COMMISSION IMPLEMENTING REGULATION (EU) 2022/1624

of 20 September 2022

amending Implementing Regulation (EU) 2018/607 imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China as extended to imports of steel ropes and cables consigned from Morocco and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ([1]) ('the basic Regulation'), and in particular Articles 11(3) and 13(4) thereof,

Whereas:

1. PROCEDURE

1.1. Previous investigations and measures in force

(1) By Regulation (EC) No 1796/1999 ([2]), the Council imposed definitive anti-dumping duties on imports of steel ropes and cables ('SRC') originating in the People's Republic of China ('PRC'), Hungary, India, Mexico, Poland, South Africa and Ukraine ('the original measures').

(2) By Regulation (EC) No 1858/2005 ([3]), the Council, following an expiry review in accordance with Article 11(2) of the basic Regulation, maintained the original measures imposed on imports of SRC originating in the PRC, India, South Africa and Ukraine. The measures applicable to imports originating in Mexico expired on 18 August 2004 ([4]). As Hungary and Poland became members of the European Union on 1 May 2004, the measures were terminated on that date. The measures applicable to imports originating in India expired on 17 November 2010 ([5]).

(3) In May 2010, by Implementing Regulation (EU) No 400/2010 ([6]) the Council extended the definitive anti-dumping duty imposed by Regulation (EC) No 1858/2005 on imports of SRC, originating in the PRC, to imports of SRC, consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not, as a result of

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

([2]) Council Regulation (EC) No 1796/1999 of 12 August 1999 imposing a definitive anti-dumping duty, and collecting definitively the provisional duty imposed, on imports of steel ropes and cables originating in the People's Republic of China, Hungary, India, Mexico, Poland, South Africa and Ukraine and terminating the anti-dumping proceeding in respect of imports originating in the Republic of Korea (OJ L 217, 17.8.1999, p. 1).

([3]) Council Regulation (EC) No 1858/2005 of 8 November 2005 imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China, India, South Africa and Ukraine following an expiry review pursuant to Article 11(2) of Regulation (EC) No 384/96 (OJ L 299, 16.11.2005, p. 1).

([4]) Notice of the expiry of certain anti-dumping measures (OJ C 203, 11.8.2004, p. 4).

([5]) Notice of the expiry of certain anti-dumping measures (OJ C 311, 16.11.2010, p. 16).

([6]) Implementing Regulation of the Council (EU) No 400/2010 of 26 April 2010 extending the definitive anti-dumping duty imposed by Regulation (EC) No 1858/2005 on imports of steel ropes and cables originating, inter alia, in the People's Republic of China to imports of steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not, and terminating the investigation in respect of imports consigned from Malaysia (OJ L 117, 11.5.2010, p. 1).

an anti-circumvention investigation in accordance with Article 13 of the basic Regulation ('the anti-circumvention measure'). Certain Korean exporting producers were granted an exemption from the anti-circumvention measure as they were not found to circumvent the definitive anti-dumping duties.

(4) In January 2012, by Implementing Regulation (EU) No 102/2012 ([7]), the Council, following an expiry review in accordance with Article 11(2) of the basic Regulation imposed the anti-dumping duty with regards to imports of SRC originating, inter alia, in the PRC as extended to imports from the Republic of Korea. By the same Regulation, the Council terminated the proceeding with regards to imports of SRC originating in South Africa.

(5) In April 2018, by Implementing Regulation (EU) 2018/607 ([8]) the Commission following an expiry review in accordance with Article 11(2) of the basic Regulation, imposed an anti-dumping duty with regards to imports of SRC originating in the PRC as extended to, inter alia, the Republic of Korea.

(6) The definitive anti-dumping duties currently in force amount to 60,4 %.

1.2. **Name change request**

(7) On 6 May 2020, Young Heung Iron & Steel Co., Ltd, one of the Korean exporting producers having an exemption from the anti-circumvention measure as mentioned in recital (3), informed the Commission that it had changed its name to Youngwire ('Youngwire' or 'the company').

(8) Youngwire requested the Commission to confirm that the change of name does not affect the right of the company to benefit from exemption from the extended anti-dumping duty which was granted to it under its previous name.

(9) The Commission examined the information supplied and concluded that Youngwire has undergone a reorganisation, including through the acquisition of the assets of another Korean exporter also benefitting from the exemption, Dae Heung Industrial Co. Ltd.

(10) The Commission considered that these significant changes, which have come to light in the context of the name change request, could have affected the company's eligibility for an exemption from the anti-circumvention measures.

(11) Therefore, the Commission considered there was sufficient evidence that the circumstances on the basis of which the exemption was granted to Youngwire under its previous name may have significantly changed and that these changes were of a lasting nature warranting the initiation of a partial interim review.

([7]) Council Implementing Regulation (EU) No 102/2012 of 27 January 2012, imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China and Ukraine as extended to imports of steel ropes and cables consigned from Morocco, Moldova and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 and terminating the expiry review proceeding concerning imports of steel ropes and cables originating in South Africa pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 36, 9.2.2012, p. 1).

([8]) Commission Implementing Regulation (EU) 2018/607 of 19 April 2018 imposing a definitive anti-dumping duty imports of steel ropes and cables originating in the People's Republic of China as extended to imports of steel ropes and cables consigned from Morocco and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council (OJ L 101, 20.4.2018, p. 40).

1.3. **Initiation of a partial interim review**

(12) On 5 August 2021, based on the information mentioned in recitals (9) to (11), the Commission decided on its own initiative to initiate a partial interim review limited in scope to the examination of the exemption granted to Youngwire under its previous name, in accordance with Article 11(3) in conjunction with Article 13(4) of the basic Regulation. The purpose of the review was to establish whether Youngwire is still entitled to an exemption from the anti-circumvention measure.

1.4. **Review investigation period**

(13) The investigation covered the period from 1 January 2015 to 30 June 2021 ('the review investigation period'). Data were collected for the investigation period to investigate, inter alia, whether there is change in the pattern of trade following the reorganisation of the company and what, if any, are the procedures and controls that Youngwire has in place in order to prevent Chinese products being sold as Korean and thereby circumventing the duties. More detailed data, including sales and purchase data on transaction level were collected for the period from 1 July 2020 to 30 June 2021 ('the reporting period').

1.5. **Interested parties**

(14) In the Notice of Initiation ([9]), interested parties were invited to contact the Commission in order to participate in the review. In addition, the Commission specifically informed Youngwire about the initiation of the review and invited it to participate.

(15) Interested parties had an opportunity to comment on the initiation of the review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.5.1. *Questionnaires*

(16) The Commission sent a questionnaire to Youngwire, which also submitted a questionnaire reply.

1.5.2. *Verification visit*

(17) The Commission sought and verified all the information deemed necessary for establishing whether Youngwire is still entitled to an exemption from the anti-circumvention measure. A verification visit pursuant to Article 16 of the basic Regulation was carried out at the premises of Youngwire in Changwon and Busan, the Republic of Korea.

2. **PRODUCT UNDER REVIEW**

(18) The product subject to this review is the same as in the original investigation and in the following expiry reviews, that is steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, originating in the PRC ('the product under review'), currently falling under CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 (TARIC codes 7312 10 81 19, 7312 10 83 19, 7312 10 85 19, 7312 10 89 19 and 7312 10 98 19), as extended to the same ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not (TARIC codes 7312 10 81 13, 7312 10 83 13, 7312 10 85 13, 7312 10 89 13 and 7312 10 98 13).

([9]) Notice of initiation of a partial interim review of the anti-dumping measures applicable to imports of steel ropes and cables originating in the People's Republic of China, as extended to imports of steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not (OJ C 313, 5.8.2021, p. 9).

3. EXAMINATION OF THE EXEMPTION GRANTED TO YOUNG HEUNG/YOUNGWIRE

(19) As mentioned in recital (12), the scope of the current partial interim review was limited to the examination of whether the exemption granted to Youngwire is still valid after its reorganisation. Notably, the investigation assessed whether the company was engaged in circumvention practices as defined in Article 13(1) and (2) of the basic Regulation.

(20) According to Article 13(1) of the basic Regulation, the Commission first examined whether there was a change in the pattern of trade involving Youngwire following its reorganisation and change of name.

3.1. **Change in the pattern of trade**

(21) Youngwire's export sales to the Union had remained overall on a relatively stable level during the review investigation period, without noticeable change after the reorganisation. Also, there was no increase in imports from the PRC during the review investigation period before or after the reorganisation.

(22) During the anti-circumvention investigation, Youngwire was one of the producers related to an exporting producer from the PRC subject to the original measures. However, there was no evidence that such relationship was established or used to circumvent the measures in place on imports originating in the PRC and therefore, the exemption was granted. The present investigation found that this situation had not changed after the reorganisation of Youngwire.

(23) The investigation also revealed that Youngwire purchased some of the product under review from its related company in the PRC. However, the product under review purchased from its related company in the PRC before and after the reorganisation and the name change was only resold on the domestic market in the Republic of Korea and other export markets, whereas it was not exported to the Union. Furthermore, the volumes purchased from its related company did not increase following the reorganisation. Therefore, the Commission concluded that there was no evidence that after the reorganisation of Youngwire, nor during review investigation period any change in the pattern of trade within the meaning of Article 13(1) of the basic Regulation involving the company took place.

3.2. **Transhipment of Chinese produced SRC through the related company in the Republic of Korea**

(24) The Commission further examined whether there was any practice, process or work referred to in the third subparagraph of Article 13(1) of the basic Regulation that would indicate circumvention. In this regard, the Commission first assessed whether the company had sufficient actual production of steel ropes and cables that corresponded to the export sales to the Union. The Commission found that the company indeed had sufficient production of steel ropes and cables that corresponded to the export sales to the Union.

(25) Second, as mentioned in recital (21), the company also purchased some of the product under review from its related company in the PRC. The Commission examined the procedures and controls preventing Chinese products being sold as Korean and thereby circumventing the duties. The Commission therefore reviewed Youngwire's IT-systems used for tracing the self-produced products through the production process and sales and substantively checked the documentary evidence to ensure that only products exported to the Union and produced by the company benefiting from the exemption to the anti-circumvention measures. This also included substantive testing of the transactions that took place throughout the whole review investigation period.

(26) The investigation revealed that the company's tracing system ensured that products benefiting from the exemption of the anti-circumvention measure were produced by Youngwire in its own production facilities in the Republic of Korea.

(27) On this basis, the Commission concluded that products under review exported to the Union market could be unequivocally traced and that no transhipment of Chinese produced products to the Union market by the company took place during the review investigation period.

3.3. **Assembly operations**

(28) The Commission also assessed whether there was any indication of circumventing of the anti-dumping measures in force by assembly operations pursuant to Article 13(2) of the basic Regulation.

(29) According to Article 13(2) of the basic Regulation, an assembly operation shall be considered to circumvent the measures in force where:

(a) the operation started or substantially increased since, or just prior to, the initiation of the anti-dumping investigation and the parts concerned are from the country subject to measures; and

(b) the parts constitute 60 % or more of the total value of the parts of the assembled product, except that in no case shall circumvention be considered to be taking place where the value added to the parts brought in, during the assembly or completion operation, is greater than 25 % of the manufacturing cost; and

(c) the remedial effects of the duty are being undermined in terms of the prices and/or quantities of the assembled like product and there is evidence of dumping in relation to the normal values previously established for the like or similar products.

(30) The Commission collected and verified detailed information on Youngwire's raw material sourcing, production processes and cost accounting. The investigation revealed that the value of the raw materials imported and used in the production process did not exceed the threshold of 60 % of the total value of the parts of the assembled product, as defined in Article 13(2) of the basic Regulation. The Commission also ascertained that the value added to the parts, brought in, exceeded the 25 % threshold, as defined in Article 13(2) of the basic Regulation.

(31) On this basis, the investigation concluded that there were no assembly operations taking place that would be qualified as circumventing the measures pursuant to Article 13(2) of the basic Regulation. In view these findings it was not necessary to assess the remaining criteria in Article 13(2) of the basic Regulation.

4. **CONCLUSION AND DISCLOSURE**

(32) Based on the above, the investigation did not establish any circumvention practises involving Youngwire. Consequently, the partial interim review shall be terminated without withdrawing the exemption from the extended duties granted to Youngwire.

(33) The Commission also established that the change of name was properly registered with the relevant authorities in the Republic of Korea. In light of the findings of this partial interim review, the change of name and the related organisation change did not result in any new relationship with other groups of companies which were not investigated by the Commission or could affect the rights of the exporter to benefit from the exemption from the circumvention measures as established in the Implementing Regulation (EU) No 400/2010 and confirmed by Implementing Regulation (EU) 2018/607.

(34) Accordingly, this change of name does not affect the findings of Implementing Regulation (EU) No 400/2010 and in particular the exemption from the anti-dumping duty rate granted to it.

(35) The name change should take effect as of the date on which the company informed the Commission that it had changed its name as indicated under recital (7) above.

(36) Given the considerations in the recitals above, the Commission considered it appropriate to amend Implementing Regulation (EU) 2018/607 to reflect the changed name of the company previously attributed to additional TARIC code C969.

(37) Interested parties were informed accordingly and were granted an opportunity to submit comments.

(38) The Commission received comments only from Youngwire. The company agreed with the Commission's findings and conclusions. However, it pointed out that in consideration of the long procedures, i.e. the time frame of this interim review and, in addition, of the delay in the its initiation, the company had been exporting the product concerned to the Union under the name Young Heung Iron. In view of this, the company requested that the name change should only be affected as from entering into force of the current Regulation, or alternatively, it requested the Commission to attribute the additional code A969 to Youngwire as of 6 May 2020 and to Young Heung Iron & Steel Co., Ltd for the period 6 May 2020 until the entry into force of the current Regulation. According to the company, this solution would be in line with the findings of the investigation that the two names related to the same company.

(39) In this respect, the Commission concluded that Young Heung Iron & Steel Co., Ltd and Youngwire are in fact the same company for the purpose of the anti-dumping duty. Since the company, under any of the two names, remains entitled to the duty exemption, the Commission considered it appropriate that the effects of this Regulation as regards the name change of the company should only take place as from entering into force of this Regulation.

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

HAS ADOPTED THIS REGULATION:

Article 1

Article 1(3) of Implementing Regulation (EU) 2018/607 is amended as follows:

'Young Heung Iron & Steel Co., Ltd, 71-1 Sin-Chon Dong, Changwon City, Gyungnam	A969'

is replaced by

'YOUNGWIRE, 71-1 Sin-Chon Dong, Changwon City, Gyungnam	A969'

TARIC additional code A969 previously attributed to Young Heung Iron & Steel Co., Ltd shall apply to YOUNGWIRE, as of the day of the entry into force of this Regulation.

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, 20 September 2022.

For the Commission
The President
Ursula VON DER LEYEN