

COMMISSION REGULATION (EC) No 1683/1999

of 28 July 1999

initiating an investigation concerning the alleged circumvention of anti-dumping measures imposed by Council Regulation (EC) No 584/96 on imports of certain tube and pipe fittings of iron or steel originating in the People's Republic of China by imports of the same tube and pipe fittings of iron or steel transhipped through Taiwan, and making such imports subject to registration

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

C. PRODUCT

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community ⁽¹⁾, as last amended by Regulation (EC) No 905/98 ⁽²⁾ and in particular Articles 13(3) and 14(5) thereof,

After having consulted the Advisory Committee,

Whereas:

- (3) The product concerned by the allegation of circumvention is tube and pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, currently classifiable within CN codes ex 7307 93 11, ex 7307 93 19, ex 7307 99 30 and ex 7307 99 90. These codes are given for information only.

D. EVIDENCE

A. REQUEST

- (1) The Commission has received a request pursuant to Article 13(3) of Regulation (EC) No 384/96 (hereinafter referred to as 'the Basic Regulation') to investigate the alleged circumvention of the anti-dumping measures imposed by Council Regulation (EC) No 584/96 ⁽³⁾ on imports of certain tube and pipe fittings of iron or steel (hereinafter referred to as 'tube and pipe fittings') originating in the People's Republic of China (hereinafter referred to as 'the PRC'). According to the request, the aforementioned anti-dumping measures are allegedly circumvented by imports of the same tube and pipe fittings transhipped, without undergoing substantial transformation, through Taiwan. Furthermore, a request was made to make these imports subject to registration by the Customs authorities pursuant to Article 14(5) of the Basic Regulation and, where justified, to propose to the Council the extension of the above anti-dumping measures to these imports.

- (4) The request contains sufficient *prima facie* evidence in accordance with the requirements of Article 13 of the Basic Regulation, that the anti-dumping measures on imports of tube and pipe fittings of iron or steel originating in the PRC are being circumvented by imports of the same tube and pipe fittings transhipped through Taiwan.

- (5) The evidence submitted is as follows:

- (a) The request shows that a clear change in the pattern of trade between the PRC, Taiwan and the Community has taken place, following imposition of provisional measures in 1995 and definitive measures in 1996. Volumes of imports originating in the PRC, recorded under CN codes within which the tube and pipe fitting are classified, have decreased from 3 941 tonnes in 1995 to 503 tonnes in 1996, and 283 tonnes in 1998, i.e. a total decrease by 93 % or 3 658 tonnes. Concomitantly, imports of the same product from Taiwan have increased from 1 442 tonnes in 1995 to 6 920 tonnes in 1996, and 5 321 tonnes in 1998, i.e. a total increase over the period by 269 %, or 3 879 tonnes. The total decrease of Chinese imports (3 658 tonnes) nearly exactly corresponds to the total increase of Taiwanese imports (3 879 tonnes).

B. APPLICANT

- (2) The request has been lodged on 11 June 1999 by the Defence Committee of the EEC steel butt-welding fittings industry on behalf of producers representing approximately 90 % of the Community production of tube and pipe fittings.

This change in the pattern of trade is alleged to stem from a transshipment of Chinese tube and pipe fittings via Taiwan, where they undergo none or minor modification, for which there is insufficient due course or economic justification other than the existence of the anti-dumping duty of 58,6 % on tube and pipe fitting originating in the PRC.

⁽¹⁾ OJ L 56, 6.3.1996, p. 1.

⁽²⁾ OJ L 128, 30.4.1998, p. 18.

⁽³⁾ OJ L 84, 3.4.1996, p. 1.

- (b) Furthermore, the request contains sufficient *prima facie* evidence that the remedial effects of the existing anti-dumping duties on tube and pipe fittings are being undermined in terms of quantities and prices. Indeed, imports of the product subject to investigation consigned from Taiwan have replaced those previously imported from the PRC in terms of quantities; in addition, while prices of imports from the PRC have remained more or less stable over the period 1995 to 1998, prices of imports from Taiwan have decreased by 26 % and have almost reached the level of the Chinese export prices prior to the imposition of measures.
- (c) Finally, the request contains sufficient *prima facie* evidence which shows that dumping is taking place in relation to the normal value previously established.

E. PROCEDURE

- (6) In the light of the above, the Commission has concluded that sufficient evidence exists to justify the initiation of an investigation pursuant to Article 13 of the Basic Regulation and to make imports from Taiwan of tube and pipe fittings subject to registration, in accordance with Article 14(5) of the said Regulation.

(i) Questionnaires

- (7) In order to obtain the information it deems necessary for its investigation, the Commission will send questionnaires to Taiwanese exporting producers and traders named in the request. Information, as appropriate, may also be sought from the Community industry.
- (8) Other interested parties should request a questionnaire from the Commission within 15 days from publication of this Regulation in the *Official Journal of the European Communities*. Any request for questionnaires must be made in writing to the address mentioned below and should indicate the name, address, telephone, fax numbers and E-Mail address of the requesting party.
- (9) The authorities of the PRC as well as of Taiwan will be notified of the initiation of the investigation and provided with a copy of the request.

(ii) Certificates of non-circumvention

- (10) In accordance with Article 13(4) of the Basic Regulation, certificates exempting the imports of the product concerned from registration or measures may be issued by the Customs authorities to importers if the importation does not constitute circumvention.

- (11) Since the issue of this certificate requires the prior authorisation of the Community institutions, requests for such authorisations should be addressed by interested importers to the Commission as early as possible in the course of the investigation so that they may be considered on the basis of a thorough appraisal of their merits.

F. REGISTRATION

- (12) Pursuant to Article 14(5) of the Basic Regulation imports of the product concerned should be made subject to registration in order to ensure that, should the investigation result in findings of circumvention, anti-dumping duties can be levied retroactively from the date of the initiation of this investigation on tube and pipe fittings transhipped through Taiwan.

G. TIME LIMIT

- (13) In the interest of sound administration, a period of 40 days from the date of publication of this Regulation in the *Official Journal of the European Communities* shall be fixed within which interested parties, provided they can show that they are likely to be affected by the results of the investigation, may make their views known in writing. The same period shall apply for interested parties who wish to make a written request for a hearing showing that there are particular reasons why they should be heard.

H. NON-COOPERATION

- (14) In cases in which any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, provisional or final findings, affirmative or negative, may be made in accordance with Article 18 of the Basic Regulation, on the basis of the facts available. Where it is found that any interested party has supplied false or misleading information, the information shall be disregarded and use may be made of facts available,

HAS ADOPTED THIS REGULATION:

Article 1

An investigation, pursuant to Article 13(3) of Regulation (EC) No 384/96, concerning imports into the Community consigned from Taiwan of tube and pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, falling within CN codes ex 7307 93 11, ex 7307 93 19, ex 7307 99 30 and ex 7307 99 90, is hereby initiated.

Article 2

The Customs authorities are hereby directed, pursuant to Articles 13(3) and 14(5) of Regulation (EC) No 384/96, to take the appropriate steps to register the imports into the Community consigned from Taiwan of certain tube and pipe fittings of iron or steel falling within the CN codes ex 7307 93 11, ex 7307 93 19, ex 7307 99 30 and ex 7307 99 90, Taric codes 7307 93 11 90, 7307 93 19 90, 7307 99 30 91 and 7307 99 90 91.

Registration shall, pursuant to Article 14(5) of the Regulation (EC) No 384/96, expire nine months following the date of entry into force of this Regulation.

Imports shall not be subject to registration where they are accompanied by a Customs certificate issued in accordance with Article 13(4) of Regulation (EC) No 384/96.

Article 3

1. Interested parties, if their representations are to be taken into account during the investigation, must make themselves known, present their views in writing and submit information, unless otherwise specified, within 40 days from the date of the publication of this Regulation in the *Official Journal of the*

European Communities. Interested parties may also apply to be heard by the Commission within the same time limit.

2. Questionnaires should be requested from the Commission within 15 days from publication of this Regulation in the *Official Journal of the European Communities*.

3. Any information relating to the matter, any request for a hearing or for a questionnaire as well as any request for authorisation of certificates of noncircumvention should be sent to the following address:

European Commission
Directorate-General I
External Relations: Commercial Policy and Relations with
North America, The Far East, Australia and New Zealand
Directorates C and E
DM 24 - 8/37
Rue de la Loi/Wetstraat 200
B-1049 Brussels
Fax (32-2) 295 65 05
Telex COMEU B 21877.

Article 4

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

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

Done at Brussels, 28 July 1999.

For the Commission

Leon BRITTAN

Vice-President
