

II

(Non-legislative acts)

REGULATIONS

COMMISSION IMPLEMENTING REGULATION (EU) 2016/703

of 11 May 2016

imposing a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community ⁽¹⁾ (‘the basic Regulation’), and in particular Article 11(2) thereof,

After consulting the Member States,

Whereas:

A. PROCEDURE

1. Measures in force

- (1) By Regulation (EC) No 119/97 ⁽²⁾, the Council imposed a definitive anti-dumping duty ranging from 32,5 % to 39,4 % on imports of certain ring binder mechanisms (‘RBMs’) originating in the People's Republic of China (the ‘PRC’ or ‘country concerned’) and Malaysia. These duty rates were applicable to RBMs other than those with 17 or 23 rings, while RBMs with 17 and 23 rings were subject to a duty equal to the difference between the minimum import price (MIP of EUR 325 per 1 000 pieces) and the free-at-Community-frontier not cleared through customs price whenever the latter was lower than the MIP.
- (2) By Regulation (EC) No 2100/2000 ⁽³⁾, the Council amended and increased the above mentioned duties for certain RBMs other than those with 17 or 23 rings, following an anti-absorption investigation pursuant to Article 12 of the basic Regulation. The amended duties ranged from 51,2 % to 78,8 %.
- (3) Following an anti-circumvention investigation pursuant to Article 13 of the basic Regulation, by Regulation (EC) No 1208/2004 ⁽⁴⁾, the Council extended the definitive anti-dumping measures to imports of certain RBMs consigned from Vietnam, whether declared as originating in Vietnam or not.

⁽¹⁾ OJ L 343, 22.12.2009, p. 51.

⁽²⁾ Council Regulation (EC) No 119/97 of 20 January 1997 imposing definitive anti-dumping duties on imports of certain ring binder mechanisms originating in Malaysia and the People's Republic of China and collecting definitively the provisional duties imposed (OJ L 22, 24.1.1997, p. 1).

⁽³⁾ Council Regulation (EC) No 2100/2000 of 29 September 2000 amending Regulation (EC) No 119/97 imposing a definitive anti-dumping duty on imports of ring binder mechanisms originating in the People's Republic of China (OJ L 250, 5.10.2000, p. 1).

⁽⁴⁾ Council Regulation (EC) No 1208/2004 of 28 June 2004 extending the definitive anti-dumping measures imposed by Regulation (EC) No 119/97 on imports of certain ring-binder mechanisms originating in the People's Republic of China to imports of the same product consigned from the Socialist Republic of Vietnam (OJ L 232, 1.7.2004, p. 1).

- (4) Following a request by two Union producers an expiry review pursuant to Article 11(2) of the basic Regulation was initiated in January 2002 ⁽¹⁾ and, by Regulation (EC) No 2074/2004 ⁽²⁾ the Council extended the definitive anti-dumping measures. No request for a review was received concerning the measures applicable to Malaysia, which consequently expired in January 2002.
- (5) Following an anti-circumvention investigation pursuant to Article 13 of the basic Regulation, by Regulation (EC) No 33/2006 ⁽³⁾, the Council extended the definitive anti-dumping measures to imports of certain RBMs consigned from Lao People's Democratic Republic, whether declared as originating in Lao People's Democratic Republic or not.
- (6) By Regulation (EC) No 818/2008 ⁽⁴⁾, the Council extended the scope of the measures to certain slightly modified RBMs as a result of an anti-circumvention investigation.
- (7) Following a request by one Union producer an expiry review pursuant to Article 11(2) of the basic Regulation was initiated in September 2008 and, by Implementing Regulation (EU) No 157/2010 ⁽⁵⁾ the Council further extended the definitive anti-dumping measures for a period of 5 years (the 'measures in force').
- (8) Moreover, following an anti-dumping investigation pursuant to Article 5 of the basic Regulation, a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in Thailand was imposed by Council Implementing Regulation (EU) No 792/2011 ⁽⁶⁾.

2. Request for an expiry review

- (9) Following the publication of a notice of impending expiry ⁽⁷⁾ of the anti-dumping measures in force on imports of RBMs originating in the PRC and those consigned from Vietnam and from the Lao People's Democratic Republic whether declared as originating respectively in Vietnam and the Lao People's Democratic Republic or not, the Commission received on 26 November 2014 a request for the initiation of an expiry review of these measures pursuant to Article 11(2) of basic Regulation.
- (10) The request was lodged by the Union producer Ring Alliance Ringbuchtechnik GmbH ('the applicant') representing more than 25 % ⁽⁸⁾ of the total Union production of RBMs. The request was based on the grounds that the expiry of the measures would be likely to result in a continuation or recurrence of dumping and injury to the Union industry.

3. Initiation of an expiry review

- (11) Having determined, after consulting the Advisory Committee, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 25 February 2015, by a notice published in the *Official Journal of the European Union* ⁽⁹⁾ ('the Notice of Initiation'), the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation.

⁽¹⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain ring binder mechanisms originating in the People's Republic of China (OJ C 21, 24.1.2002, p. 25).

⁽²⁾ Council Regulation (EC) No 2074/2004 of 29 November 2004 imposing a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in the People's Republic of China (OJ L 359, 4.12.2004, p. 11).

⁽³⁾ Council Regulation (EC) No 33/2006 of 9 January 2006 extending the definitive anti-dumping duty imposed by Regulation (EC) No 2074/2004 on imports of certain ring-binder mechanisms originating in the People's Republic of China to imports of the same product consigned from the Lao People's Democratic Republic (OJ L 7, 12.1.2006, p. 1).

⁽⁴⁾ Council Regulation (EC) No 818/2008 of 13 August 2008 amending Regulation (EC) No 2074/2004 imposing a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in the People's Republic of China and terminating the investigation concerning the possible circumvention of anti-dumping measures imposed by that Regulation by imports of certain ring binder mechanisms consigned from Thailand, whether declared as originating in Thailand or not (OJ L 221, 19.8.2008, p. 1).

⁽⁵⁾ Implementing Regulation of the Council (EU) No 157/2010 of 22 February 2010 imposing a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 384/96 (OJ L 49, 26.2.2010, p. 1).

⁽⁶⁾ Council Implementing Regulation (EU) No 792/2011 of 5 August 2011 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain ring binder mechanisms originating in Thailand (OJ L 204, 9.8.2011, p. 11).

⁽⁷⁾ Notice of the impending expiry of certain anti-dumping measures (OJ C 164, 29.5.2014, p. 21).

⁽⁸⁾ In the view of the fact that there are only two Union producers the exact figure is not revealed.

⁽⁹⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain ring binder mechanisms originating in the People's Republic of China and extended to Vietnam and Lao People's Democratic Republic (OJ C 67, 25.2.2015, p. 15).

4. Relevant periods covered by the expiry review investigation

- (12) The investigation of likelihood of continuation or recurrence of dumping and injury covered the period from 1 January 2014 to 31 December 2014 ('the review investigation period' or 'RIP').
- (13) The examination of trends relevant for the assessment of the likelihood of continuation or recurrence of injury covered the period from 1 January 2011 to the end of the review investigation period ('the period considered').

5. Parties concerned by the investigation

- (14) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, the known exporting producers in the PRC and the PRC authorities, the known importers, suppliers and users, traders, as well as associations known to be concerned about the initiation of the investigation and invited them to participate.
- (15) Interested parties had an opportunity to comment on the initiation of the investigation and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.
- (16) In the context of the initiation of the expiry review, none of the interested parties requested a hearing before the Commission services and/or with the Hearing Officer in trade proceedings.

6. Analogue country producers

- (17) In the Notice of Initiation, the Commission informed interested parties that it envisaged India, Thailand and Cambodia as third market economy countries within the meaning of Article 2(7)(a) of the basic Regulation. Therefore, the Commission informed producers in India, Thailand and Cambodia about the initiation and invited them to participate.

7. Sampling

- (18) In the Notice of Initiation, the Commission stated that it might sample the Union importers and the Chinese exporting producers in accordance with Article 17 of the basic Regulation.

(a) *Sampling of Union importers*

- (19) To decide whether sampling would be necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.
- (20) Two unrelated importers provided the requested information and agreed to be included in the sample. In view of the low number, the Commission decided that sampling was not necessary. Subsequently, one of the two importers stopped cooperating.

(b) *Sampling of exporting producers in the PRC*

- (21) To decide whether sampling would be necessary and, if so, to select a sample, the Commission asked all known exporting producers in the PRC (i.e. 17 companies) to provide the information specified in the Notice of Initiation. In addition, the Commission 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.
- (22) Only one Chinese exporting producer came initially forward by providing the information requested in the sampling form. Therefore, sampling was not required. Subsequently this exporting producer stopped cooperating.

8. Questionnaire replies

- (23) The Commission sent questionnaires to the Union producers and to the unrelated importers, traders and users that had made themselves known within the time limits set out in the Notice of Initiation.
- (24) One of the Union unrelated importers decided to withdraw its cooperation after initial reply to the questionnaire.
- (25) The only Chinese exporting producer that made itself known to the Commission did reply to the questionnaire sent. The Chinese exporting producer subsequently informed the Commission of its decision to stop its cooperation within the investigation. The Commission informed the Chinese exporting producer and the Chinese authorities about its intention to apply Article 18 of the basic Regulation and to base its findings of the investigation on facts available.

9. Verification visits

- (26) The Commission sought and verified all the information deemed necessary for determining the likelihood of continuation or recurrence of dumping and injury and for assessing whether the imposition of measures would be against the Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:
- (a) *Union producers*
- Ring Alliance Ringbuchttechnik GmbH, Vienna, Austria and Oroszlany, Hungary,
 - I.M.L. Industria Meccanica Lombarda S.r.l., Offanengo, Italy;
- (b) *Related importer*
- Bensons International Systems B.V, Nijkerk, the Netherlands;
- (c) *Analogue country producer*
- Sure Success, Sihnaoukville, Cambodia.

B. PRODUCT CONCERNED AND LIKE PRODUCT

1. Product concerned

- (27) The product concerned is certain ring binder mechanisms consisting of two steel sheets or wires with at least four half-rings made of steel wire fixed on them and which are kept together by a steel cover. They can be opened either by pulling the half rings or with a small steel trigger mechanism fixed to the ring binder mechanism. The rings can have different shapes, the most common ones being round and D-shaped ('the product concerned'). RBMs are currently falling within CN code ex 8305 10 00. Lever-arch mechanisms ('LAM') classified within the same CN code are not included in the scope of the product concerned.
- (28) RBMs are used to make paper, cardboard and plastic-coated office files, presentation and other bound files.
- (29) A large number of different types of RBMs were sold in the Union during the RIP. The differences between these types were determined by the width of the base, the type of mechanism, the number of rings, the opening system, the nominal paper holding capacity, the ring diameter, the shape of the rings, the length and the ring spacing. Given the fact that all types have the same basic physical and technical characteristics and, within certain ranges, are interchangeable, it was established that all RBMs constitute one single product for the purpose of the present proceeding.

2. Like product

- (30) The investigation showed that the following products have the same basic physical and chemical characteristics as well as the same basic uses:
- the product concerned,
 - the product produced and sold on the domestic market of the country concerned,
 - the product produced and sold in the Union by the Union industry.

The Commission concluded that those products are therefore like products within the meaning of Article 1(4) of the basic Regulation.

C. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

1. Preliminary remarks

- (31) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether the expiry of the existing measures would be likely to lead to a continuation or recurrence of dumping from the country concerned.
- (32) As mentioned in recital 25 above while a questionnaire was sent to the Chinese exporting producer that came forward during the sampling exercise, this exporting producer did subsequently disclose its decision to stop its cooperation with the on-going investigation. Consequently none of the Chinese exporting producers cooperated in the current investigation and therefore use had to be made of facts available in accordance with Article 18 of the basic Regulation.
- (33) In this regard, the Chinese authorities and the above-mentioned Chinese exporting producer that came forward during the sampling exercise were duly notified that failure to reply to the questionnaire would be considered by the Commission as non-cooperation and that consequently, the Commission could apply Article 18 of the basic Regulation concerning the findings with regard to the PRC.
- (34) On this 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 information from the request for the expiry review, information collected during the investigation (such as the sampling forms submitted by the main Chinese exporting producers providing information on Chinese export markets, the information received during the verification of the Cambodia producer, the Chinese export database) and on Eurostat Comext database at Taric level (10 digits), which provides the total volume and the total CIF value of RBMs imported for the Taric codes subject to measures. However, it should be noted that the Comext database differentiates only two types of RBMs (i.e. 17 or 23 rings, and other types) while there is a significant range of different product types for which prices can vary depending on the product type.

2. Dumping during the review investigation period

2.1. *Analogue country*

- (35) According to Article 2(7)(a) of the basic Regulation normal value has to be determined on the basis of the price or constructed value in a market economy third country, or when this is not possible, on any other reasonable basis, including the price actually paid or payable in the Union for the like product, duly adjusted if necessary to include a reasonable profit margin. For this purpose, the Commission first investigated whether an appropriate market economy third country could be selected ('the analogue country').

- (36) In the last expiry review which led to the imposition of the measures in force, Thailand was provisionally chosen as analogue country, but the data of the Thai producer could not be taken into account at the definitive stage because the investigation showed that the relationship between the Thai producer and a Chinese producer of RBM ⁽¹⁾ was likely to distort the findings on normal value.
- (37) In the current review, three third countries, namely Thailand, India and Cambodia, were mentioned as potential analogue countries in the Notice of Initiation. These three countries, plus the PRC, represented around 99 % of the total volume imported during the RIP into the Union market. No interested parties proposed any different potential analogue country. One importer confirmed the list of the countries proposed as potential analogue country and provided information regarding the Indian, Thai and Cambodian producers.
- (38) Accordingly, all known producers located in Thailand, India and Cambodia were contacted with a view to obtaining cooperation. However, these producers informed the Commission about their refusal to participate in the investigation. From all the contacted producers in the potential analogue countries, only one Cambodian producer, agreed to cooperate in the investigation. The Commission thus sent to the said Cambodian exporter a questionnaire deemed to collect the relevant analogue country information.
- (39) The Commission subsequently conducted a verification visit at the premises of the only cooperating company in Cambodia with the aim of verifying the information submitted. However, during the verification visit, the company representative refused to provide essential information such as the audited accounts and extractions from the accounting system. Therefore, it was not possible to verify the costs and sales prices as well as to cross-check the total sales volume reported by the company in its questionnaire response. In the absence of reliable information, it was, thus, not possible to reliably establish the normal value for the product concerned on the basis of the data provided by the company in Cambodia. The company was accordingly informed of the Commission's decision not to use its information. No comment was received from the company.
- (40) In the course of the investigation, the Commission learned that there may be production in other third countries such as Egypt, South Korea, Taiwan, Indonesia, Turkey and Malaysia. The Authorities of these countries were contacted concerning the possible existence of RBMs producers in their country but no positive reply was received within the defined deadline.
- (41) Consequently, it was not possible for the Commission to select an appropriate analogue country for the purpose of establishing a normal value for the PRC pursuant to Article 2(7)(a) of the basic Regulation.

2.2. Normal value

- (42) In light of the situation described in section 2.1 above, and in line with Article 2(7)(a) of the basic Regulation, the Commission relied, for the purpose of determining the normal value in the PRC, on any other reasonable basis, i.e. the prices paid or payable in the Union for the like product.
- (43) In accordance with Article 2(2) of the basic Regulation it was first examined whether the total volume of domestic sales during the RIP of the like product to independent customers made by the cooperating Union industry producers was representative in comparison with the total export volume to the Union, namely whether the total volume of such domestic sales represented at least 5 % of the total volume of export sales made by Chinese producers to the Union.
- (44) It was also examined whether the domestic sales of the like product could be regarded as being made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation. This was done by establishing the proportion of domestic sales to independent customers on the domestic market which were profitable during the RIP.

⁽¹⁾ See in particular recitals 28, 29 and 38 of Implementing Regulation of the Council (EU) No 157/2010 of 22 February 2010 imposing a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 384/96 (OJ L 49, 26.2.2010, p. 1).

- (45) As it was found that all domestic sales were made in sufficient quantities and in the ordinary course of trade, normal value was based on the actual domestic prices and was calculated as the weighted average of the prices of all domestic sales during the review investigation period.

2.3. *Export price*

- (46) In the absence of cooperation from Chinese exporting producers, and thus in the absence of specific information on Chinese prices, the export price was determined on the basis of facts available in accordance with Article 18 of the basic Regulation i.e. the sampling information provided by the known Chinese exporting producer at the stage of the initiation of the expiry review and Eurostat Comext database and the Chinese exports database.

2.4. *Comparison and adjustments*

- (47) The comparison between normal value and export price was made on ex-factory basis. For the purpose of ensuring fair comparison between normal value and export price, due adjustments were made for differences affecting prices and price comparison in accordance with Article 2(10) of the basic Regulation. Adjustments were made where necessary, for differences in transport, insurance and other transport related costs based on the information from the expiry review request.

2.5. *Dumping margin*

- (48) In accordance with Article 2(11) of the basic Regulation, the dumping margin was established on the basis of a comparison of the weighted average normal value with the weighted average export price. The average price found in the Eurostat Comext database, cross-checked with information obtained from the available sampling form, compared to the normal value shows the existence of dumping.
- (49) Account taken of the above and of the absence of any other reliable information for the PRC, a country-wide dumping margin, based on a weighted average-to-average comparison and expressed as a percentage of the CIF EU frontier price duty unpaid, was calculated and found to be 49 %.

2.6. *Conclusion on dumping*

- (50) The investigation has established the existence of dumping during the RIP. This conclusion was based (i) on the one hand, on export prices as established from the Eurostat Comext database and from information collected through the sampling form as explained under recital 46 above; and (ii) on the other hand, on normal value determined on the basis of Union industry prices in line with the provisions of Article 2(7)(a) of the basic Regulation for the reasons explained under recitals 35 to 41 above.

3. **Evidence of likelihood of continuation of dumping**

- (51) Further to the finding of dumping during the RIP, the likelihood of the continuation of dumping was investigated. In the absence of cooperation from Chinese exporting producers, the investigation relied on the facts available in accordance with Article 18 of the basic Regulation. Given the lack of publicly available information, the Commission used other sources of information such as Eurostat Comext and the 'Article 14(6) of the basic Regulation' databases, sampling forms available submitted by the main Chinese exporting producers, which provide information on Chinese exports sales to all the countries including the Union, the review request and the Chinese export database.
- (52) In light of the considerations set out in recitals 48 and 49 above, the Commission further analysed whether there was a likelihood of continuation of dumping should the measures lapse. When doing so, the following elements were analysed: (i) the Chinese production capacity and spare capacity, (ii) the behaviour of Chinese exporters on other markets and (iii) the attractiveness of the Union market.

3.1. *Production and spare capacity in the PRC*

- (53) Based on the information in the expiry review request, the production capacity in the PRC is estimated to be around 970 million pieces and the current production in the PRC is around 50 % of this volume. The estimated idle production capacity available in the PRC thus represents more than four times the Union consumption. In spite of this current large overcapacity, information obtained during the investigation shows that, capacity in the PRC is still expanding further, as more new producers are currently being established. The production can thus easily and rapidly be increased in order to ship larger volumes of RBMs with known brands through existing distribution channels to the Union market.
- (54) The applicants considered that the main pre-requisite to increase production is the access to unskilled labour because investments in this business are rather limited ⁽¹⁾ and access to raw material is relatively easy in the PRC. The findings in previous investigations on RBMs also showed that labour and handwork is the major element which would influence the production volume in the PRC. If a producer needs to increase production it would increase its workforce accordingly.
- (55) Moreover, there is no evidence to suggest that in the near future the level of consumption on the Chinese domestic market or third country markets would significantly increase and thus would be able to absorb the currently available spare capacity of the Chinese producers, or a significant part of it.
- (56) Based on the above, the investigation concluded that Chinese exporters could easily expand their production and export significant quantities to the Union should measures be allowed to lapse.

3.2. *Chinese sales to third countries*

- (57) As mentioned below in recital 59, the Union market has always been an attractive market for Chinese exporters and they have also been consistently present in the rest of the world. According to the Chinese export statistics available, the main export markets where Chinese exporters were active are the USA, Mexico, Hong Kong, Turkey, and South Africa. Except for the USA ⁽²⁾, the prices they charged in these countries are lower than those prevailing in the Union market for similar product types.
- (58) In these circumstances, it is reasonable to expect that if the anti-dumping measures were allowed to expire, Chinese exporters would revert from certain third countries to the Union market and would then aim to export to the Union market in considerable quantities.

3.3. *Attractiveness of the Union market*

- (59) The Union market has always been a very attractive market in terms of volumes and prices. The information received at the time of the initiation of the current investigation shows that the Union prices are significantly higher compared with sales prices to most other third countries.
- (60) Since the imposition of the measures for the first time (i.e. 20 January 1997), the Chinese exporters have continuously shown a strong interest in entering the Union market. Previous investigations have shown that Chinese producers were trying to avoid the measures via circumventing practices ⁽³⁾, such as trans-shipping, slight modifications, and also by absorption practices ⁽⁴⁾.
- (61) The size of the Union market can be considered as a clear indication that Chinese producers would in the future attempt to regain market share in the Union.

⁽¹⁾ See recital 38 of Implementing Regulation of the Council (EU) No 157/2010 of 22 February 2010 imposing a definitive anti-dumping duty on imports of certain ring binder mechanisms originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 384/96 (OJ L 49, 26.2.2010, p. 1).

⁽²⁾ Prices in the USA are higher because the products are different. The bulk of exports consist of 3 rings with a trigger mechanism.

⁽³⁾ As mentioned in recitals 3 and 5 above.

⁽⁴⁾ As mentioned in recital 2 above.

- (62) As to prices, according to the investigation, the average Chinese export price to third country markets is lower than the average Chinese export price to the Union as mentioned in recital 57 above. It is thus clear that the Union market would be a financially attractive option for the Chinese exporters because they could sell at higher prices in the Union without jeopardising their sales to the rest of the world and still undercut their main competitors in the Union by selling at dumped prices. It can therefore be concluded that the Union market, one of the largest worldwide, remains attractive to Chinese producers.

3.4. Conclusion on the likelihood of continuation of dumping

- (63) In light of the estimated significant spare capacity in the PRC, combined with the attractiveness of the Union market in terms of size and sales price, in particular with regard to the price level of the PRC exports to third countries, and the records of past circumvention and absorption practices, the Commission concluded that there is a strong likelihood that the repeal of the anti-dumping measures would result in a significant increase of dumped imports of RBMs from the PRC to the Union.

D. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

1. Union Production and Definition of the Union Industry

- (64) During the RIP RBMs were manufactured in the Union by the following producers:
- Ring Alliance Ringbuchtechnik GmbH, Wien, Austria
 - Industria Meccanica Lombarda srl, Offanengo, Italy.
- (65) Both producers (the first of them being the applicant) have cooperated in the investigation. The second producer is also supporting the request for extension of the measures. Since both companies together represented the total Union production of RBMs in the RIP they are considered to represent the Union industry within the meaning of Articles 4(1) and 5(4) of the basic Regulation. Both producers and their subsidiaries are not related to the Chinese exporting producers.

2. Union Consumption.

- (66) Union consumption was established on the basis of:
- sales volumes of the like product by the Union industry into the Union market reported in the respective questionnaire replies of the Union producers,
 - import volumes of RBMs (TARIC level) into the Union market reported in Eurostat.

Table 1

Consumption in the Union market

Volume	2011	2012	2013	RIP
<i>Union consumption index (2011 = 100)</i>	100	87	94	85
Union consumption (ranges in '000 pcs)	100 000-120 000	90 000-110 000	100 000-120 000	90 000-110 000

Source: Eurostat and questionnaire replies.

- (67) The investigation showed that the market for RBMs declined by 15 % over the period considered from around 100-120 million pieces in 2011 to 90-110 million pieces in the RIP ⁽¹⁾.

⁽¹⁾ Only ranges are given in order to protect confidentiality of data of the two Union producers.

3. Imports from the country concerned

(a) Import volumes and market share

Table 2

Imports from the country concerned

Import volume	2011	2012	2013	RIP
PRC (index 2011 = 100)	100	92	101	112
PRC (ranges in '000 pcs)	1 600-2 100	1 500-2 000	1 600-2 100	1 900-2 400
Market share	1,8 %	1,9 %	1,9 %	2,3 %

Source: Eurostat and expiry review request.

- (68) As current anti-dumping measures against PRC had been extended pursuant to Article 13(3) of the basic Regulation on imports of the product concerned consigned in Lao and Vietnam, in order to establish total import volumes of the product concerned from PRC imports from those countries should have been included. However, during the whole period considered there were no imports recorded of the product concerned from Lao and/or Vietnam.
- (69) The volume of imports RBMs originating in PRC remained at a relatively stable, low level during period considered with a slight increase in the RIP. As a result the market share of Chinese imports increased from 1,8 % to 2,3 % over the period considered.

(b) Import prices

Table 3

Average prices of imports of RBMs from the country concerned

	2011	2012	2013	RIP
PRC (index 2011 = 100)	100	98	95	83
PRC (ranges EUR/'000 pcs)	200-230	190-220	180-210	160-190

Source: Eurostat and Expiry Review Request.

- (70) The average price of imports of product concerned from the PRC was constantly decreasing in the period considered with an overall drop of 17 % between 2011 and RIP.

(c) Level of price undercutting and underselling

- (71) No price undercutting by the Chinese import prices was found in the RIP. It should be stressed however that the calculation takes into account price adjustments for regular custom import duty (2,7 %) and post-importation costs (2 %). After these adjustments the average prices of Chinese imports were found to be almost at the same level as average Union industry ex-works prices to the unrelated customers in the Union — the negative undercutting margin found was 0,1 %. It is also noted that the quantities sold by the Chinese exporting producers are low. Furthermore, the applicant presented certain evidence that product types currently imported from the PRC are 'special' mechanisms, like 23-Ring mechanisms or mechanisms with the trigger. These products consist of higher raw material component and higher labour cost and therefore are priced higher than standard products of the Union industry. Due to the lack of cooperation of the Chinese exporters this claim could not be verified against their export data.

- (72) Despite the lack of undercutting, still a price underselling margin of 3,4 % was established in the RIP. This calculation was based on the target profit of the Union industry of 5 %, i.e. the same target profit as used in the previous expiry review.

4. Imports from other third countries

(a) Import volumes and market share

Table 4

Imports from third countries

Import volume	2011	2012	2013	RIP
<i>India (index 2011 = 100)</i>	100	74	86	95
India (ranges in '000 pcs)	40 000-45 000	30 000-35 000	32 000-38 000	39 000-44 000
India market share	37,4 %	32,1 %	34,5 %	41,8 %
<i>Cambodia (index 2013 ⁽¹⁾ = 100)</i>	0	0	100	222
Cambodia (ranges in '000 pcs)	0	0	3 000-4 000	6 000-9 000
Cambodia market share	0,0 %	0,0 %	3,2 %	7,8 %
<i>Thailand (index 2011 = 100)</i>	100	57	62	6
Thailand (ranges in '000 pcs)	12 000-16 000	6 000-9 000	7 000-10 000	500-1 000
Thailand market share	11,1 %	7,3 %	7,3 %	0,8 %
<i>Other third countries (index 2011 = 100)</i>	100	70	254	10
Other third countries (ranges in '000 pcs)	500-1 000	300-600	1 000-2 000	50-100
Other third countries market share	0,6 %	0,5 %	1,5 %	0,1 %
<i>Total third countries (index 2011 = 100)</i>	100	71	89	87
Total third countries (ranges in '000 pcs)	52 500-62 000	36 300-44 600	43 000-54 000	45 550-54 100
Total third countries market share	49,1 %	39,8 %	46,6 %	50,5 %

Source: Eurostat and expiry review request.

⁽¹⁾ Import from Cambodia started in 2013.

(b) *Import prices*

Table 5

Average prices of imports of RBMs from third countries

	2011	2012	2013	RIP
<i>India (index 2011 = 100)</i>	100	107	96	92
India (ranges EUR/'000 pcs)	125-135	138-145	122-130	115-125
<i>Cambodia (index 2013 ⁽¹⁾ = 100)</i>	0	0	100	94
Cambodia (ranges EUR/'000 pcs)	0	0	135-145	130-140
<i>Thailand (index 2011 = 100)</i>	100	101	100	81
Thailand (ranges EUR/'000 pcs)	120-130	125-135	120-130	100-110

Source: Eurostat and Expiry Review Request.

⁽¹⁾ Imports from Cambodia started in 2013.

(73) During the whole period considered the main exporting country of RBMs to the Union was India. Imports from this country held a significant share of the Union market over the whole period considered, ranging between 32 % and 42 % with a peak in the RIP. The second biggest exporter to the Union in the RIP was Cambodia and although it started exporting to the Union only in 2013 it is increasing its share in the market aggressively reaching almost 8 % in the RIP. In both cases, the exporting producers from these countries were factories set up by Chinese producers of RBMs. Their investments in the production in these countries followed the measures imposed on Chinese RBMs, as further extended to imports from other countries after several anti-circumvention investigations. In the case of Cambodia, the delocalisation of the production by Chinese owner followed the imposition of the measures on Thailand. At the same time, within the period considered, Thailand, once second largest exporter to the Union, almost disappeared from the market.

(74) With regard to the level of prices of the imports from third countries, it should be stressed that the prices of imports from India and Cambodia are lower than prices of imports from the PRC (33 % and 27 % respectively).

5. Situation of the Union industry

(75) In accordance with Article 3(5) of the basic Regulation, the examination of the likelihood of a continuation or recurrence of injury included an evaluation of all economic factors having a bearing on the state of the Union industry during the period considered.

(76) In order to respect confidential business information, it has been necessary to present information concerning the two Union producers in an indexed form.

5.1. Production, production capacity and capacity utilisation

Table 6

Production, capacity, capacity utilisation

	2011	2012	2013	RIP
Production '000 pcs (index)	100	96	90	82
Capacity '000 pcs (index)	100	100	93	93
Capacity utilisation rate (index)	100	96	96	87

Source: Questionnaire replies.

- (77) The production of the Union industry declined by 18 % over the period considered. This trend followed the trend in the consumption although the drop in the production output of the Union industry was still slightly deeper than decrease in consumption. Over the period considered the Union industry experienced a decrease in the capacity utilisation rate by 13 %, despite the fact that capacity itself was slightly reduced by 7 %. The capacity utilisation reached in the RIP its record low level of 55 % to 65 % in absolute terms.

5.2. Closing stocks

Table 7

Closing stock in volume

	2011	2012	2013	RIP
Closing stocks '000 pcs (index)	100	83	95	89

Source: Questionnaire reply.

- (78) The Union industry's year end stock levels decreased by 11 % in the period considered. However, taking into account simultaneous decrease in production, the stock levels were maintained on relatively stable level which was considered as normal by the Union producers.

5.3. Sales volumes and market share

Table 8

Sales volume and market share

	2011	2012	2013	RIP
Sales volume (total EU) '000 pcs (index)	100	103	98	82
Sales volume (unrelated EU) '000 pcs (index)	100	104	95	82
Market share (index)	100	119	105	96

Source: Questionnaire replies.

- (79) Sales volumes of the Union industry to the unrelated customers decreased by 18 % over the period considered. Although the main reason of this decrease was simultaneous decrease in consumption, it should be underlined that drop in sales volumes was deeper than drop in the consumption. As a result the market share of the Union industry decreased by 4 %.

5.4. Prices and factors affecting prices

Table 9

Sales prices(unrelated)

	2011	2012	2013	RIP
Average sales prices EUR/'000 pcs (index)	100	96	94	99

Source: Questionnaire replies.

- (80) The Union industry's sales prices on the Union market to unrelated customers in the RIP were almost at the same level as at the beginning of the period considered.

5.5. Employment and productivity

Table 10

Employment and productivity

	2011	2012	2013	RIP
Employment (index)	100	97	95	91
Labour productivity (index)	100	99	94	89
Average labour cost (index)	100	92	87	83

Source: Questionnaire replies.

- (81) The employment in full time equivalent has decreased over the period considered by 9 % which is a result of restructuring of the Union industry. At the same time the average labour costs was also reduced by 17 %. Nevertheless, since in the same period production dropped dramatically as shown in recital 77, the labour productivity has decreased in the period considered by 11 %.

5.6. Cost of production and profitability

Table 11

Cost of production and profitability

	2011	2012	2013	RIP
Cost of production (index)	100	101	95	100
Profitability (index)	100	- 78	79	62

Source: Questionnaire replies.

- (82) During the period considered, except year 2012, the Union industry managed to be profitable although the profitability was far below target profit of 5 %. Furthermore, the trend is still decreasing.

- (83) The decrease in profitability is mainly due the decrease in sales price. Despite the very low capacity utilisation, the average cost of production in the RIP did not increase over the level of 2011, mainly due to decrease in labour costs following the restructuring efforts of the Union producers.

5.7. Investments, return on investment and cash flow

Table 12

Investments, return on investment and cash flow

	2011	2012	2013	RIP
<i>Annual Investments (index)</i>	100	343	260	286
<i>Return on investment (index)</i>	100	- 17	74	88
<i>Cash flow (index)</i>	100	82	145	57

- (84) The investigation showed that the Union industry was able to maintain relatively high level of investments over the period considered with high return on them (with the exception of loss making year 2012). The Union industry also managed to maintain positive cash flow over the whole period considered although it decreased in the RIP by 43 % compared with 2011 level. The Union industry has not reported any difficulties in raising capital during the period considered.

5.8. Magnitude of dumping and recovery from past dumping

- (85) As concluded in recital 49, on the basis of the best facts available, the investigation has established the existence of substantial dumping during the RIP of 49 %.
- (86) Taking into account the dumped imports from the PRC, and the continuous circumventing and absorption practices from the past, it can be concluded that the Union industry has not fully recovered from the effects of past dumping during the period considered, although certain decline in some injury indicators such as sales and production volumes cannot be attributed to the imports from the country concerned due to its low level in this period but are rather a result of the decline in the consumption.

5.9. Export activity of the Union industry

- (87) The Union industry exported only negligible volumes in the period considered therefore it is concluded that exports had no impact on the situation of the Union industry.

5.10. Conclusion on the situation of the Union industry

- (88) The investigation showed that the continuation of the measures as from 2010 allowed the Union industry to maintain a positive profitability basically through all the period considered. Nevertheless, the profitability achieved was far lower than the target profit (5 %), but allowed Union industry to make some investments and maintain relatively high market share.
- (89) The other injury indicators show that the economic situation of the Union industry is difficult, in a context of worldwide competition and declining consumption. The Union industry has responded to these challenges by restructuring its employment and investing in modernisation of the product.
- (90) It is therefore concluded that the Union industry did not suffer material injury during the review investigation period.

6. Likelihood of recurrence of injury

- (91) The Union industry restructured its activities and benefited from the antidumping measures. However, although those measures were imposed for the first time in 1997, they were only fully effective when the effects of absorption and circumvention practices were offset.
- (92) It is in this context that the likelihood of recurrence of injury if the measures were allowed to lapse is analysed in accordance with Article 11(2) of the basic Regulation.
- (93) Since none of the Chinese exporting producers cooperated in the investigation, findings with regard to the PRC had to be based on best facts available in accordance with Article 18 of the basic Regulation, in particular the expiry review request.
- (94) As already concluded in recitals 50 and 63, Chinese exporters still continued their dumping practices and there is likelihood of continuation of dumping.
- (95) Furthermore, as explained in recital 59, the Chinese exporters have never lost their interest in the Union market as was demonstrated in particular by the past absorption and circumvention practices.
- (96) As concluded in recitals 53 and 61 the Chinese exporting producer have huge spare capacities for the production of the product concerned and the Union market is especially attractive to them due to its size and its relatively high price level.
- (97) Additionally, the import statistics and the production volumes of the Union producers are also showing a picture of a declining market. A typical sign of a shrinking market is the extensive competition for the remaining volume. There is a strong likelihood that with the current spare capacity in the PRC, a surge of low-priced dumped imports will occur if measures were allowed to lapse.
- (98) All these factors together indicate that the PRC could quickly export significant quantities of the product concerned at dumped prices to the Union market without even the need to redirect its sales from other markets should the measures be allowed to lapse. Were this to occur the Union industry would face an immediate further drop in its sales and sales prices, which would affect already low capacity utilisation and profitability. If these injury indicators deteriorated the recovery of the Union industry would be quickly reversed and material injury would very likely recur.

E. UNION INTEREST

1. Introduction

- (99) In accordance with Article 21 of the basic Regulation, it was examined whether the maintenance of the measures would be against the Union interest as a whole. The determination of the Union interest was based on an appreciation of the various interests involved, namely those of the Union industry, of importers and users.

2. Interest of the Union industry

- (100) As explained in recital 90 the measures enabled the Union industry to consolidate its position and start restructuring. At the same time, it was also concluded in recital 98, that the Union industry would be likely to experience a serious deterioration of its situation in case the anti-dumping measures against the PRC were allowed to lapse. Therefore, it can be concluded that the continuation of the measures against the PRC would benefit the Union industry.

3. Interest of importers and users

- (101) All known importers and users were informed about the initiation of the review. However, the Commission received no cooperation from unrelated users and very limited cooperation from unrelated importers, namely from only one company which imported from the PRC.
- (102) The cooperating importer was in principle not against the maintenance of the measures. Indeed, its imports from the PRC were negligible in the RIP and its imports data indicate that due to the measures in force it has already changed its suppliers. Therefore, the maintenance of the measures would not have an impact on its situation.

4. Conclusion

- (103) In view of the elements analysed in recitals 100 to 102, as well as the fact that current imports from the PRC account for around 2 % of the Union consumption, there are no grounds to assume that maintenance of the measures would be against Union interest. Therefore, it was concluded that there were no compelling reasons of Union interest against the maintenance of the anti-dumping measures against the PRC.

F. DISCLOSURE AND ANTI-DUMPING MEASURES

- (104) All cooperating interested parties were informed of the essential facts and considerations on the basis of which it is considered appropriate that the existing anti-dumping duties on imports of RBM from the PRC be maintained. Interested parties were also granted the possibility to submit comments subsequent to that disclosure. No comments were received.
- (105) It follows from the above that, as provided for by Article 11(2) of the basic Regulation, the anti-dumping measures applicable to RBM originating in the PRC should be maintained.
- (106) As a consequence, the extension of the measure for the product concerned originating in the PRC to imports consigned from Vietnam ⁽¹⁾ and the Lao People's Democratic Republic ⁽²⁾, whether declared as originating in Vietnam and the Lao People's Democratic Republic or not, should also be maintained.
- (107) The Committee established by Article 15(1) of the basic Regulation did not deliver an opinion,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of certain ring binder mechanisms currently falling within CN code ex 8305 10 00 originating in the People's Republic of China.
2. For the purpose of this Article, ring binder mechanisms shall consist of two steel sheets or wires with at least four half-rings made of steel wire fixed on them and which are kept together by a steel cover. They can be opened either by pulling the half rings or with a small steel trigger mechanism fixed to the ring binder mechanism.
3. The rate of the definitive anti-dumping duty applicable to the net, free-at-Community-frontier price, before duty, shall be as follows:
 - (a) for mechanisms with 17 and 23 rings (TARIC codes 8305 10 00 21, 8305 10 00 23, 8305 10 00 29 and 8305 10 00 35), the amount of duty shall be equal to the difference between the minimum import price of EUR 325 per 1 000 pieces and the net, free-at-Community-frontier price, before duty;

⁽¹⁾ Regulation (EC) No 1208/2004.

⁽²⁾ Regulation (EC) No 33/2006.

- (b) for mechanisms other than those with 17 or 23 rings (TARIC codes 8305 10 00 11, 8305 10 00 13, 8305 10 00 19 and 8305 10 00 34):

	Rate of duty	TARIC additional code
People's Republic of China:		
— World Wide Stationery Mfg, Hong Kong, People's Republic of China	51,2 %	8934
— all other companies	78,8 %	8900

Article 2

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

Article 3

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

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

Done at Brussels, 11 May 2016.

For the Commission
The President
Jean-Claude JUNCKER
