II

*(Non-legislative acts)*

# REGULATIONS

## COMMISSION IMPLEMENTING REGULATION (EU) 2019/1662

## of 1 October 2019

## imposing a definitive anti-dumping duty on imports of ironing boards originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

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

Having regard to Council 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]) (hereinafter referred to as 'the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

### 1. PROCEDURE

#### 1.1. Measures in force

(1) In April 2007, by Regulation (EC) No 452/2007, the Council imposed definitive anti-dumping duties ranging from 9,9 % to 38,1 % on imports of ironing boards originating in the People's Republic of China ('PRC' or 'China') and Ukraine ([2]); in December 2010, by Regulation (EU) No 1243/2010 ([3]), the Council imposed a definitive anti-dumping duty on imports of ironing boards of Since Hardware (Guangzhou) Co, a Chinese exporting producer of ironing boards, following a new investigation pursuant to Article 5 of the basic Regulation ('the original investigations').

(2) In January 2010, the measures were amended by Implementing Regulation (EU) No 77/2010 following a new exporter review pursuant to Article 11(4) of the basic Regulation ([4]).

(3) In March 2010, the measures were amended by Implementing Regulation (EU) No 270/2010 following an interim review pursuant to Article 11(3) of the basic Regulation ([5]).

([1]) OJ L 176, 30.6.2016, p. 21.
([2]) Council Regulation (EC) No 452/2007 of 23 April 2007 imposing a definitive duty and collecting definitively the provisional duty imposed on imports of ironing boards originating in the People's Republic of China and Ukraine (OJ L 109, 26.4.2007, p. 12.)
([3]) Council Implementing Regulation (EU) No 1243/2010 imposing a definitive anti-dumping duty on imports of ironing boards originating in the People's Republic of China produced by Since Hardware (Guangzhou) Co., Ltd (OJ L 338, 22.12.2010, p. 22.)
([4]) Council Implementing Regulation (EU) No 77/2010 of 19 January 2010 amending Regulation (EC) No 452/2007 imposing a definitive anti-dumping duty on imports of ironing boards originating, inter alia, in the People's Republic of China (OJ L 24, 28.1.2010, p. 1.)
([5]) Implementing Regulation of the Council (EU) No 270/2010 of 29 March 2010 amending Regulation (EC) No 452/2007 imposing a definitive anti-dumping duty on imports of ironing boards originating, inter alia, in the People's Republic of China (OJ L 84, 31.3.2010, p. 13.)

(4) In September 2010, by Implementing Regulation (EU) No 805/2010, the Council re-imposed a definitive anti-dumping duty on imports of ironing boards of Foshan Shunde Yongjian Housewares and Hardware Co. Ltd, Foshan, a Chinese exporting producer of ironing boards ([6]), as a measure to comply with the judgment of the Court of Justice in case C-141/08 P ([7]).

(5) In October 2012, by Implementing Regulation (EU) No 987/2012, the Council re-imposed a definitive anti-dumping duty on imports of ironing boards originating in China, manufactured by Zhejiang Harmonic Hardware Products Co. Ltd ([8]), as a measure to comply with the judgment of the Court of justice in case T-274/07 ([9]).

(6) In July 2013, following an expiry review in accordance with Article 11(2) and an interim review in accordance with Article 11(3) of the basic Regulation, the Council, by Implementing Regulation (EU) No 695/2013, extended the measures for a further five years with regard to imports of ironing boards originating in China and repealed the measures on imports of ironing boards originating in Ukraine ([10]).

### 1.2. **Requests for review**

(7) Following the publication of a notice of impending expiry ([11]), the Commission received a request for an expiry review pursuant to Article 11(2) of the basic Regulation ('request for review').

(8) The request was lodged on 20 April 2018 by three Union producers (Colombo New Scal SpA, Rörets Polska Sp. z o. o. and Vale Mill (Rochdale) Ltd), representing more than 50 % of the total Union production of ironing boards ('the applicants').

(9) The request for review was based on the grounds that the expiry of the measures would be likely to result in continuation or recurrence of dumping and injury to the Union industry.

### 1.3. **Initiation of an expiry review**

(10) Having determined, after consulting the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 19 July 2018 the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation, by a notice published in the *Official Journal of the European Union* ([12]) ('Notice of initiation').

### 1.4. **Investigation**

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

(11) The investigation of a continuation or recurrence of dumping covered the period from 1 January 2017 to 31 December 2017 ('the review investigation period'). The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2014 to the end of the investigation period ('the period considered').

([6]) Council Implementing Regulation (EU) No 805/2010 re-imposing a definitive anti-dumping duty on imports of ironing boards originating in the People's Republic of China, manufactured by Foshan Shunde Yongjian Housewares and Hardware Co. Ltd, Foshan (OJ L 242, 15.9.2010, p. 1.)
([7]) OJ C 282, 21.11.2009, p. 9.
([8]) Council Implementing Regulation (EU) No 987/2012 reimposing a definitive anti-dumping duty on imports of ironing boards originating in the People's Republic of China, manufactured by Zhejiang Harmonic Hardware Products Co. Ltd (OJ L 297, 26.10.2012, p. 5.)
([9]) OJ C 223, 22.9.2007, p. 15.
([10]) Council Implementing Regulation (EU) No 695/2013 imposing a definitive anti-dumping duty on imports of ironing boards originating in the People's Republic of China, and repealing the anti-dumping measures on imports of ironing boards originating in Ukraine following an expiry review pursuant to Article 11(2) and a partial interim review pursuant to Article 11(3) of Regulation (EC) No 1225/2009 (OJ L 198, 23.7.2013, p. 1.)
([11]) OJ C 362, 26.10.2017, p. 30.
([12]) OJ C 253, 19.7.2018, p. 30.

1.4.2. *Interested parties*

(12) The Commission officially informed the applicants, other known Union producers, exporting producers, importers, users in the EU known to be concerned and the representatives of the exporting country concerned of the initiation of the expiry review.

(13) Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set out in the Notice of initiation.

1.4.3. *Sampling*

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

1.4.3.1. Sampling of Union producers

(15) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers in accordance with Article 17 of the basic Regulation. The sample consisted of four Union producers having the largest representative sales and production volume in the EU during the review investigation period which could reasonably be investigated within the time available. These four companies represented over 55 % of the Union industry's production and sales volume in the review investigation period. Interested parties were invited to comment on the provisional sample.

(16) One Union producer which was not included in the provisional sample expressed its support to the provisional sampling. No further comments were submitted. Therefore, the provisional sample was confirmed. The sample was considered representative for the Union industry.

(17) One of the sampled Union producers subsequently did not provide a questionnaire reply and was therefore excluded from the sample of Union producers. The remaining Union producers represented over 50 % of the total Union production and sales volume and the sample was therefore still considered as representative for the Union industry.

1.4.3.2. Sampling of importers

(18) In order to decide whether sampling was necessary and, if so, to select a sample, all unrelated importers were invited to participate in this investigation. Those parties were requested to make themselves known by providing the Commission with the information requested in Annex II of the Notice of initiation.

(19) No unrelated importers in the EU cooperated.

1.4.3.3. Sampling of exporting producers in the PRC

(20) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all known exporters/producers in the PRC to provide the information specified in the Notice of Initiation. In addition, it asked the Mission of the PRC to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(21) No exporter/producer in the PRC provided the requested information nor cooperated in the investigation within the time limits set out in the Notice of initiation.

(22) The Commission notified the Mission of the People's Republic of China that due to the absence of any cooperation from exporters/producers in the PRC, it intended to apply Article 18 of the basic Regulation and therefore base its findings on continuation or recurrence of dumping and injury in respect of exporters/producers in the PRC on the facts available.

1.4.4. *Questionnaires and verification visits*

(23) The Commission sent questionnaires to the government of the PRC ('GOC') and to the four sampled Union producers. The GOC did not provide any reply to the questionnaire. Three sampled Union producers provided questionnaire replies.

(24) The Commission sought and verified all the information it deemed necessary for a determination of the likelihood of continuation or recurrence of dumping and injury and for the determination of Union interest. Verification visits were carried out at the premises of the following interested parties:

Union producers:

— Colombo New Scal SpA, Italy

— Rörets Polska Spółka z o.o., Poland and AB Rörets Industrier, Sweden

— Vale Mill (Rochdale) Ltd, United Kingdom.

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

(25) Given the sufficient evidence available at the initiation of the investigation pointing to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission initiated the investigation on the basis of Article 2(6a) of the basic Regulation. In order to obtain information it deems necessary for its investigation with regard to the alleged significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission sent a questionnaire to the GOC. In addition, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date of publication of the Notice of Initiation in the *Official Journal of the European Union*. With regard to the relevant sources, the Commission invited all producers in the country concerned to provide the information requested in Annex III to the Notice of Initiation within 15 days of the date of publication of the Notice of Initiation.

(26) No questionnaire reply was received from the GOC. No submission of the information requested in Annex III to the Notice of Initiation, nor on appropriateness of the use of Article 2(6a) of the basic Regulation was made either, within the foreseen deadlines.

(27) In point 5.3.2 of the Notice of Initiation the Commission also specified that, in view of the evidence available, it may need to select an appropriate representative country pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks.

(28) On 6 September 2018, the Commission by a note ('the Note of 6 September') informed the interested parties on the relevant sources it intended to use for the determination of the normal value. In that note, the Commission provided a list of all factors of production such as raw materials, labour and energy used in the production of ironing boards by the exporting producers. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified three potential representative countries: Brazil, Serbia and Turkey.

(29) The Commission gave the opportunity to all interested parties to comment. The Commission received comments from one of the applicants.

(30) The Commission, as explained in recitals (105)-(106), addressed the comments received by the applicant in a second note on the sources for the determination of the normal value dated 26 October 2018 ('the Note of 26 October'). In the Note of 26 October, the Commission established the list of factors of production and concluded that, at that stage, Turkey was the most appropriate representative country under Article 2(6a)(a), first indent of the basic Regulation. The Commission invited interested parties to comment. No comments were received.

1.4.6. *Subsequent procedure*

(31) On 4 July 2019, the Commission disclosed the essential facts and considerations on the basis of which it intended to maintain the anti-dumping duties ('final disclosure'). All parties were granted a period within which they could make comments on the disclosure.

(32) No comments contesting the Commission's findings were received.

## 2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

### 2.1. Product under review

(33) The product subject to this expiry review is ironing boards, whether or not free-standing, with or without a steam-soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof, i.e. the legs, the top and the iron rest ('the product under review'), currently falling under CN codes ex 3924 90 00, ex 4421 99 99, ex 7323 93 00, ex 7323 99 00, ex 8516 79 70 and ex 8516 90 00 (TARIC codes 3924 90 00 10, 4421 99 99 10, 7323 93 00 10, 7323 99 00 10, 8516 79 70 10 and 8516 90 00 51), and originating in the People's Republic of China.

### 2.2. Like product

(34) The current review investigation confirmed that, as established in the original investigations, the ironing boards produced and sold on the domestic market in China and in the representative country Turkey, and the ironing boards produced and sold by the Union industry on the EU market have the same basic physical and technical characteristics and the same basic uses.

(35) Therefore these products are considered to be like products within the meaning of Article 1(4) of the basic Regulation.

## 3. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING

### 3.1. Preliminary remarks

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

(37) None of the Chinese exporters/producers cooperated in the investigation. They failed to submit any information or provide supporting evidence regarding the alleged significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. Likewise, none of the exporting producers submitted any questionnaire reply.

(38) The GOC did not provide any questionnaire reply nor address the evidence on the case file provided by the applicant, including the 'Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations' ('the Report') ([13]).

(39) On 27 July 2018, the Commission informed the Mission of the People's Republic of China that, due to the absence of any cooperation from exporters/producers in the PRC, it intended to base its findings on facts available in accordance with Article 18 of the basic Regulation. The Commission stressed also that a finding based on facts available may be less favourable to the party concerned and invited them to comment. The Mission of the People's Republic of China did not provide any comments.

(40) On that basis, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the likelihood of continuation or recurrence of dumping set out below were based on facts available, in particular, on the information contained in the request for review and the statistics based on the data reported to the Commission by the Member States in accordance with Article 14(6) of the basic Regulation ('Article 14(6) database'), as well as the statistics based on the export data reported from the official database of the Chinese customs ('Chinese database'). In addition, the Commission used other sources of publicly available information such as the Global Trade Atlas ([14]) ('GTA') and the Orbis Bureau van Dijk ([15]) ('Orbis') databases.

([13]) Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the purposes of Trade Defence Investigations, 20 December 2017, SWD(2017) 483 final/2.
([14]) Global Trade Atlas – GTA (https://www.gtis.com/gta/secure/htscty_wta.cfm)
([15]) https://orbis4.bvdinfo.com/version-201866/orbis/Companies.

### 3.2. **Dumping during the review investigation period**

#### 3.2.1. *Normal value*

(41) According to Article 2(1) of the basic Regulation, '*the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country*'.

(42) However, according to Article 2(6a)(a) of the basic Regulation, '*(i)n case it is determined […] that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks*', and '*shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits*'.

(43) As further explained in 4.2, the Commission concluded in the present investigation that, based on the evidence available, the application of Article 2(6a) of the basic Regulation was appropriate.

#### 3.2.2. *Existence of significant distortions*

##### 3.2.2.1. Introduction

(44) Article 2(6a)(b) of the basic Regulation defines '*significant distortions are those distortions which occur when reported prices or costs, including the costs of raw materials and energy, are not the result of free market forces as they are affected by substantial government intervention. In assessing the existence of significant distortions regard shall be had, inter alia, to the potential impact of one or more of the following elements:*

— *the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country;*

— *state presence in firms allowing the state to interfere with respect to prices or costs;*

— *public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces;*

— *the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws;*

— *wage costs being distorted;*

— *access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state*'.

(45) According to Article 2(6a)(b) of the basic Regulation, the assessment of the existence of significant distortions within the meaning of Article 2(6a)(a) shall take into account, amongst others, the non-exhaustive list of elements in the former provision. Pursuant to Article 2(6a)(b)of the basic Regulation, in assessing the existence of significant distortions, regard shall be had to the potential impact of one or more of these elements on prices and costs in the exporting country of the product under review. Indeed, as that list is non-cumulative, not all the elements need to be given regard to for a finding of significant distortions. Moreover, the same factual circumstances may be used to demonstrate the existence of one or more of the elements of the list. However, any conclusion on significant distortions within the meaning of Article 2(6a)(a) must be made on the basis of all the evidence at hand. The overall assessment on the existence of distortions may also take into account the general context and situation in the exporting country, in particular where when the concept of a 'socialist market economy' enshrined in the Chinese Constitution and the entire legal system provides the government with substantial powers to intervene in the economy in such a way that prices and costs are not the result of the free development of market forces.

(46) Article 2(6a)(c) of the basic Regulation provides that '*[w]here the Commission has well-founded indications of the possible existence of significant distortions as referred to in point (b) in a certain country or a certain sector in that country, and where appropriate for the effective application of this Regulation, the Commission shall produce, make public and regularly update a report describing the market circumstances referred to in point (b) in that country or sector*'.

(47) Interested parties were invited to rebut, comment or supplement the evidence contained in the investigation file at the time of initiation. In that respect, the Commission had previously produced the Report. The Report points to the existence of substantial government intervention at many levels of the economy, including specific distortions in many key factors of production (such as land, energy, capital, raw materials and labour) as well as in specific sectors (such as the steel or chemical sectors). The Report was placed in the investigation file at the initiation stage.

(48) The applicant's request also supported allegations on significant distortions in the meaning of Article 2(6a)(b) referred to above, in line with the Report, in particular with regard to distortions in the steel sector, notably due to the fact that, according to the applicant, steel represented at least 40 % of the total manufacturing costs of ironing boards producers.

(49) The Commission examined whether it was appropriate or not to use domestic prices and costs in China, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file, including the evidence contained in the Report, which relies on publicly available sources. That analysis covered the examination of the substantial government interventions in PRC's economy in general, but also the specific market situation in the relevant sector including the product under review.

(50) The GOC did not comment or provide evidence supporting or rebutting the existing evidence on the case file, including the Report.

3.2.2.2. Significant distortions affecting the domestic prices and costs in the PRC

(51) The Chinese economic system is based on the concept of a '*socialist market economy*'. That concept is enshrined in the Chinese Constitution and determines the economic governance of China. The core principle is the '*socialist public ownership of the means of production, namely, ownership by the whole people and collective ownership by the working people*'. The State-owned economy is the '*leading force of the national economy*' and the State has the mandate '*to ensure its consolidation and growth*' ([16]). Consequently, the overall setup of the Chinese economy not only allows for substantial government interventions into the economy, but such interventions are expressly mandated. The notion of supremacy of public ownership over the private one permeates the entire legal system and is emphasized as a general principle in all central pieces of legislation. The Chinese property law is a prime example: it refers to the primary stage of socialism and entrusts the State with upholding the basic economic system under which the public ownership plays a dominant role. Other forms of ownership are tolerated, with the law permitting them to develop side by side with the State ownership. ([17])

(52) In addition, under Chinese law, the socialist market economy is developed under the leadership of the Chinese Communist Party (CCP). The structures of the Chinese State and of the CCP are intertwined at every level (legal, institutional, personal), forming a superstructure in which the roles of CCP and the State are indistinguishable. Following an amendment of the Chinese Constitution in March 2018, the leading role of the CCP was given an even greater prominence by being reaffirmed in the text of Article 1 of the Constitution. Following the already existing first sentence of the provision: '[t]*he socialist system is the basic system of the People's Republic of China*' a new second sentence was inserted which reads: '*[t]he defining feature of socialism with Chinese characteristics is the leadership of the Communist Party of China.*' ([18]) This illustrates the unquestioned and ever growing control of the CCP over the economic system of China. This leadership and control is inherent to the Chinese system and goes well beyond the situation customary in other countries where the governments exercise general macroeconomic control within the boundaries of which free market forces are at play.

(53) The Chinese State engages in an interventionist economic policy in pursuance of goals, which coincide with the political agenda set by the CCP rather than reflecting the prevailing economic conditions in a free market. ([19]) The interventionist economic tools deployed by the Chinese authorities are manifold, including the system of industrial planning, the financial system, as well as the level of the regulatory environment.

([16]) Report – Chapter 2, pp. 6-7
([17]) Report – Chapter 2, p. 10
([18]) http://en.pkulaw.cn/display.aspx?cgid=311950&lib=law (accessed on 27 March 2019)
([19]) Report – Chapter 2, p. 20-21

(54) First, on the level of overall administrative control, the direction of the Chinese economy is governed by a complex system of industrial planning which affects all economic activities within the country. The totality of these plans cover a comprehensive and complex matrix of sectors and crosscutting policies and is present on all levels of government. Plans at provincial level are detailed while national plans set broader targets. Plans also specify the means in order to support the relevant industries/sectors as well as the timeframes in which the objectives need to be achieved. Some plans still contain explicit output targets while this was a regular feature in previous planning cycles. Under the plans, individual industrial sectors and/or projects are being singled out as (positive or negative) priorities in line with the government priorities and specific development goals are attributed to them (industrial upgrade, international expansion etc.). The economic operators, private and State-owned alike, must effectively adjust their business activities according to the realities imposed by the planning system. This is not only because of the binding nature of the plans but also because the relevant Chinese authorities at all level of government adhere to the system of plans and use their vested powers accordingly, thereby inducing the economic operators to comply with the priorities set out in the plans (see also section 3.2.2.5). ([20])

(55) Second, on the level of allocation of financial resources, the financial system of China is dominated by the State-owned commercial banks. Those banks, when setting up and implementing their lending policy need to align themselves with the government's industrial policy objectives rather than primarily assessing the economic merits of a given project (see also section 3.2.2.8). ([21]) The same applies to the other components of the Chinese financial system, such as the stock markets, bond markets, private equity markets etc. Also these parts of the financial sector other than the banking sector are institutionally and operationally set up in a manner not geared towards maximizing the efficient functioning of the financial markets but towards ensuring control and allowing intervention by the State and the CCP. ([22])

(56) Third, on the level of regulatory environment, the interventions by the State into the economy take a number of forms. For instance, the public procurement rules are regularly used in pursuit of policy goals other than economic efficiency, thereby undermining market based principles in the area. The applicable legislation specifically provides that public procurement shall be conducted in order to facilitate the achievement of goals designed by State policies. However, the nature of these goals remains undefined, thereby leaving broad margin of appreciation to the decision-making bodies. ([23]) Similarly, in the area of investment, the Chinese government maintains significant control and influence over destination and magnitude of both State and private investment. Investment screening, as well as various incentives, restrictions, and prohibitions related to investment are used by authorities as an important tool for supporting industrial policy goals, such as maintaining State control over key sectors or bolstering domestic industry. ([24])

(57) In sum, the Chinese economic model is based on certain basic axioms which provide for and encourage manifold government interventions. Such substantial government interventions are at odds with free play of market forces, resulting in distorting the effective allocation of resources in line with market principles. ([25])

#### 3.2.2.3. Significant distortions according to Article 2(6a)(b), first indent of the basic Regulation: the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country

(58) In the PRC, enterprises operating under the ownership, control and/or policy supervision or guidance by the State represent an essential part of the economy.

(59) With regard to State ownership in the ironing boards sector, as established by the previous expiry review, the number of producers of ironing boards in China is potentially high. In the absence of any information submitted by the GOC on this sector, and given its fragmented nature, it is difficult to draw general conclusions on the sector's ownership patterns. However, with respect to the providers of inputs for the production of the product under review, as submitted by the applicant, steel inputs constitute between 40 % and 60 % of the manufacturing costs of ironing boards producers. The prices of steel are therefore a significant cost factor in the production process of ironing boards. As established by the Commission in its Report, a substantial degree of ownership by the Chinese

([20]) Report – Chapter 3, pp. 41, 73-74
([21]) Report – Chapter 6, pp. 120-121
([22]) Report – Chapter 6. pp. 122 -135
([23]) Report – Chapter 7, pp. 167-168
([24]) Report – Chapter 8, pp. 169-170, 200-201
([25]) Report – Chapter 2, pp. 15-16, Report – Chapter 4, p. 50, p. 84, Report – Chapter 5, pp. 108-109

government persists in the steel sector. A number of the major producers are owned by the State, some being specifically referred to in the'Steel Industry Adjustment and Upgrading plan for 2016-2020' ([26]) as examples of the achievements of the 12th five-year planning period (such as Baosteel, Anshan Iron and Steel, Wuhan Iron and Steel, etc.). While the nominal split between the number of State-owned enterprises ('SOEs') and privately owned companies is estimated to be almost even, from the five Chinese steel producers ranked in the top ten of the world's largest steel producers, four are SOEs ([27]). Therefore, the production of the key component of ironing boards is subject to significant State ownership and therefore State intervention.

(60) With regard to control by the State, the government and the CCP maintain structures that ensure their continued influence over enterprises, including those producing ironing boards and their components. The State (and in many respects also the CCP) not only actively formulates and oversees the implementation of general economic policies by individual enterprises, but it also claims its rights to participate in their operational decision-making, thereby exercising a certain degree of control over Chinese enterprises. ([28]) The elements that point to the existence of such government control over enterprises in the ironing boards production sector as well as in their inputs supplying sectors are further developed in section 3.2.2.4. Moreover, specifically in the case of one of the key components used in ironing boards – welded steel tubes, representing from 25-30 % of the total manufacturing cost – the Commission has previously established state interference even where there was no or only partial state ownership of producing companies, resulting in business decisions not being made in response to market signals. ([29]) The investigation led to the conclusion that there was significant State interference in the Chinese welded steel tubes sector, which serves to a large extent the ironing boards producers, and impacts their costs.

(61) As concerns policy supervision and guidance by the State in the ironing boards production sector and the steel sector which is the main supplier of inputs, the analysis is set out in sections 3.2.2.4 and 3.2.2.5 below. With the high level of government control and intervention in the latter sectors as described in the said sections, even privately owned ironing boards producers are prevented from operating under market conditions.

(62) Therefore, the Commission concluded that the ironing boards market and that of its key suppliers in the PRC was served to a significant extent by enterprises subject to ownership, control or policy supervision or guidance by the Chinese government. Additionally, the Commission concluded that the market of the key steel components of ironing boards is to a significant extent served by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities.

#### 3.2.2.4. Significant distortions according to Article 2(6a)(b), second indent of the basic Regulation: State presence in firms allowing the state to interfere with respect to prices or costs

(63) The Chinese State is in a position to interfere with prices and costs through State presence in firms. In particular, CCP cells in enterprises, state owned and private alike, represent an important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution ([30])) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced it claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure

([26]) The full text of the plan is available on the MIIT website:http://www.miit.gov.cn/n1146295/n1652858/n1652930/n3757016/c5353943/content.html.
([27]) Report – Chapter 14, p. 358: 51 % private and 49 % SOEs in terms of production and 44 % SOEs and 56 % private companies in terms of capacity.
([28]) Report – Chapter 3, pp. 27-31
([29]) Council Regulation (EC) No 1256/2008 of 16 December 2008 imposing a definitive anti-dumping duty on imports of certain welded tubes and pipes of iron or non-alloy steel originating in Belarus, the People's Republic of China and Russia following a proceeding pursuant to Article 5 of Regulation (EC) No 384/96
([30]) Report – Chapter 2, p. 26

on private companies to put 'patriotism' first and to follow party discipline. ([31]) In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decision within their respective companies. ([32]) These rules are of general application throughout the Chinese economy, across all sectors, including the ironing boards manufacturing sector. Hence, it is determined that these rules apply also to the producers of ironing boards and the suppliers of their inputs.

(64) By way of example, CCP structures personally overlap with the management body in the case of at least one ironing board producer — Since Hardware (Guangzhou) Co. Ltd - which claims a 'leading role' in the market, with regard to both production and export operations. ([33]) The Commission found that the company's Chairman of the Board of Directors and Executive Director was a member of the Guangzhou Municipal People's Political Consultative Committee, and a member of the Standing Committee of the Guangzhou Huadu district's People's Political Consultative Committee. ([34])

(65) Those factors point directly to the existence of government interferences, through, for instance, CCP presence and involvement, to interference by the GOC with prices and costs in the production of ironing boards.

(66) The State's presence and intervention in the financial markets (see also section 3.2.2.8) as well as in the provision of raw materials and inputs have an additional distorting effect on the market. ([35]) In particular, with regard to the steel components of ironing boards, the Commission found in recent investigations tight links to exist between decision making processes of Chinese steel products manufacturers and the State, in particular the CCP. ([36])

(67) Based on all of the above, and in the absence of cooperation and information opposing the above preliminary finding, the Commission, at this stage, concluded that the State presence in Chinese firms, including in the ironing boards production sector, as well as in in the financial sector and other input sectors, combined with the framework described in section 3.2.2.3 and in the subsequent sections, allows the GOC to interfere with respect to prices and costs.

#### 3.2.2.5. Significant distortions according to Article 2(6a)(b), third indent of the basic Regulation: public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces

(68) The direction of the Chinese economy is to a significant degree determined by an elaborate system of planning which sets out priorities and prescribes the goals the central and local governments must focus on. Relevant plans exist on all levels of government and cover virtually all economic sectors. The objectives set by the planning instruments are of binding nature and the authorities at each administrative level monitor the implementation of the plans by the corresponding lower level of government. Overall, the system of planning in China results in resources being driven to sectors designated as strategic or otherwise politically important by the government, rather than being allocated in line with market forces. ([37])

([31]) Report – Chapter 2, pp. 31-32
([32]) https://www.reuters.com/article/us-china-congress-companies-idUSKCN1B40JU (accessed on 27 March 2019).
([33]) See company description at: https://www.gmdu.net/corp-530956.html (accessed on 14 May 2019)
([34]) www.cec-ceda.org.cn/famousdb/qiye1438/manager.html (accessed on 14 May 2019)
([35]) Report – Chapters 6 and 12
([36]) See Commission Implementing Regulation (EU) 2019/688 of 2 May 2019 imposing a definitive countervailing duty on imports of certain organic coated steel products originating in the People's Republic of China following an expiry review pursuant to Article 18 of the Regulation (EU) 2016/1037 of the European Parliament and of the Council (OJ L 116, 3.5.2019, p. 39) and Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China, OJ [2017] L 146/17.
([37]) Report – Chapter 4, pp. 41-42, 83

(69) The Commission found that, while no sector-specific public policies and/or policy documents directly concerning the manufacturing of ironing boards appeared to exist, ironing boards production was still subject to overall central planning documents, as also confirmed by a specialized Chinese market study on ironing boards. ([38]) The latter study carries out a specific analysis of the development of the sector against the background of the fulfilment of the central 13th FYP.

(70) In addition to this, as submitted by the applicant, between 40 % and 60 % of ironing boards manufacturing costs originate in the various steel inputs used in the production of ironing boards. Besides this, other raw materials, including chemical inputs (foams, plastics, paintings or coatings) as well as textile inputs (cotton fabric) influence the cost and pricing structure in the production of ironing boards. In that respect, the Commission found significant government intervention into the raw materials used to produce ironing boards. ([39]) The overwhelming number of public policy documents and measures found has the potential to influence the free play of market forces in the market of the said raw materials, thereby affecting the prices of components of ironing boards, and by the same token the manufacturing costs of the product under review.

(71) By the way of example, steel is covered by the Steel Industry Adjustment and Upgrading plan for 2016-2020' (the '13th FYP for Steel'), which covers virtually all aspects of the development of the industry, including production capacity goals, upgrading and ensuring effective supply, industry restructuring, financial support, quantitative targets, geographical location of steel factories. Similarly, the 13th FYP for the Petrochemical and Chemical Industry (2016-2020) provides for strict regulation of the chemical sector, covering raw materials used to produce bicycle elements, such as rubber, paints and plastics.

(72) In addition, the steel sector is characterised by large presence of SOEs (see recital (59)). Steel is closely regulated by numerous plans, directives and other documents focused on steel, which are issued at national, regional and municipal level such as the 'Steel Industry Adjustment and Upgrading plan for 2016-2020'. This Plan states that the steel industry is 'an important, fundamental sector of the Chinese economy, a national cornerstone'. ([40])

(73) The 'Catalogue for Guiding Industry Restructuring (2011 Version) (2013 Amendment)' ([41]) ('the Catalogue') lists iron and steel as encouraged industries. In particular, the Catalogue encourages *the '[d]evelopment and application of technologies for higher-performance, high-quality, and upgrading steel products, including but not limited to high-strength automobile sheets of not less than 600 MPa, high performance pipeline steel for oil and gas transmission, high-strength wide and thick plates for vessels, marine engineering steel, moderate thickness plates of not less than 420 MPa for buildings, bridges and other structures, steel for high-speed and heavy-haul railways, low-iron loss and high-magnetic induction silicon steel, corrosion- and wear-resistance steel, alloy resource-saving stainless steel (modern ferritic stainless steel, duplex stainless steel, and nitrogen stainless steel), special steel bars and wire rods for high-performance basic parts (high-performance gears, bolts at or above Grade 12,9, high-strength spring, and long service life bearings), and high-quality special steel forged materials (tool and mould steel, stainless steel, and steel for machinery, among others)*'. The applicability of the Catalogue was confirmed by the recent anti-subsidy investigation on certain hot-rolled flat products of iron, non-alloy or other alloy steel ('HRF') originating in the PRC. ([42])

([38]) See the description and table of contents of the *Report on the deep analysis of the mesh ironing board sector and the 13th Five-Year Plan Guidance over the 2018-2023 period*. YUBO INFO. 28 December 2018. www.chinabgao.com/report/4288625.html (accessed on 14 May 2019)

([39]) See Report Chapter 14 on steel, Chapter 16 on the chemical sector, and Chapter 12 on raw materials.

([40]) Introduction to *The Plan for Adjusting and Upgrading the Steel Industry*.

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

([42]) See Recital (56) of Commission Implementing Regulation (EU) 2017/969 of 8 June 2017 imposing definitive countervailing duties on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China and amending Commission Implementing Regulation (EU) 2017/649 imposing a definitive anti-dumping duty on imports of certain hot-rolled flat products of iron, non-alloy or other alloy steel originating in the People's Republic of China, OJ [2017] L 146/17.

(74) The chemical sector is also subject to strong state intervention in China. Firstly, the it is characterised by the dominance of SOEs. Some of the largest chemical companies in China are SOEs, and State ownership represents significant shares of the total assets of chemical companies. ([43]) Secondly, the chemical sector is controlled by the State through numerous planning and regulatory documents issued by subsequent legislatures and administrative agencies at all levels of government. All of these planning measures are applied at various administrative levels in a discretionary, controlled and systematic manner, and subject to constant governmental review. ([44])

(75) As specified by the Commission in its Report, the overarching planning document managing the chemical sector is the 13th FYP for the Petrochemical and Chemical Industry (2016-2020), issued on 18 October 2016 by MIIT. It guides the petrochemical and chemical industry's development for the 2016 to 2020 period, in line with the provisions of the national 13th FYP and, the Made in China 2025 strategy. The said Plan sets development objectives and gives instructions on production targets by industry segments, but also imposes government control over production capacity, and over corporate decisions. ([45]) Among the products covered by the Plan are several inputs used in the production of ironing boards, notably paint/coating material in the form of epoxy/polyester blends. ([46]) Likewise, the market for the latter products is also managed by the State at provincial level, such as in Hebei Province, via the 13th FYP for the development of the Petrochemical Industry in the Hebei Province, which sets out development patterns for specific sub-sectors, including through capacity control (which covers paints and polyesters). ([47])

(76) The market for another input for the production of ironing boards – cotton textile — is also managed by the Chinese State by means of planning documents, notably the overarching 13th FYP for Textile Industry Development. The latter plan sets out the policy to: '*improve the management of cotton import quotas; increase the utilisation rate of quotas; meet the textile enterprises' demand for high-quality cotton; establish a link between the reserve cotton's floor price and the domestic and foreign spot market prices, speed up reserve cotton absorption; keep on improving the cotton price formation mechanism, the cotton target price subsidy policy and the cotton trade remedy measures*'. ([48]) These policy lines are further reflected in the sectoral guidance documents, notably in the 13th Five-Year Plan for the Development of the Cotton Textile Industry issued by the China Cotton Textile Industry Association. The latter Plan notably sets the cotton's industry's development goals for 2020, including increase ratios for sales, profits and exports, as well as production targets. ([49]) The same Plan also instructs to '*strengthen market regulation* [..] *further to the Guiding Opinions issued by the State on the development of the relevant industries*', notably by […] '*amend[ing] processing trade regulations in accordance with cotton textile production*,' or '*ensur[ing] coherence with the relevant industry catalogues amended and issued by the State*'. ([50])

(77) As illustrated in the planning documents referred to above, it appears that the GOC manages the market development not only in the ironing boards sector itself, but also for the overwhelming majority of inputs which constitute the main components of ironing boards, in accordance with a broad range of policy tools and directives related, inter alia: to market composition and restructuring, raw materials, capacity management, product range, upgrading, etc. Through these and other means, the GOC directs and controls a full range of aspects in the

([43]) Report – Chapter 16, p. 403
([44]) Idem, pp. 434-435
([45]) Idem, pp. 406-412
([46]) See Box 5 enumerating projects related to new chemical industry materials in the 13th FYP for the Petrochemical and Chemical Industry (2016-2020).
([47]) See 13th FYP for the development of the Petrochemical Industry in the Hebei Province, Section III.2: '[…] Foster the setting up of an integrated industry base for aromatic hydrocarbons, ethylene glycol and polyester, strive to reach, by 2020, a yearly production of more than 30 million tonnes of refined oil, and 3 million tonnes of PX; […] 'Strongly develop fine chemical industry and chemical industry new materials, speed up the development of specific intermediate products and additives used for agro-pharmaceuticals, pharmaceuticals, paints, dyes, etc.' as well as Section III.3 (which includes paints) and Section III.5 (which includes epoxy materials and engineering plastics, notably covering polyester).
([48]) See the 13th FYP for Textile Industry Development, Section V.3
([49]) 13th FYP for the Development of the Cotton Textile Industry of the China Cotton Textile Industry Association's, Sections IV.1.1, IV.1.2 and Table 5.http://www.ctei.cn/special/2016nzt/gg/0928pdf/3.pdf (accessed on 14 May 2019)
([50]) Idem, Section IV.2.1.

development and functioning of the said sectors. ([51]) The current problem of overcapacity in the Chinese steel and chemical sectors, are clear illustrations of the implications of the GOC's policies and the resulting distortions in these sectors. ([52]) These distortions in turn affect the prices of key components of ironing boards, thereby distorting their costs of production, which cannot any longer be considered as market-based.

(78) In sum, the Commission established that the GOC has public policies in place influencing free market forces in the ironing boards manufacturing sector, notably by influencing free market forces in sectors supplying all the components of ironing boards.

3.2.2.6. Significant distortions according to Article 2(6a)(b), fourth indent of the basic Regulation: the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws

(79) According to the information on file, the Chinese bankruptcy system delivers inadequately on its own main objectives such as to fairly settle claims and debts and to safeguard the lawful rights and interests of creditors and debtors. This appears to be rooted in the fact that while the Chinese bankruptcy law formally rests on principles that are similar to those applied in corresponding laws in countries other than China, the Chinese system is characterised by systematic under-enforcement. The number of bankruptcies remains notoriously low in relation to the size of the country's economy, not least because the insolvency proceedings suffer from a number of shortcomings, which effectively function as a disincentive for bankruptcy filings. Moreover, the role of the State in the insolvency proceedings remains strong and active, often having direct influence on the outcome of the proceedings. ([53])

(80) In addition, the shortcomings of the system of property rights are particularly obvious in relation to ownership of land and land-use rights in China. ([54]) All land is owned by the Chinese State (collectively owned rural land and State-owned urban land). Its allocation remains solely dependent on the State. There are legal provisions that aim at allocating land use rights in a transparent manner and at market prices, for instance by introducing bidding procedures. However, these provisions are regularly not respected, with certain buyers obtaining their land for free or below market rates. ([55]) Moreover, authorities often pursue specific political goals including the implementation of the economic plans when allocating land. ([56])

(81) Much like other sectors in the Chinese economy, the ironing boards sector is subject to the ordinary rules on Chinese bankruptcy, corporate, and property laws. That has the effect that the ironing boards sector, too, is subject to the top-down distortions arising from the discriminatory application or inadequate enforcement of bankruptcy and property laws. In addition, a previous investigation revealed that land use rights operations were subject to State distortions. ([57]) The present investigation revealed nothing that would call those findings into question. As such, the Commission preliminarily concluded that the Chinese bankruptcy and property laws do not work properly, thus resulting in distortions when maintaining insolvent firms afloat and when allocating land use rights in the PRC.

3.2.2.7. Significant distortions according to Article 2(6a)(b), fifth indent of the basic Regulation: wage costs being distorted

(82) A system of market-based wages cannot fully develop in China as workers and employers are impeded in their rights to collective organisation. China has not ratified a number of essential conventions of the International Labour Organisation (ILO), in particular those on freedom of association and on collective bargaining. ([58]) Under national law, only one trade union organisation is active. However, this organisation lacks independence from the State authorities and its engagement in collective bargaining and protection of workers' rights remains rudimentary. ([59]) Moreover, the mobility of the Chinese workforce is restricted by the household registration system, which limits

([51]) Report – Chapter 17, pp. 462 – 463
([52]) Report – Chapter 17, pp. 438 – 439
([53]) Report – Chapter 6, pp. 138-149
([54]) Report – Chapter 9, p. 216
([55]) Report – Chapter 9, pp. 213-215
([56]) Report – Chapter 9, pp. 209-211
([57]) See Commission Regulation (EC) No 1620/2006 of 30 October 2006 imposing a provisional anti-dumping duty on imports of ironing boards originating in the People's Republic of China and Ukraine, notably recital 26: the Commission found that two of the Chinese producers requesting Market Economy Treatment *'had not met their contractual obligations in respect to payments of land-use rights to the state, yet this had no financial or other consequence for the companies. Furthermore, one company was found to lease during the IP state owned land for which it had not formally obtained land-use rights from the state. This situation was only corrected after the IP, but only at a fee below the normal rate.'*
([58]) Report – Chapter 13, pp. 332-337
([59]) Report – Chapter 13, p. 336

access to the full range of social security and other benefits to local residents of a given administrative area. This typically results in workers who are not in possession of the local residence registration finding themselves in a vulnerable employment position and receiving lower income than the holders of the residence registration. ([60]) Those findings lead to the distortion of wages costs in China.

(83) The ironing boards manufacturing sector and the suppliers of the key inputs, including the steel, chemical and textile sectors are also subject to the Chinese labour law system described. The ironing boards sector is thus affected by the distortions of wage costs, both directly (as labour represents between 15 % and 35 % of the production cost of ironing boards) as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in China).

(84) Therefore, the Commission concluded that wage costs were distorted in the ironing boards manufacturing sector and in the sectors of its key components.

3.2.2.8. Significant distortions according to Article 2(6a)(b), sixth indent of the basic Regulation: access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the State

(85) Access to capital for corporate actors in China is subject to various distortions.

(86) Firstly, the Chinese financial system is characterised by strong position of State-owned banks ([61]), which, when granting access to finance, take into consideration criteria other than economic viability of a project. Similarly to non-financial SOEs, the banks remain connected to the State not only through ownership but also via personal relations (the top executives of the large State-owned financial institutions are ultimately appointed by the CCP) ([62]) and, again just like non-financial SOEs, the banks regularly implement public policies designed by the government. In doing so, the banks comply with an explicit legal obligation to conduct their business in accordance with the needs of the national economic and social development and under the guidance of the industrial policies of the State. ([63]) This is compounded by additional existing rules, which direct finances into sectors designated by the government as encouraged or otherwise important. ([64])

(87) While it is acknowledged that various legal provisions refer to the need to respect normal banking behaviour and prudential rules such as the need to examine the creditworthiness of the borrower, the overwhelming evidence, including findings made in trade defence investigations, suggests that these provisions play only a secondary role in the application of the various legal instruments.

(88) Furthermore, bond and credit ratings are often distorted for a variety of reasons including the fact that the risk assessment is influenced by the firm's strategic importance to the Chinese government and the strength of any implicit guarantee by the government. Estimates strongly suggest that Chinese credit ratings systematically correspond to lower international ratings.

(89) This results in a bias for lending to SOEs, large well-connected private firms and firms in key industrial sectors, which implies that the availability and cost of capital is not equal for all players on the market.

(90) Secondly, borrowing costs have been kept artificially low to stimulate investment growth. This has led to the excessive use of capital investment with ever lower returns on investment. This is illustrated by the recent growth in corporate leverage in the state sector despite a sharp fall in profitability, which suggests that the mechanisms at work in the banking system do not follow normal commercial responses.

(91) Thirdly, although nominal interest rate liberalization was achieved in October 2015, price signals are still not the result of free market forces, but are influenced by government induced distortions. Indeed, the share of lending at

([60]) Report – Chapter 13, pp. 337-341
([61]) Report – Chapter 6, pp. 114-117
([62]) Report – Chapter 6, p. 119
([63]) Report – Chapter 6, p. 120
([64]) Report – Chapter 6, pp. 121-122, 126-128, 133-135

or below the benchmark rate still represents 45 % of all lending and recourse to targeted credit appears to have been stepped up, since this share has increased markedly since 2015 in spite of worsening economic conditions. Artificially low interest rates result in under-pricing, and consequently, the excessive utilization of capital.

(92) Overall credit growth in China indicates a worsening efficiency of capital allocation without any signs of credit tightening that would be expected in an undistorted market environment. As a result, non-performing loans have increased rapidly in recent years. Faced with a situation of increasing debt-at-risk, the Chinese government has opted to avoid defaults. Consequently, bad debt issues have been handled by rolling over debt, thus creating so called 'zombie' companies, or by transferring the ownership of the debt (e.g. via mergers or debt-to-equity swaps), without necessarily removing the overall debt problem or addressing its root causes.

(93) In essence, despite the recent steps that have been taken to liberalize the market, the corporate credit system in China is affected by significant systemic issues and distortions resulting from the continuing pervasive role of the state in the capital markets.

(94) The ironing boards manufacturers or their suppliers of raw materials and other inputs also benefit from this financial system. The investigation revealed, in fact, nothing that would qualify the ironing board sector as subject to different rules not subject to general substantial government intervention in the financial system. That system leads to the market conditions being severely affected at all levels of final product and input production.

(95) In light of the above, the Commission concluded that Chinese ironing boards producers had access to finance granted by institutions which implement public policy objectives or otherwise not acting independently from the state.

3.2.2.9. Systemic nature of the distortions described

(96) The Commission noted that the distortions described in the Report are characteristic for the Chinese economy. The evidence available shows that the facts and features of the Chinese system as described above in Sections 3.2.2.2-3.2.2.5 as well as in Part A of the Report apply throughout the country and across the sectors of the economy. The same holds true for the description of the factors of production as set out above in Sections 3.2.2.6-3.2.2.8 above and in Part B of the Report.

(97) The Commission recalls that in order to produce ironing boards, a broad range of inputs is needed. When the producers of ironing boards purchase/contract these inputs the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system which applies across all levels of government and sectors. Again, the present investigation did not yield evidence pointing to the contrary.

(98) As a consequence, not only the domestic sales prices of the product under review cannot be used but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also tainted because their price formation is affected by substantial government intervention, as described in Parts A and B of the Report. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that in itself was produced in China by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.

3.2.2.10. Conclusion

(99) The analysis laid out in sections 3.2.2.2 to 3.2.2.9, which includes an examination of all the available evidence relating to China's intervention in its economy in general as well as in the ironing board manufacturing sector (including the product under review) showed that prices or costs, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case.

(100) Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as discussed in the following section.

3.2.3. *Representative country*

3.2.3.1. Analysis of criteria

(101) The choice of the representative country was based on the following criteria:

— A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank; ([65])

— Production of the product under review in that country;

— Availability of relevant public data in the representative country.

— Where there is more than one possible representative country, preference shall be given, where appropriate, to the country with an adequate level of social and environmental protection.

(102) As mentioned in recital (28), in the Note of 6 September, the Commission informed interested parties that it had identified three possible representative countries: Brazil, Serbia and Turkey and invited interested parties to comment and suggest other countries. Only one of the applicants submitted comments by supporting the choice of Turkey, while providing arguments against the choice of Brazil and Serbia. There was no suggestion of another country.

3.2.3.2. A level of economic development similar to the PRC

(103) Brazil, Serbia and Turkey are all classified as countries with a similar level of economic development as the PRC, that is they are all classified as 'upper-middle income' countries by the World Bank.

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

(104) There are few countries in the world that produce the product under review. Following the analysis of the available data and in particular data from GTA and Orbis the Commission identified Brazil, Serbia and Turkey as possible representative countries for this investigation.

(105) One of the applicants submitted comments suggesting that the levels of production and domestic consumption of the product under review in Brazil and Serbia are not meaningful. The applicant argued that producers in these countries were purchasing the product under review from the PRC to supplement their own production.

(106) In response to these claims, the Commission noted that the applicant did not provide any evidence defining the level of production in these countries and no arguments as to why such level should not be considered as meaningful. In the absence of any opposing evidence and based on the information available, the Commission confirmed that there is production of the product under review in the three countries and the claim was therefore dismissed.

3.2.3.4. Availability of relevant public data in the representative country

(107) The Commission carefully analysed all relevant data available in the file for the factors of production in all three potential representative countries and noted the following:

— The Commission analysed the import statistics of all raw materials listed in the Note of 6 September into Brazil, Serbia and Turkey. The Commission established that all three countries imported all the relevant raw materials in the review investigation period.

— Energy statistics (electricity and gas prices for non-household consumers) for the review investigation period in Turkey and Serbia were readily available on Eurostat ([66]). For Turkey ([67]) and Brazil ([68]) similar data could also be sourced from each country's relevant National Authorities.

([65]) World Bank Open Data – Upper Middle Income, https://data.worldbank.org/income-level/upper-middle-income.
([66]) ec.europa.eu/eurostat/web/energy/data/database
([67]) Energy Market Regulatory Authority of Republic of Turkey, www.epdk.org.tr
([68]) Ministry of Mines and Energy of Brazil, www.mme.gov.br/

— The International Labour Organisation ('ILO') statistics ([69]) provided information on monthly wages in the manufacturing sector and weekly hours worked in all the three countries. Similar information for Turkey was also publicly available on the website of the Turkish Statistical Institute for 2016. Furthermore, data on minimum wages for Turkey and Serbia were available in Eurostat for 2015.

(108) According to Article 2(6a)(a) of the basic Regulation, the constructed normal value shall include an undistorted and reasonable amount for administrative, selling and general costs ('SG&A') and for profits. In addition, a value for manufacturing overheads needs to be established to cover costs not included in the factors of production. Consequently, the Commission examined if there were producers of the product under review with publicly available financial data during the review investigation period in the above three countries.

(109) This selection was made by using Orbis. Since production of ironing boards is usually not a primary activity, several NACE ([70]) codes were identified and used for this selection:

— 2434 Cold drawing of wire,

— 2512 Manufacture of doors and windows of metal,

— 2599 Manufacture of other fabricated metal products,

— 2751 Manufacture of electric domestic appliances,

— 2752 Manufacture of non-electric domestic appliances and

— 3299 Other manufacturing.

These codes related to producers of ironing boards known to the Commission from the request for review and certain previous investigations mentioned in recitals (1) to (6).

(110) As a result from the above inquiry, from a list of countries producing ironing boards and having a similar economic development as the PRC (i.e. Argentina, Brazil, Colombia, Ecuador, Malaysia, Mexico, Peru, Russia, Serbia, South Africa, Thailand and Turkey), 433 active companies with available financial data during the review investigation period were identified. According to the information available only the following five companies appeared to have production of ironing boards:

*Table 1*

**List of companies**

| Country | Ironing boards companies found | Data source | Website (*) |
|---|---|---|---|
| **BRAZIL** | | | |
| 1. | Metalurgica Mor SA | Orbis | www.mor.com.br |
| 2. | Tramontina Teec SA. | Orbis | www.tramontina.com.br/en/about |
| **SERBIA** | | | |
| 3. | Preduzece Blist Doo Valjevo | Orbis | www.blist.rs/eng-metalna-galanterija.html |
| **TURKEY** | | | |
| 4. | Konya Sarayli Madeni Esya Imalat Pazarlama Sanayi Ve Ticaret Limited Sirketi | Orbis | www.smsarayli.com.tr/tr/index.asp |
| 5. | Evin Celik Esya Tel. Cekme Sanayi Ticaret Anonim Sirketi | Orbis | evincelik.com.tr/en/company-profile/ |

(*) As last accessed on 26 September 2018.

([69]) www.Ilo.org
([70]) Nomenclature of economic activities of the EU.

(111) Interested parties were given the possibility to comment on this list and to complement it with additional companies in a possible representative country known to them and that had publicly available data. No comments were submitted regarding the list of selected companies.

(112) The Commission's analysis revealed that the company in Serbia sold only two models of ironing boards and the companies in Brazil sold many other products besides ironing boards, which most likely represented a major part of their turnover and of the selling, general and administrative costs ('SG&A'). Therefore, the Commission concluded that the figures available for these companies would not sufficiently represent the cost incurred for sales of ironing boards.

(113) In contrast, the Commission found that the Turkish companies sold a variety of ironing boards and had a lower range of production of other products, thus the Commission considered that the figures available for these companies would likely be more accurate regarding the production and sales of ironing boards and more appropriate when replacing data regarding an undistorted and reasonable amount for SG&A and profits.

3.2.3.5. Conclusion on representative country

(114) In view of the above, Turkey met all criteria laid down in Article 2(6a)(a) of the basic Regulation in order to be considered as an appropriate representative country. In the note of 26 October, the Commission informed interested parties of its intention to use Turkey as the representative country and invited interested parties to comment. No comments were received.

(115) Consequently, the Commission used the data of Turkey and the following Turkish companies:

— Konya Sarayli Madeni Esya Imalat Pazarlama Sanayi Ve Ticaret Limited Sirketi;

— Evin Celik Esya Tel. Cekme Sanayi Ticaret Anonim Sirketi

for establishing corresponding costs of production and sale in an appropriate representative country in accordance with Article 2(6a)(a) of the basic Regulation.

3.2.4. *Manufacturing overheads, SG&A and profits*

(116) According to Article 2(6a)(a), second paragraph of the basic Regulation, *'the constructed normal value shall include an undistorted and reasonable amount for administrative, selling and general costs and for profits'*. In addition, a value for manufacturing overheads (needs to be established to cover costs not included in the factors of production referred to above.

(117) In order to establish an undistorted value of the manufacturing overheads and given the absence of cooperation from the Chinese exporting producers, the Commission used the information available in accordance with Article 18 of the basic Regulation. Therefore, based on the data provided in the request for review, the Commission established how much manufacturing overheads ([71]) represented in the total manufacturing costs, expressed as a percentage. This percentage was then applied to the undistorted value of the cost of manufacturing to obtain the undistorted value of manufacturing overheads, depending on the model produced.

(118) For establishing an undistorted and reasonable amount for SG&A and profit, the Commission relied on the financial data for 2017 for the two Turkish companies.

(119) The Commission used the weighted average SG&A and profit of the two companies as reported in Orbis for the year 2017.

3.2.5. *Sources used to establish undistorted costs*

(120) In the Note of 26 October, the Commission stated that, in order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA to establish the undistorted cost of all the factors of production related to raw materials. The Commission used data from the Turkish Statistical Institute for labour and the financial data, available in Orbis, from the two Turkish companies listed in recital (115) to establish SG&A costs, profits and overhead costs.

([71]) Based on the estimates made in the review request, manufacturing overheads include machine and material expenses, depreciation, energy and other.

3.2.6. *Factors of Production*

(121) In order to determine the normal value in accordance with Article 2(6a)(a) of the basic Regulation, the Commission analysed all the available data for the factors of production and decided to use the following sources and values:

*Table 2*

**Factors of production for ironing boards**

| Factor of Production | HS Code | Unit import value | Source of data |
|---|---|---|---|
| **Raw Materials** | | | |
| Epoxy/polyester blend | 3206 49 | 2,75 €/Kg | GTA (*) |
| Polypropylene | 3902 10 | 1,08 €/Kg | GTA |
| Powder epoxy silver/epoxide resins | 3907 30 | 2,20 €/Kg | GTA |
| Foam (4,6 mm thick) | 3921 13 | 6,47 €/Kg | GTA |
| Foam (Polyurethane 25kg/m$^3$) | 3921 13 | 6,47 €/Kg | GTA |
| Plastic foil | 3923 21 | 3,66 €/Kg | GTA |
| Plastic parts | 3926 30 | 8,31 €/Kg | GTA |
| Cotton | 5208 52 | 2,74 €/Kg | GTA |
| Woven fabrics of cotton (containing 60 % of cotton and 40 % of polyester) | 5210 51 | 6,73 €/Kg | GTA (**) |
| CR (products of iron or non-alloy steel) | 7209 17 | 0,51 €/Kg | GTA |
| Metal sheet | 7211 23 | 0,59 €/Kg | GTA |
| Wire (6mm, 8mm) | 7217 10 | 0,87 €/Kg | GTA |
| Wire (4,75 mm) | 7217 20 | 1,37 €/Kg | GTA |
| Wire (Round cold drawn C9D 6-7mm) | 7217 90 | 2,24 €/Kg | GTA |
| Steel tubes (22 × 0,8 × 1190 mm) | 7306 30 | 1,23 €/Kg | GTA |
| Steel tubes (13 × 0,6 × 2830 mm) | 7306 61 | 1,17 €/Kg | GTA |
| **Labour** | | | |
| Labour costs | (N/A) | 5.84 €/hour | Turkish Statistical Institute (***) |
| **Energy** | | | |
| Electricity | Negligible contribution | | |
| Natural Gas | Negligible contribution | | |

(*) http://www.gtis.com/gta/
(**) Data were available only at the level of the heading 5210.
(***) http://www.turkstat.gov.tr

3.2.6.1. Raw Materials

(122) An ironing board is generally a piece of hard narrow flat material protected by a heat-safe cover and often having folding legs, on which clothing or linens may be ironed. According to the definition of the product under review covered by this investigation it can also include a steam soaking, heating top, blowing top, sleeve boards, and other

parts. The primary raw material used in ironing boards is metal, mainly steel (metal sheet, tubes, wire). Other raw materials used in the production of ironing boards include paint/coating, plastic parts, foam and fabric.

(123) The cost structure varies depending on the type of board being produced, e.g., high-end boards contain different types of material than basic level boards. The Commission relied on the request for review in order to specify the factors of production used in the production of ironing boards. As mentioned above, none of the interested parties provided any comments in this respect. For all raw materials the undistorted unit value was determined by the average import price to the representative country from all third countries except the PRC for the review investigation period as recorded in GTA. Imports from the PRC were excluded given the existing significant distortions in this country as established in section 4.2 above.

(124) In order to establish the normal value according to the Commission's methodology, the import duties of the factors of production and the materials imported into Turkey, as well as the domestic transport costs should be added to these import prices. This would result in a higher normal value since the import duties would further increase the import prices of the factors of production. Consequently, it would result in an even higher dumping margin. Considering the finding in recitals (137) and (138) as well as the nature of this expiry review investigation, which is focused on finding whether dumping continued during the review investigation period rather than finding its exact magnitude, the Commission decided that adjustments for import duties and domestic transport were unnecessary.

3.2.6.2. Labour

(125) The Turkish Statistical Institute publishes detailed information on wages in different economic sectors in Turkey. The Commission used the latest available statistics (2016) ([72]) reporting the average hourly wage for manufacturing sector in several NACE REV 2 codes (concretely 25, 27 and 32; data on wages are only available at two digit codes level) identified for the production of ironing boards.

(126) The 2016 average monthly value was duly adjusted for inflation using the domestic producer price index ([73]) as published by the Turkish Statistical Institute.

3.2.6.3. Energy

(127) According to the request for review, the energy (electricity and natural gas) that is consumed during the production process is insignificant. Since the investigation did not bring into light any information contradicting this claim, it was accepted and for the purpose of this investigation energy cost were therefore considered as negligible.

3.2.7. *Calculations*

(128) In order to establish the constructed normal value, the Commission proceeded following the next two steps.

(129) First, the Commission established the undistorted manufacturing costs. In the absence of cooperation by the exporting producers, the Commission relied on the information provided by the applicants in the review request on the usage of each factor (materials and labour) for the production of three models of ironing boards (low and high end). The Commission multiplied the usage factors by the undistorted costs per unit observed in the representative country Turkey.

(130) Second, as noted in the recital (117), to the manufacturing costs identified above the Commission applied the manufacturing overheads, SG&A and profit. They were determined on the basis of the financial data for 2017 for the two Turkish companies (recital (115)) and the estimations of the applicants in the request for review. The Commission added the following items to the undistorted cost of manufacturing:

— Manufacturing overheads, as explained in recital (117), were added to the undistorted value of the cost of manufacturing and ranged between 14-24 % of the total manufacturing costs;

([72]) http://www.turkstat.gov.tr/PreTablo.do?alt_id=1008, as last accessed on 27 February 2019
([73]) http://www.turkstat.gov.tr/PreIstatistikTablo.do?istab_id=2104, as last accessed on 27 February 2019

— SG&A of 7,62 % applied to the sum of costs of manufacturing and manufacturing overheads; and;

— A profit of 5,91 % applied to the sum of costs of manufacturing and manufacturing overheads.

(131) On the basis of the above, the Commission constructed the normal value per product type on an ex-works basis, in accordance with Article 2(6a)(a) of the basic Regulation. Due to the absence of cooperation from the Chinese producers/exporters, it could not be established which models of ironing boards were produced in China. The Commission therefore relied on the information provided by the applicant in the request for review in accordance with Article 18 of the basic Regulation. To this end, the applicants identified three models of ironing boards, of low and high end level. Normal value was established for these models.

(132) Due to the fact that none of the Chinese exporting producers cooperated, the normal value was established on a countrywide basis.

3.2.8. *Export price*

(133) As a consequence of non-cooperation, export prices were established on the basis of the facts available in accordance with Article 18 of the basic Regulation (see recital (40)). Similarly to the previous expiry review (mentioned in recital (6)), the Commission used import data reported in the Article 14(6) database to determine export prices.

(134) As, in the 14(6) database, import volumes are reported in kg, the Commission converted the figures reported into pieces (units) by using the conversion key that was established in the previous expiry review mentioned in recital (6).

(135) As these prices are reported on a Cost, Insurance, Freight ('CIF') basis, the Commission deducted an amount for transportation cost between the PRC and the EU border based on estimations provided in the request for review.

3.2.9. *Comparison and dumping margin*

(136) The Commission compared the constructed normal value established in accordance with Article 2(6a)(a) of the basic Regulation, with the average EXW export price to the EU as established above.

(137) The dumping margins found expressed as a percentage of the CIF EU frontier price, duty unpaid, ranged between 43 % and 67 %.

3.2.10. *Conclusion*

(138) The Commission therefore concluded that dumping continued during the review investigation period.

3.3. **Likelihood of continuation of dumping from the PRC**

3.3.1. *Analysis of elements*

(139) Further to the finding of dumping during the review investigation period, the Commission analysed whether there was a likelihood of continuation of dumping should measures be repealed.

(140) As a consequence of non-cooperation of producers/exporters in the PRC, the Commission based its assessment on the facts available in accordance with Article 18 of the basic Regulation, i.e. on findings of the previous expiry review mentioned in recital (6) ('the previous expiry review'), on information provided in the request for review, the 14(6) database and on Chinese database. The following elements were analysed: the production capacity in the PRC, Chinese export prices to other third country markets, and the attractiveness of the EU market.

3.3.1.1. The production capacity in the PRC

(141) Due to the non-cooperation, none of the Chinese exporters/producers provided any information as to the actual production capacity in China. There is also no publicly available information concerning ironing boards such as statistics or market studies and therefore findings had to be based on the information provided in the request and the findings of the previous expiry review, as information available in accordance to Article 18 of the basic Regulation.

(142) In the previous expiry review, the production capacity in the PRC was estimated at around 8 million pieces, which represented some 80 % of the consumption in the EU in 2009 and that would cover almost 100 % of the consumption in the EU during the current review investigation period (8,3 million pieces — see recital (158)). However, according to a sunset review carried out by the US authorities concerning the same product imported from the PRC to the USA ([74]), which was concluded on 08 March 2016 ([75]) by re-imposing anti-dumping measures against Chinese imports of ironing boards until 2021 ('US Sunset Review'), the Chinese production capacity increased since 2009, which would suggest that the current production capacity in the PRC during the review investigation period even exceeded the consumption in the EU during the same period.

(143) Furthermore, based on findings in the previous expiry review, Chinese producers can easily install additional production capacity because the manufacturing process is mainly labour based. Moreover, Chinese producers of ironing boards also produce other metal products on production lines that could easily be used for the production of ironing boards. This enables Chinese producers to increase production of ironing boards by shifting production between the existing production lines depending on demand. Such increase of capacity does not require any important investments or skills and the switch between different products is therefore easy. The current investigation did not bring into light any information that would devaluate these findings.

(144) Therefore, it was concluded that there are high production capacities available in the PRC, covering at least almost 100 % of the consumption in the EU, that can be easily increased even further.

3.3.1.2. Chinese export prices to other third country markets

(145) Since there was no cooperation from the Chinese exporters/producers, the Commission had to rely on facts available in order to establish export prices from China to other third country markets. In the absence of any other more reliable information the Commission used export data from the Chinese database. Although they were collected at an 8-digit 'tariff code' level and include therefore several other household products apart from ironing boards, they were considered as the most reasonable benchmark available giving meaningful indications of possible price levels to other third country export markets.

(146) According to the Chinese database during the review investigation period, the three main export markets for the PRC in terms of volume were the US, the EU and Japan. While the US and the EU are both large markets, Japan is much smaller. In terms of prices, the average unit price to the EU was higher than the price to US and similar to that of Japan.

(147) The Chinese exporters/producers continued to export to the EU market at dumped prices during the review investigation period, as established above in recital (138). As the Chinese export prices to the other main export markets are similar ([76]) or lower ([77]) than the prices to the EU, this suggests that Chinese exporters/producers have similar export behaviour to other third country markets. This seems to be confirmed by the US Sunset Review following which anti-dumping measures with regard to Chinese imports of ironing boards to the US were prolongued.

3.3.1.3. The attractiveness of the EU market

(148) The analysis of Chinese exports revealed that, despite the anti-dumping measures in force, the EU market remains one of the most important export markets for Chinese ironing boards producers. Chinese export prices to other markets are on average below those of exports to the EU. This suggests that the EU market is more lucrative and

([74]) https://www.usitc.gov/publications/701_731/pub4568_1.pdf
([75]) Federal Register notice of 8 March 2016, available at https://www.gpo.gov/fdsys/pkg/FR-2016-03-08/pdf/2016-05172.pdf
([76]) Chinese export prices to Japan
([77]) Chinese export prices to USA

therefore attractive for Chinese exports. Considering Japan, the statistics show that it is a much smaller market and exports from China to Japan did not increase significantly over the last years. Given the limited demand on the Japanese market, it is not likely that Chinese exports to Japan will significantly increase.

(149) This is confirmed by the fact that the Chinese market share during the review investigation period was still 11 % despite the anti-dumping measures in force (see recital (160)). Around 80 % of these imports are from the Chinese company with the lowest individual anti-dumping duty. This clearly indicates that the EU remains an attractive market for Chinese producers of ironing boards and that imports from the PRC would likely increase should measures be allowed to lapse.

(150) In the framework of the US sunset review, as mentioned in recital (142) in March 2016, the Department of Commerce in the US gave notice ([78]) of the continuation of the antidumping duty order on ironing boards from the PRC, for another five years, i.e. until 2021. The rate of anti-dumping duty for 'all other companies' is 157,68 % ([79]) (compared to 42,3 % in the EU). During the review, the US authorities found that, although imports of ironing boards from the PRC to the US were still present, the measures had a decreasing effect (from 1,1 million in 2012 to 0,43 million in 2014); a situation that is not likely to change in the near future.

(151) As the US market is practically closed to the Chinese producers, it is very likely that Chinese producers of ironing boards would shift or resume their exports to the EU should measures be allowed to lapse and that such exports would be made at dumped prices.

(152) On the basis of the above, it was concluded that the EU is an attractive market for Chinese exports.

3.3.2. *Conclusion on the likelihood of continuation of dumping*

(153) Based on the significant production capacity in the PRC, and the ability to increase capacity without significant costs, the Chinese price behaviour to other third countries and the attractiveness of the EU market for Chinese exporters/producers, the Commission concluded that there is a strong likelihood that the repeal of the anti-dumping measures would result in a continuation of dumping.

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

### 4.1. **Union production and Union industry**

(154) During the review investigation period the like product was manufactured by 10 known producers in the EU. They constitute the Union industry within the meaning of Article 4(1) of the basic Regulation.

(155) The total Union production during the review investigation period was established at 5,2 million pieces. The Commission established this figure on the basis of the data provided by the applicant, which was cross-checked with the verified data of the sampled companies.

### 4.2. **Consumption in the EU**

(156) The consumption in the EU was established on the basis of the import volume as recorded in the 14(6) database and the sales volumes of the Union industry in the EU as submitted by the applicant. These sales volumes were cross-checked and updated when necessary as regards verified information from sampled Union producers.

([78]) https://www.govinfo.gov/content/pkg/FR-2016-03-08/pdf/2016-05172.pdf
([79]) https://aceservices.cbp.dhs.gov/adcvdweb/ad_cvd_msgs/search?direction=desc&filter_cat=ALL&filter_type=ALL&page=1&per_page=50&preview=yes&search=ironing+tables&sort=msg_dt

(157) For the reasons outlined in recital (133) the Commission established import volumes from the PRC on the basis of facts available in accordance the Article 18 of the basic Regulation. To this end, import volume from the PRC was established on the basis of the data recorded in the 14(6) data base.

(158) During the period considered the consumption in the EU developed as follows:

*Table 3*

**Consumption in the EU**

| Volume (1 000 pieces) | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| consumption in the EU | 7 954 | 8 316 | 8 344 | 8 382 |
| *Index (2014 = 100)* | *100* | *105* | *105* | *105* |

*Source:* 14(6) database

(159) During the period considered, consumption in the EU increased by 5 %. This increase took place between 2014 and 2015 and the consumption remained constant after that.

### 4.3. **Imports into the EU from the PRC**

#### 4.3.1. *Volume and market share*

(160) During the period considered imports into the EU from the PRC and market share developed as follows:

*Table 4*

**Imports from the PRC and market share**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Volumes of imports from the PRC (1 000 pieces) | 1 258 | 983 | 597 | 919 |
| *Index (2014 = 100)* | *100* | *78* | *47* | *73* |
| Market share of imports from the PRC | 15,8 % | 11,8 % | 7,1 % | 10,9 % |
| *Index (2014 = 100)* | *100* | *75* | *45* | *69* |

*Source:* 14(6) database.

(161) Imports decreased between 2014 and 2016 by 53 %, but increased again in the review investigation period by 54 %. Overall they decreased by 27 % during the period considered. The market share of Chinese imports followed the same trend, i.e. it decreased from 15,8 % in 2014 to 7,1 % in 2016 then increased again by 3,8 percentage points and reached 10,9 % during the review investigation period. While the market share of Chinese imports decreased overall by 31 % during the period considered, it remained significant.

#### 4.3.2. *Price and price undercutting*

(162) Due to absence of cooperation of the Chinese exporting producers the average import price of imports from the PRC had to be established on the basis of the facts available in accordance with Article 18 of the basic Regulation i.e. on the basis of the information contained in the 14(6) database and using the same conversion key that was established in the previous expiry review. On this basis, import prices first increased from 2014 to 2015 by 20 % but then decreased to the levels of 2014. During the review investigation period the prices were 8,7 EUR/piece.

*Table 5*

**Import prices**

| Imports from the PRC | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Average import price (EUR/piece) | 8,7 | 10,4 | 10,2 | 8,7 |
| *Index (2014 = 100)* | *100* | *120* | *118* | *100* |

*Source:* 14(6) database

(163) In order to determine price undercutting during the review investigation period, the weighted average sales price of the sampled Union producers charged to unrelated customers on the EU market, adjusted to an ex-works level (i.e. excluding freight costs in the EU and after deduction of discounts and rebates), was compared to the corresponding weighted average price of the imports as established above in recital (162), on a CIF basis, and then including the customs and anti-dumping duty.

(164) The comparison showed that, when expressed as a percentage of the sampled Union producers' turnover during the review investigation period, imports from China were undercutting the prices of the Union industry by 2,3 %. When deducting the anti-dumping duty in place, the undercutting margin amounted to 19,4 %.

4.4. **Imports from third countries not subject to measures**

(165) Imports from third countries not subject to measures were established on the basis of the 14(6) database as described in recital (156).

*Table 6*

**Imports from third countries not subject to measures**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Imports from all third countries not subject to measures (1000 pieces) | 2 160 | 2 710 | 3 039 | 2 758 |
| *Index (2014 = 100)* | *100* | *125* | *141* | *128* |
| Market share of imports from all third countries not subject to measures % | 27,2 % | 32,6 % | 36,4 % | 32,9 % |
| *Index (2014 = 100)* | *100* | *120* | *134* | *121* |
| Price of imports from all third countries not subject to measures (EUR/piece) | 10,4 | 10,9 | 10,4 | 10,8 |
| *Index (2014 = 100)* | *100* | *105* | *100* | *104* |
| Imports from Ukraine (1000 pieces) | 712 | 908 | 1 009 | 1 009 |
| *Index (2014 = 100)* | *100* | *128* | *142* | *142* |
| Market share of imports from the Ukraine % | 8,9 | 10,9 | 12,1 | 12,0 |
| *Index (2014 = 100)* | *100* | *122* | *135* | *135* |
| Price of imports from Ukraine (EUR/piece) | 11,3 | 10,8 | 10,3 | 10,5 |
| *Index (2014 = 100)* | *100* | *95* | *91* | *92* |
| Imports from Turkey (1000 pieces) | 860 | 1 039 | 1 297 | 998 |
| *Index (2014 = 100)* | *100* | *121* | *151* | *116* |
| Market share of imports from Turkey % | 10,8 | 12,5 | 15,5 | 11,9 |
| *Index (2014 = 100)* | *100* | *116* | *144* | *110* |

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Price of imports from Turkey (EUR/piece) | 10,5 | 11,7 | 10,5 | 10,7 |
| *Index (2014 = 100)* | *100* | *111* | *100* | *102* |
| Imports from India (1000 pieces) | 529 | 638 | 528 | 509 |
| *Index (2014 = 100)* | *100* | *121* | *100* | *96* |
| Market share of imports from India % | 6,6 | 7,7 | 6,3 | 6,1 |
| *Index (2014 = 100)* | *100* | *115* | *95* | *91* |
| Price of imports from India (EUR/piece) | 7,9 | 8,9 | 8,0 | 11,0 |
| *Index (2014 = 100)* | *100* | *114* | *102* | *139* |
| Imports from other third countries (1000 pieces) | 60 | 125 | 206 | 243 |
| *Index (2014 = 100)* | *100* | *209* | *346* | *408* |
| Market share of imports from other third countries % | 0,7 | 1,5 | 2,5 | 2,9 |
| *Index (2014 = 100)* | *100* | *200* | *330* | *387* |
| Price of imports from other third countries (EUR/piece) | 19,7 | 15,8 | 16,5 | 12,7 |
| *Index (2014 = 100)* | *100* | *81* | *84* | *64* |

*Source:* 14(6) database.

(166) The volume of imports from all third countries not subject to measures increased by 28 % during the period considered. The volume of imports from all third countries not subject to measures taken as a whole was around 2,8 million pieces in the review investigation period, translating in a market share of 32,9 %. Most of these imports came from Ukraine and Turkey. Imports from Ukraine increased from 0,7 million pieces to 1,0 million pieces from 2014 to 2016 and remained at the same level during the review investigation period. Imports from Turkey first increased from 0,9 million pieces to 1,3 million pieces between 2014 and 2016 and then decreased back to 1,0 million pieces in the review investigation period. Imports from India remained relatively stable (around 0,5 – 0,6 million pieces) during the period considered. The volume of imports from other third countries was low, it increased from 0,1 million pieces to 0,2 million pieces during the period considered. In terms of market share, this translated into an increase by 3 percentage points to 12 % for Ukraine, an increase by 1,1 percentage point for Turkey to 11,9 % and a decrease for India from 6,6 % in 2014 to 6,1 % in the review investigation period. The market share of other third countries increased from 0,7 % to 2,9 % during the period considered.

(167) The average price of imports from Ukraine decreased from 11,3 EUR/piece in 2014 to 10,5 EUR/piece in the review investigation period. During the same period, the average price of imports from Turkey increased slightly from 10,5 EUR/piece to 10,7 EUR/piece. The price of imports from India increased more significantly, from 7,9 EUR/piece in 2014 to 11,0 EUR/piece in the review investigation period. The weighted average price of imports from all third countries taken as a whole remained relatively stable, increasing from 10,4 EUR/piece in 2014 to 10,8 EUR/piece in the review investigation period.

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

(168) Pursuant to Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic factors and indices having a bearing on the state of the Union industry during the period considered.

(169) For the purpose of the injury analysis, the injury indicators have been established at two levels:

— the macroeconomic indicators (production, production capacity, capacity utilisation, productivity, sales volume, market share, growth, employment, and magnitude of dumping margins and recovery from past dumping) were assessed at the level of the whole EU, on the basis of the data provided by the applicant, cross-checked with the verified questionnaire replies of the sampled Union producers;

— the analysis of microeconomic indicators (average unit prices, unit costs, stocks, labour costs, profitability, return on investments, cash flow, ability to raise capital and investments) was carried out on the basis of information provided by three sampled Union producers that provided a questionnaire reply. The assessment was based on their information which was duly verified during on-spot verification visits.

4.6. **Macroeconomic indicators**

4.6.1. *Production, production capacity and capacity utilisation*

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

*Table 7*

**Imports from third countries not subject to measures**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Production volume (1 000 pieces) | 5 200 | 5 200 | 5 200 | 5 204 |
| *Index (2014 = 100)* | *100* | *100* | *100* | *100* |
| Production capacity (1 000 pieces) | 7 235 | 7 667 | 7 368 | 7 552 |
| *Index (2014 = 100)* | *100* | *106* | *102* | *104* |
| Capacity utilisation | 72 % | 68 % | 71 % | 69 % |
| *Index (2014 = 100)* | *100* | *94* | *98* | *96* |

*Source*: Applicant, verified questionnaire replies.

(171) The total Union production remained stable during the period considered while the capacity increased by 4 percentage points. This modest increase in the production capacity was mainly the result of automation and small scale improvements removing certain bottlenecks in the production process. During the period considered, the capacity utilisation rate therefore decreased slightly from 72 % to 69 %, reflecting the increase in capacity and constant production volumes.

4.6.2. *Sales volume*

(172) The sales volume of the Union industry was established on the basis of the data provided by the applicant. The information provided was cross-checked and updated when necessary with the verified information from the three sampled Union producers.

(173) Over the period considered, the sales volume of the Union industry developed as follows:

*Table 8*

**Sales volume**

| In 1000 pieces | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Sales to unrelated customers in the EU | 4 537 | 4 623 | 4 708 | 4 705 |
| *Index (2014 = 100)* | *100* | *102* | *104* | *104* |

*Source*: Applicant, verified questionnaire replies.

(174) The sales by the Union industry on the EU market increased slightly between 2014 and 2016 and remained afterwards stable during the review investigation period. During the period considered it increased overall by 4 %.

4.6.3. *Market share*

(175) The market share of the Union industry decreased from 57,0 % to 56,1 % during the period considered. This results from the fact that the sales of the Union industry increased slightly less (4 %) than the consumption in the EU, which increased by 5 % during the period considered, as described in the recital (158).

*Table 9*

**Market share**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Market shares of the Union producers | 57,0 % | 55,6 % | 56,4 % | 56,1 % |
| *Index (2014 = 100)* | *100* | *97* | *99* | *98* |

*Source*: Applicant, verified questionnaire replies and 14(6) database.

4.6.4. *Employment and productivity*

(176) Over the period considered the employment level and productivity developed as follows:

*Table 10*

**Employment and productivity**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Number of employees (full time equivalent) | 657 | 689 | 677 | 646 |
| *Index (2014 = 100)* | *100* | *105* | *103* | *98* |
| Productivity (pieces per employee) | 7 916 | 7 546 | 7 687 | 8 049 |
| *Index (2014 = 100)* | *100* | *95* | *97* | *102* |

*Source*: Applicant, verified questionnaire replies.

(177) Employment fluctuated slightly, overall decreasing by 2 % during the period considered. More specifically, there was an increase from 2014 to 2015 followed by a decrease from 2015 to the review investigation period. Productivity, measured as output (pieces) per person employed per year, also fluctuated slightly, increasing by 2 % overall during the period considered. Two main factors affected the number of employees and the productivity: the vertical integration of the production process on the one hand and automation on the other hand. While the first increased employment, the second reduced the number of employees, which resulted overall in relatively stable employment with only small fluctuations. Overall, it resulted in an increased the productivity.

4.6.5. *Growth*

(178) As explained in the recitals (158) and (159), the consumption in the EU increased by 5 % between 2014 and the review investigation period. In parallel, the volume of sales by the Union industry on the EU market increased by 4 % and the Union industry's market share decreased by 1 %. The production of the Union industry remained stable and employment decreased slightly ((2 %) recital (177)) during the same period. Therefore, it can be concluded that the Union industry experienced only modest growth which was below the growth of the market over the period considered.

4.6.6. *Magnitude of dumping and recovery from past dumping*

(179) Dumping continued during the review investigation period at a significant level. Chinese exporting producers also continued to undercut Union industry's sales prices during the review investigation period.

(180) At the same time, the level of imports from China remained significant and accounted for 10,9 % market share in the review investigation period. Therefore, the impact of the magnitude of the actual dumping margin from China on the Union industry cannot be considered to be negligible.

4.7. **Microeconomic indicators**

4.7.1. *Prices and factors affecting prices*

(181) The average unit sales price and cost of production of the sampled Union producers to unrelated customers in the EU developed as follows during the period considered.

*Table 11*

**Sales price and cost of production**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Unit price EU market (EUR/piece) | 11,4 | 11,9 | 10,9 | 10,8 |
| *Index (2014 = 100)* | *100* | *104* | *96* | *94* |
| Unit cost of production (EUR/piece) | 10,5 | 11,0 | 10,3 | 10,2 |
| *Index (2014 = 100)* | *100* | *105* | *98* | *97* |

*Source*: Verified questionnaire replies

(182) Average prices decreased by 6 % during the period considered. To some extent, this decrease reflected the change in the market where the so-called 'hard discounters' increased their market share compared to the traditional supermarkets, resulting in increased pressure on the prices.

(183) The unit cost of production decreased by 3 % during the period considered as a result from the automation and increased vertical integration that led to efficiency increases. However, sales prices decreased slightly more than cost, which negatively impacted the profitability of the Union industry between 2014 and the review investigation period, as shown in table 14.

4.7.2. *Labour cost*

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

*Table 12*

**Labour costs**

| EUR/employee | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Average wage | 21 254 | 22 086 | 21 064 | 21 518 |
| *Index (2014 = 100)* | *100* | *104* | *99* | *101* |

*Source*: Verified questionnaire replies

(185) The average wages were fluctuating over the period considered, but nonetheless remained rather stable. Over the period considered they increased by 1 %.

4.7.3. *Closing stocks*

(186) The volume of closing stocks developed as follows over the period considered:

*Table 13*

**Stocks**

| In 1000 pieces | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Closing stock | 214 | 186 | 186 | 145 |
| *Index (2014 = 100)* | *100* | *87* | *87* | *68* |

*Source*: Verified questionnaire replies

(187) The level of stocks was decreasing over the period considered and was 32 % lower in the review investigation period in relation with its level in 2014.

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

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

*Table 14*

**Profitability, cash flow, investments, return on investment and ability to raise capital**

| | 2014 | 2015 | 2016 | RIP |
|---|---|---|---|---|
| Profitability of sales in the EU to unrelated customers (% of sales turnover) | 6,3 | 6,0 | 4,0 | 3,6 |
| *Index (2014 = 100)* | *100* | *96* | *63* | *57* |
| Cash flow (EUR) | 2 389 030 | 2 968 258 | 2 334 243 | 1 580 721 |
| *Index (2014 = 100)* | *100* | *124* | *98* | *66* |
| Investments (EUR) | 870 960 | 632 340 | 1 833 355 | 1 328 925 |
| *Index (2014 = 100)* | *100* | *73* | *210* | *153* |
| Return on investments (% of net assets) | 11,9 | 11,8 | 7,4 | 6,2 |
| *Index (2014 = 100)* | *100* | *99* | *62* | *52* |

*Source*: Verified questionnaire replies

(189) The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the EU as a percentage of the turnover of those sales. During the period considered the profitability of the Union industry decreased gradually from 6,3 % in 2014 to 3,6 % in the review investigation period. Despite being profitable, throughout the period considered the level of profits realised remained below the target profit that was considered adequate for this industry in the original investigation (i.e. 7,0 %).

(190) The net cash flow from operating activities first improved from 2014 to 2015. Afterwards, from 2015 to the review investigation period, it deteriorated in line with the profitability. The level of investments first decreased from 2014 to 2015 and then increased, resulting in an overall increase of 55 % during the period considered. A large part of the investments were aimed at increasing the level of vertical integration and automation in order to reduce the cost of production. The increase of capacity represented only 4 % and was a result of the efficiency gains (see recitals (170) and (171)).

(191) Between 2014 and the review investigation period, the return on investment, defined as the profit in percentage of the net book value of investments, dropped in line with the profitability.

### 4.8. **Conclusion on injury**

(192) The analysis of macroeconomic indicators showed that the situation of the Union industry did not materially change in the period considered. Union industry's production, market share and employment remained practically on the same levels and the sales volumes increased modestly but still less than EU consumption. On the other hand, some of the relevant microeconomic indicators such as profitability, cash flow and return on investments deteriorated. Thanks to investments in vertical integration and automation, the Union industry was able to modestly improve its productivity and reduce its unit cost of production.

(193) At the same time, there were changes in the market situation, notably that so-called 'hard discounters' became a more important player in the distribution of the product under review. This resulted in increased pressure on prices. This, combined with the price pressure of the dumped Chinese imports that had significant market share and that were undercutting the Union industry sales prices throughout the period considered, led to a deterioration of the financial situation of the Union industry, whose prices decreased more than the cost of production.

(194) In view of the above, it can be concluded that the situation of the Union industry did not drastically deteriorate and that the measures with regard to Chinese imports were effective to a certain extent. In particular, they prevented the Union industry from material losses in market share. However, despite the apparent stabilisation of the market share and the cost-cutting efforts, the profitability of the Union industry decreased and remained below the target profit (7 %) throughout the period considered. On this basis, it was concluded that the Union industry did not suffer material injury but that it remains in a fragile situation.

### 4.9. **Likelihood of recurrence of injury**

#### 4.9.1. Preliminary remark

(195) Given the findings outlined in recitals (192) to (194) the Commission examined whether there is a likelihood of recurrence of injury should the measures be repealed. To this end the following elements were analysed: the production capacity and spare capacities in the PRC, the attractiveness of the EU market, the price behaviour of Chinese exporting producers in other third country markets and likely price levels to the EU should measures be repealed and the effect of future imports on the Union industry's situation.

(196) As mentioned above in recital (140) in view of the absence of cooperation of the Chinese exporting producers, the analysis was based on Article 18 of the basic Regulation by using the facts available. In this regard the Commission relied on the 14(6) database, the Chinese database and the findings published in the framework of the US sunset review ([80]), referred to in the recital (142) above.

#### 4.9.2. Production capacity and spare capacities in the PRC

(197) As set out in recitals (142) to (144), the Chinese production capacity is significant, representing at least almost 100 % of the consumption in the EU. It could be increased easily without significant investments depending on market developments.

#### 4.9.3. The attractiveness of the EU market

(198) As mentioned in recitals (148) to (152) the EU is one of the main export markets for ironing boards from China. This is not likely to change in the short term as there are high anti-dumping duties in force on Chinese exports of ironing boards in the US (another major export market for China) until at least 2021. The current investigation has also established that the EU market is attractive in terms of prices for the Chinese producers of ironing boards. Chinese producers are therefore likely to resume their exports to the EU market in large quantities and at dumped prices should measures be allowed to lapse.

([80]) Idem footnote 78 and 79

4.9.4. *Price behaviour of Chinese exporting producers and likely price level to the EU*

(199) The Commission analysed the likely price level of Chinese imports to the EU should measures be allowed to lapse. In this regard, it was considered that current price levels to the EU without anti-dumping duty as well as price levels to other major export markets would be a reasonable indication. Given that none of the Chinese exporters/producers cooperated the Commission based it analysis on the information recorded in the Article 14(6) data base as well as the Chinese data base in accordance with Article 18 of the basic Regulation.

(200) In the review investigation period, the average price of exports of Chinese exporting producers to the EU market without anti-dumping duty was significantly lower than the Union industry's price on the EU market, showing an undercutting margin of 19,4 %. In fact, Chinese import prices (without anti-dumping duty) (8,7 EUR/piece) were also lower than import prices from other third countries to the EU market (that were ranging from 10,5 to 12,7 EUR/piece).

(201) Regarding Chinese export prices to the other main Chinese export markets i.e. Japan and US, they were either similar to or even lower than their export prices to the EU as established in recital (147).

(202) Therefore, it is likely that should measures be allowed to lapse import volumes from China would be at price levels significantly undercutting the Union industry's sales price on the EU market.

4.9.5. *Effect on the Union industry situation*

(203) Given the above considerations, should measures be allowed to lapse, the Union industry will be confronted with an important increase of Chinese imports, significantly undercutting the Union industry's prices. Considering the current market developments, in particular the shift to the 'hard discounters' causing pressure on the prices, such imports would further accentuate the price pressure on the EU market.

(204) Under such a scenario, should the Union industry, in an attempt to remain profitable, maintain their current price levels, it is likely that it would lose sales volume and market share rapidly, even in case of increasing consumption. Indeed, ironing boards from China are of the same quality with those produced and sold by the Union industry and they would be perfectly interchangeable. Losing sales volume would lead to lower capacity utilisation rates and an increase in the average cost of production. This in turn would lead to a deterioration of the financial situation of the Union industry and to a decrease of its profitability which was already below the target profit and showed a decreasing trend already in the period considered.

(205) In the alternative, should the Union industry try to match the low price levels of the imports in an attempt to keep its sales volume and market share, it would have to sell at price levels that would not cover the unit costs and therefore it would rapidly become loss-making. This would lead to a further deterioration of other financial indicators and its financial situation overall. The profitability level achieved in the review investigation period was already under the target profit and any further loss in profitability would rapidly weaken the Union industry, jeopardize the investments made in the period considered and lead to a injurious situation.

4.9.6. *Conclusion*

(206) Therefore, the Commission concluded that the repeal of the measures on imports of ironing boards from the PRC would very likely result in a recurrence of material injury to the Union industry.

## 5. **UNION INTEREST**

### 5.1. **Introduction**

(207) In accordance with Article 21 of the basic Regulation, the Commission examined whether the maintenance of the existing anti-dumping measures would not be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of the various interests involved, that is those of the Union industry on the one hand, and those of importers and other parties on the other hand.

(208) The Commission recalls that, in the previous investigations, the adoption or maintaining of measures was considered not to be against the interest of the Union. Furthermore, the fact that the present investigation is a review, thus analysing a situation in which anti-dumping measures have already been in place, allows for the assessment of any undue negative impact on the parties concerned by the current anti-dumping measures.

(209) On that basis, it was examined whether, despite the conclusions on the likelihood of a continuation or recurrence of dumping and injury, compelling reasons existed which would lead to the conclusion that it is not in the Union interest to maintain measures in this particular case.

### 5.2. **Interest of the Union industry**

(210) The investigation showed that the expiry of the measures would likely have a significant negative effect on the Union industry (recitals (203) to (206)). On the other hand, the continuation of measures would allow the Union industry to further recover from past injury caused by dumped imports, seize the benefits from the investments made over the period considered and adapt to the changes in the market by continuing its efforts to increase productivity and exploit its potential on a EU market that is not affected by unfair trading practices.

(211) Therefore, it is concluded that maintaining the anti-dumping measures in force is in the interest of the Union industry.

### 5.3. **Interest of unrelated importers and other potential interested parties**

(212) No unrelated importers cooperated in the investigation. None of the other potential interested parties made themselves known during the investigation. In previous investigations, the analysis of the Union interest showed no negative impact of the measures on importers and other interested parties. Furthermore, imports from other countries without anti-dumping duties account for 33 % market share and ensure competition and choice of supply on the market. Therefore, it is concluded that there is no evidence suggesting that the measures in force considerably affect the importers of the product under review or other interested parties.

### 5.4. **Interest of consumers (households)**

(213) Like in the previous investigation, no parties representing the interests of end-users, such as associations of consumers, came forward or cooperated in the investigation. In the continued absence of cooperation from users in the present expiry review, the Commission considered that its findings in the previous investigations are still valid and that the continuation of measures would not unduly affect consumers such as households.

### 5.5. **Conclusion**

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

## 6. **ANTI-DUMPING MEASURES**

(215) It follows from the above that, in accordance with Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of ironing boards originating in China should be maintained.

(216) A company may request the continued application of individual anti-dumping duty rates if it changes subsequently the name of its entity. The request must be addressed to the Commission ([81]). The request must contain all the relevant information enabling to demonstrate that the change does not affect the right of the company to benefit from the duty rate which applies to it. If the change of name of the company does not affect its right to benefit from the duty rate which applies to it, a notice informing about the change of name will be published in the *Official Journal of the European Union*.

(217) In view of Article 109 of Regulation (EU, Euratom) 2018/1046 ([82]) of the European Parliament and the Council, when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.

(218) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of the basic Regulation.

HAS ADOPTED THIS REGULATION:

*Article 1*

1. A definitive anti-dumping duty is hereby imposed on imports of ironing boards, whether or not free-standing, with or without a steam-soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof, i.e. the legs, the top and the iron rest, currently falling within CN codes ex 3924 90 00, ex 4421 99 99, ex 7323 93 00, ex 7323 99 00, ex 8516 79 70 and ex 8516 90 00 (TARIC codes 3924 90 00 10, 4421 99 99 10, 7323 93 00 10, 7323 99 00 10, 8516 79 70 10 and 8516 90 00 51), and originating in the People's Republic of China.

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

| Company | Duty (%) | TARIC Additional Code |
|---|---|---|
| Foshan City Gaoming Lihe Daily Necessities Co. Ltd, Foshan | 34,9 | A782 |
| Guangzhou Power Team Houseware Co. Ltd, Guangzhou | 39,6 | A783 |
| Since Hardware (Guangzhou) Co., Ltd, Guangzhou | 35,8 | A784 |
| Guangdong Wireking Household Supplies Co. Ltd, Foshan | 18,1 | A785 |
| Zhejiang Harmonic Hardware Products Co. Ltd, Guzhou | 26,5 | A786 |
| Greenwood Houseware (Zhuhai) Ltd, Guangdong | 22,7 | A953 |
| All other companies | 42,3 | A999 |

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

4. The application of the individual anti-dumping duty rates specified for the companies listed 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 ironing boards 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.

([81]) European Commission, Directorate-General for Trade, Directorate H, Rue de la Loi 170, 1040 Brussels, Belgium

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

*Article 2*

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

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

Done at Brussels, 1 October 2019.

*For the Commission*
*The President*
Jean-Claude JUNCKER