more than 0,100 % of aluminium, not more than 0,045 % of niobium, not more than 0,010 % of titanium and not more than 0,010 % of vanadium; presented in coils, cut-to-length sheets and narrow strips.

The following products are excluded:

— of stainless steel, of silicon-electrical steel, and of high-speed steel,

— not further worked than hot-rolled or cold-rolled (cold-reduced).

The product concerned is currently falling within CN codes ex 7210 41 00, ex 7210 49 00, ex 7210 61 00, ex 7210 69 00, ex 7212 30 00, ex 7212 50 61, ex 7212 50 69, ex 7225 92 00, ex 7225 99 00, ex 7226 99 30 and ex 7226 99 70 (TARIC codes: 7210 41 00 20, 7210 49 00 20, 7210 61 00 20, 7210 69 00 20, 7212 30 00 20, 7212 50 61 20, 7212 50 69 20, 7225 92 00 20, 7225 99 00 22, 7225 99 00 92, 7226 99 30 10, 7226 99 70 94) and originating in in the People's Republic of China.

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

Company	Definitive duty rate (%)	TARIC Additional Code
Hesteel Co., Ltd Handan Branch	27,8	C227
Handan Iron & Steel Group Han-Bao Co., Ltd	27,8	C158
Hesteel Co., Ltd Tangshan Branch	27,8	C159
Tangshan Iron & Steel Group High Strength Automotive Strip Co., Ltd	27,8	C228
Beijing Shougang Cold Rolling Co., Ltd	17,2	C229
Shougang Jingtang United Iron and Steel Co., Ltd	17,2	C164
Zhangjiagang Shagang Dongshin Galvanized Steel Sheet Co., Ltd	27,9	C230
Zhangjiagang Yangtze River Cold Rolled Sheet Co., Ltd	27,9	C112
Other cooperating companies listed in the Annex	26,1	C231
All other companies	27,9	C999

3. The application of the individual anti-dumping duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the customs authorities of the Member States of a valid commercial invoice, on which shall appear a declaration dated and signed by an official of the entity issuing such invoice, identified by his/her name and function, drafted as follows: 'I, the undersigned, certify that the (volume) of corrosion resistant steels sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in the (country concerned). I declare that the information provided in this invoice is complete and correct.' If no such invoice is presented, the duty rate applicable to 'all other companies' shall apply.

4. Where any new exporting producer in the People's Republic of China provides sufficient evidence to the Commission that: (a) it did not export to the Union the product described in paragraph 1 in the period between 1 October 2015 and 30 September 2016 (investigation period); (b) it is not related to any exporter or producer in the People's Republic of China which is subject to the anti-dumping measures imposed by this Regulation; (c) it has actually exported to the Union the product concerned or it has entered into an irrevocable contractual obligation to export a significant quantity to the Union after the end of the original investigation period, the Commission may amend the Annex by adding the new exporting producer to the cooperating companies not included in the sample and thus subject to the weighted average duty of not exceeding 26,1 %.

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

Article 2

The amounts secured by way of the provisional anti-dumping duties pursuant to Commission Implementing Regulation (EU) 2017/1444 shall be definitively collected. The amounts secured in excess of the definitive rates of anti-dumping duty shall be released.

Article 3

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

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

Done at Brussels, 7 February 2018.

For the Commission
The President
Jean-Claude JUNCKER

ANNEX

COOPERATING EXPORTING PRODUCERS NOT INCLUDED IN THE SAMPLE

Maanshan Iron & Steel Co., Ltd	Maanshan, Anhui	C312
Angang Steel Company Limited	Anshan, Liaoning	C313
TKAS Auto Steel Company Ltd	Dalian, Liaoning	C314
JiangYin ZongCheng Steel CO., Ltd	Jiangyin, Jiangsu	C315
Bengang Steel Plates Co., Ltd	Benxi, Liaoning	C316
BX STEEL POSCO Cold Rolled Sheet Co., Ltd	Benxi, Liaoning	C317
Wuhan Iron & Steel Co., Ltd	Wuhan, Hubei	C318
Shandong Kerui Steel Plate Co., Ltd	Binzhou, Shandong	C319
Inner Mongolia Baotou Steel Union Co. Ltd	Baotou, Inner Mongolia	C320
Hunan Valin Liangang Steel Sheet Co., Ltd	Loudi, Hunan	C321
Shandong Huifu Color Steel Co., Ltd	Linyi, Shadong	C322
Fujian Kaijing Greentech Material Co., Ltd	Longhai, Fujian	C323
Baoshan Iron & Steel Co., Ltd	Shanghai	C324
Baosteel Zhanjiang Iron & Steel Co., Ltd	Zhanjiang, Guandong	C325
Yieh Phui (China) Technomaterial Co.	Changshu, Jiangsu	C326
Rizhao Baohua New Materials Co., Ltd	Rizhao, Shandong	C327
Jiangsu Gangzheng Steel Sheet Science and Technology Co., Ltd	Nantong, Jiangsu	C328