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Contents

II *Non-legislative acts*

REGULATIONS

- ★ **Council Regulation (EU) No 1067/2012 of 14 November 2012 amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran** 1
- ★ **Commission Implementing Regulation (EU) No 1068/2012 of 30 October 2012 entering a name in the register of protected designations of origin and protected geographical indications (Aceituna Aloreña de Málaga (PDO))** 3
- ★ **Commission Implementing Regulation (EU) No 1069/2012 of 31 October 2012 entering a name in the register of protected designations of origin and protected geographical indications (Newmarket Sausage (PGI))** 5
- ★ **Commission Implementing Regulation (EU) No 1070/2012 of 14 November 2012 amending Regulation (EC) No 2535/2001 as regards non-quota preferential imports of milk and milk products and the quota for imports of dairy products originating in the Republic of Moldova** 7
- ★ **Commission Regulation (EU) No 1071/2012 of 14 November 2012 imposing a provisional anti-dumping duty on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand** 10
- ★ **Commission Regulation (EU) No 1072/2012 of 14 November 2012 imposing a provisional anti-dumping duty on imports of ceramic tableware and kitchenware originating in the People's Republic of China** 28

Price: EUR 4

(Continued overleaf)

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

Commission Implementing Regulation (EU) No 1073/2012 of 14 November 2012 establishing the standard import values for determining the entry price of certain fruit and vegetables 66

DECISIONS

2012/701/EU:

★ **Commission Implementing Decision of 13 November 2012 amending Decision 2008/185/EC as regards the inclusion of Ireland, Northern Ireland and the province of Bolzano in Italy in the list of Member States or regions thereof free of Aujeszky's disease (notified under document C(2012) 7976) ⁽¹⁾**..... 68

2012/702/EU:

★ **Commission Implementing Decision of 13 November 2012 amending Decision 2008/855/EC as regards the dispatch to other Member States of certain meat and meat products from Member States concerned with areas listed in Part III of the Annex thereto (notified under document C(2012) 7977) ⁽¹⁾**..... 71



⁽¹⁾ Text with EEA relevance

II

(Non-legislative acts)

REGULATIONS

COUNCIL REGULATION (EU) No 1067/2012

of 14 November 2012

amending Regulation (EU) No 267/2012 concerning restrictive measures against Iran

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 215 thereof,

Having regard to Council Decision 2010/413/CFSP of 26 July 2010 concerning restrictive measures against Iran ⁽¹⁾,

Having regard to the joint proposal from the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission,

Whereas:

- (1) Council Regulation (EU) No 267/2012 ⁽²⁾ gives effect to the measures provided for in Decision 2010/413/CFSP. That Regulation provides for, inter alia, the freezing of all funds and economic resources belonging to, or owned, held or controlled by, the persons, entities and bodies listed in Annexes VIII and IX to the Regulation.
- (2) Council Decision 2012/635/CFSP ⁽³⁾ provides for an exemption under the restrictive measures in order to protect the energy security of the Union.
- (3) That exemption falls within the scope of the Treaty and regulatory action at the level of the Union is therefore necessary in order to implement it.
- (4) Regulation (EU) No 267/2012 should therefore be amended accordingly.

- (5) In order to ensure that the measures provided for in this Regulation are effective, it should enter into force on the day following that of its publication,

HAS ADOPTED THIS REGULATION:

Article 1

In Regulation (EU) No 267/2012, the following Article is inserted:

'Article 28a

The prohibitions in Article 23(2) and (3) shall not apply to acts and transactions carried out with regard to entities listed in Annex IX:

- (a) which hold rights derived from an original award before 27 October 2010, by a sovereign Government other than Iran, of a production sharing agreement as referred to in Article 39, in so far as such acts and transactions relate to those entities' participation in that agreement;
- (b) in so far as necessary for the execution, until 31 December 2014, of the obligations arising from contracts referred to in point (b) of Article 12(1) provided that those acts and transactions have been authorised in advance, on a case-by-case basis, by the competent authority concerned and that the Member State concerned has informed the other Member States and the Commission of its intention to grant an authorisation.'

Article 2

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

⁽¹⁾ OJ L 195, 27.7.2010, p. 39.

⁽²⁾ OJ L 88, 24.3.2012, p. 1.

⁽³⁾ OJ L 282, 16.10.2012, p. 58.

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

Done at Brussels, 14 November 2012.

For the Council
The President
A. D. MAVROYIANNIS

COMMISSION IMPLEMENTING REGULATION (EU) No 1068/2012**of 30 October 2012****entering a name in the register of protected designations of origin and protected geographical indications (Aceituna Aloreña de Málaga (PDO))**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs ⁽¹⁾, and in particular the first subparagraph of Article 7(4) thereof,

Whereas:

- (1) Pursuant to the first subparagraph of Article 6(2) of Regulation (EC) No 510/2006, Spain's application to register the name 'Aceituna Aloreña de Málaga' was published in the *Official Journal of the European Union* ⁽²⁾.

- (2) As no statement of objection under Article 7 of Regulation (EC) No 510/2006 has been received by the Commission, that name should therefore be entered in the register,

HAS ADOPTED THIS REGULATION:

Article 1

The name contained in the Annex to this Regulation is hereby entered in the register.

*Article 2*This Regulation shall enter into force on the twentieth 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, 30 October 2012.

For the Commission,
On behalf of the President,
Dacian CIOLOŞ
Member of the Commission

⁽¹⁾ OJ L 93, 31.3.2006, p. 12.

⁽²⁾ OJ C 69, 7.3.2012, p. 10.

ANNEX

Agricultural products intended for human consumption listed in Annex I to the Treaty:

Class 1.6. Fruit, vegetables and cereals, fresh or processed

SPAIN

Aceituna Aloreña de Málaga (PDO)

COMMISSION IMPLEMENTING REGULATION (EU) No 1069/2012**of 31 October 2012****entering a name in the register of protected designations of origin and protected geographical indications (Newmarket Sausage (PGI))**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs ⁽¹⁾, and in particular the first subparagraph of Article 7(4) thereof,

Whereas:

- (1) Pursuant to the first subparagraph of Article 6(2) of Regulation (EC) No 510/2006, the United Kingdom's application to register the name 'Newmarket Sausage' was published in the *Official Journal of the European Union* ⁽²⁾.

- (2) As no statement of objection under Article 7 of Regulation (EC) No 510/2006 has been received by the Commission, that name should therefore be entered in the register,

HAS ADOPTED THIS REGULATION:

Article 1

The name contained in the Annex to this Regulation is hereby entered in the register.

*Article 2*This Regulation shall enter into force on the twentieth 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, 31 October 2012.

*For the Commission,
On behalf of the President,
Dacian CIOLOȘ
Member of the Commission*

⁽¹⁾ OJ L 93, 31.3.2006, p. 12.

⁽²⁾ OJ C 69, 7.3.2012, p. 15.

ANNEX

Agricultural products intended for human consumption listed in Annex I to the Treaty:

Class 1.2. Meat-based products

UNITED KINGDOM

Newmarket Sausage (PGI)

COMMISSION IMPLEMENTING REGULATION (EU) No 1070/2012

of 14 November 2012

amending Regulation (EC) No 2535/2001 as regards non-quota preferential imports of milk and milk products and the quota for imports of dairy products originating in the Republic of Moldova

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) ⁽¹⁾, and in particular Article 144(1) and Article 148(c), in conjunction with Article 4 thereof,

Whereas:

- (1) Chapter I of Title 2 of Commission Regulation (EC) No 2535/2001 of 14 December 2001 laying down detailed rules for applying Council Regulation (EC) No 1255/1999 as regards the import arrangements for milk and milk products and opening tariff quotas ⁽²⁾ applies to the import quota No 09.4210 provided for in Council Regulation (EC) No 55/2008 ⁽³⁾ and allocated to the Republic Moldova until 2012. Regulation (EU) No 581/2011 of the European Parliament and of the Council ⁽⁴⁾ extended the application of Regulation (EC) No 55/2008 until the end of 2015. It is therefore appropriate that Regulation (EC) No 2535/2001 takes into account the extension of the duration of the quota No 09.4210.
- (2) Chapter II of Title 2 of Regulation (EC) No 2535/2001 provides for rules concerning preferential non-quota imports under specific agreements and acts. It is appropriate, for the sake of proper administration of the imports, that those rules apply also to all other preferential non-quota imports which are covered by Article 2 of that Regulation. In addition, it is appropriate, for the sake of clarity and transparency, that those rules include the obligation to specify the preferential import duty in box 24 of licence applications and licences.
- (3) Regulation (EC) No 2535/2001 should therefore be amended accordingly.
- (4) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for the Common Organisation of Agricultural Markets,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2535/2001 is amended as follows:

- (1) Chapter II of Title 2 is replaced by the following:

*"CHAPTER II***Non-quota imports on the basis of an import licence alone***Article 20*

1. This Chapter shall apply to:

- (a) preferential imports, not subject to quotas, as referred to in:

- (i) Annex I to Protocol 1 to Decision No 1/98 of the EC-Turkey Association Council,

- (ii) Annex IV to the Agreement with South Africa,

- (iii) Annex 2 to the Agreement between the European Community and Switzerland on trade in agricultural products;

- (b) any other preferential imports, not subject to quotas, of the products referred to in point J of Part I of Annex II to Regulation (EC) No 376/2008.

2. For the imports referred to in point (a) of paragraph 1, the products concerned and the rates of duty applicable are listed in Annex II to this Regulation.

Article 21

1. Licence applications and licences shall show:

- (a) in box 8, the country of origin;

- (b) in box 20, one of the entries listed in Annex XVI.

2. Licences shall show in box 24 the applicable reduced rate of duty.

3. Licences shall carry an obligation to import from the country indicated in box 8.

⁽¹⁾ OJ L 299, 16.11.2007, p. 1.

⁽²⁾ OJ L 341, 22.12.2001, p. 29.

⁽³⁾ OJ L 20, 24.1.2008, p. 1.

⁽⁴⁾ OJ L 165, 24.6.2011, p.5.

Article 22

The reduced rate of duty shall be applied only on presentation of the import licence and on acceptance of the declaration of release for free circulation accompanied by the proof of origin."

(2) In Annex I, Part J is replaced by the text set out in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the third 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, 14 November 2012.

For the Commission
The President
José Manuel BARROSO

ANNEX

LJ

TARIFF QUOTA UNDER ANNEX I TO REGULATION (EC) No 55/2008

Quota number	CN code	Description ⁽¹⁾	Country of origin	Import year	Annual quota from 1 January to 31 December (in tonnes) (in product weight)		Import duty (EUR/100 kg net weight)
					Annual	Six-monthly	
09.4210	0401 to 0406		The Republic of Moldova				0
		Dairy products		From 1 July to 31 December 2008		1 000	
				2009	1 000	500	
				2010 to 2015	1 500	750	

⁽¹⁾ Irrespective of the rules for the interpretation of the Combined Nomenclature, the wording of the product description must be considered to have merely indicative value, since the applicability of the preferential arrangements is determined in the context of this Annex by the scope of the CN code. Where ex CN codes are indicated, the applicability of the preferential scheme is determined on the basis of the CN code and the corresponding description taken jointly.'

COMMISSION REGULATION (EU) No 1071/2012

of 14 November 2012

imposing a provisional anti-dumping duty on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand

THE EUROPEAN COMMISSION,

their views known in writing and to request a hearing within the time limit set in the Notice of Initiation.

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

(4) All interested parties, who so requested and showed that there were particular reasons why they should be heard, were granted a hearing.

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 7 thereof,

(5) In view of the large number of exporting producers in the PRC, Union producers and unrelated importers, sampling was envisaged in the Notice of Initiation in accordance with Article 17 of the basic Regulation. In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, all exporting producers in the PRC, Union producers and unrelated importers were asked to make themselves known to the Commission and to provide, as specified in the Notice of Initiation, basic information on their activities related to threaded malleable fittings (as defined in Section B Below) for the period from 1.1.2011 to 31.12.2011. No sampling was envisaged for the exporting producers in the other two countries concerned, Thailand and Indonesia.

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE**1. Initiation**(1) On 16 February 2012, the European Commission (the Commission) announced, by a notice published in the *Official Journal of the European Union* ⁽²⁾ (Notice of Initiation), the initiation of an anti-dumping proceeding with regard to imports into the Union of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China (the PRC), Thailand and Indonesia (the countries concerned).

(6) In order to allow exporting producers in the PRC to submit a claim for market economy treatment (MET) or individual treatment (IT), if they so wished, the Commission sent claim forms to the exporting producers in the PRC known to be concerned and to the Chinese authorities. Two companies requested MET pursuant to Article 2(7) of the basic Regulation, and four companies requested IT pursuant to Article 9(5) of the basic Regulation.

(2) The proceeding was initiated as a result of a complaint lodged on 3 January 2012 by the Defence Committee of Tube or Pipe Cast Fittings, of Malleable Cast Iron of the European Union (the complainant) on behalf of producers representing more than 50 %, of the total Union production of threaded tube or pipe cast fittings of malleable cast iron ('threaded malleable fittings'). The complaint contained *prima facie* evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the initiation of an investigation.

(7) The Commission officially disclosed the MET findings to the exporting producers concerned in the PRC, the Chinese authorities and the complainant. They were also given an opportunity to make their views known in writing.

(8) As regards the Union producers and as duly explained in recital (29) below, six Union producers provided the requested information and agreed to be included in a sample. On the basis of the information received from the cooperating Union producers, the Commission selected a sample of three Union producers on the basis of their sales volume.

2. Parties concerned by the proceeding

(3) The Commission officially advised the complainant, the Union producers, the exporting producers, unrelated importers, users and the representatives of the exporting countries of the initiation of the investigation. The Commission also advised producers in Argentina as it was envisaged as a possible analogue country. Interested parties were given an opportunity to make

(9) As explained in recital (31) below, 33 unrelated importers provided the requested information and agreed to be included in the sample. On the basis of the information received from these parties, the Commission selected a sample of nine importers having the largest volume of imports to the Union and their geographic location in the Union. As one importer did not submit a questionnaire reply, the final sample consisted of the remaining eight importers.

⁽¹⁾ OJ L 343, 22.12.2009, p. 51.⁽²⁾ OJ C 44, 16.2.2012, p. 33.

- (10) As explained in recital (30) below, 12 exporting producers in the PRC provided the requested information and agreed to be included in the sample. On the basis of the information received from these parties, the Commission selected a sample of three exporting producers in the PRC having the largest volume of exports to the Union.
- (11) The Commission sent questionnaires to the three sampled Union producers, the three sampled Chinese exporting producers, three Thai exporting producers, three Indonesian exporting producers, nine sampled unrelated importers and seven users.
- (12) Questionnaire replies were received from three sampled Union producers, three Chinese exporting producers, two Thai exporting producers, one Indonesian exporting producer and eight unrelated importers. None of the users submitted a questionnaire reply.
- (13) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits were carried out at the premises of the following companies:
- (a) Union producers
- ATUSA Accesorios de Tuberia S.A., Salvatierra (Alava), Spain
 - Berg Montana Fittings EAD, Montana, Bulgaria
 - Georg Fischer Fittings GmbH, Traisen, Austria
- (b) Exporting producers in the PRC
- Hebei Jianzhi Casting Group Ltd., Yutian County, Hebei, PRC
 - Jinan Meide Casting Co., Ltd., Pingyin, Shandong, PRC
 - Qingdao Madison Industrial Co., Ltd., Jimo, Shandong, PRC
- (c) Exporting producers in Thailand
- Siam Fittings Co., Ltd., Samutsakorn, Thailand;
 - BIS Pipe Fitting Industry Co., Ltd, Samutsakorn, Thailand
- (d) Exporting producer in Indonesia
- PT. Tri Sinar Purnama, Semarang, Indonesia
- (e) Unrelated importers in the Union
- Crane Limited, Ipswich, United Kingdom
 - GEBO Armaturen GmbH, Schwelm, Germany
 - Hitachi Metals Europe GmbH, Düsseldorf, Germany
 - MegaGroup Trade Holding B.V., Veghel, the Netherlands
 - Raccorditalia s.r.l., Brugherio(MB), Italy
- (14) In view of the need to establish a normal value for the exporting producers in the PRC in case MET is not granted to them, a verification to establish normal value on the basis of data from India as analogue country took place at the premises of the following company:
- Jainson Industries, Jalandhar, Punjab, India
- ### 3. Investigation period and period considered
- (15) The investigation of dumping and injury covered the period from 1.1.2011 to 31.12.2011 ('the investigation period' or 'IP'). The examination of trends relevant for the assessment of injury covered the period from 2008 to the end of the investigation period (the period considered).
- ## B. PRODUCT CONCERNED AND LIKE PRODUCT
- ### 1. Product concerned
- (16) The product concerned as described in the Notice of Initiation is threaded tube or pipe cast fittings, of malleable cast iron ('the product concerned'), currently falling within CN code ex 7307 19 10.
- (17) The main input raw materials are metal scrap, coke/electricity, sand (for moulding) and zinc (for galvanisation). The first step of the manufacturing process is the melting of metal scrap in cupolas. This is followed by the moulding process and the casting of the various shapes which are then separated into single pieces. The products have to go through a lengthy annealing process to ensure that they are sufficiently malleable to be used in applications where e.g. shock and vibration resistance are required and to withstand quick temperature changes. Subsequently, fittings can be galvanized, if needed. Then the threading of the products takes place.
- (18) Threaded malleable fittings are used for connecting two or more pipes or tubes, connecting a pipe to an apparatus, changing the direction of a fluid flow, or closing a pipe. Threaded malleable fittings are mainly used in the gas, water and heating systems of residential and non-residential buildings. They are also used in the pipe systems of oil refineries. Malleable fittings are available in many configurations, the most common being 90-degree elbows, tees, couplings, crosses, and unions. They are produced in both black (non-galvanized) and galvanized form.
- ### 2. Like product
- (19) The product concerned and the product produced and sold on the domestic market of the PRC, Thailand and Indonesia, and on the domestic market of India, which served as an analogue country, as well as the product manufactured and sold in the Union by the Union industry were found to have the same basic physical and technical characteristics. They are therefore provisionally considered as alike within the meaning of Article 1(4) of the basic Regulation (the like product).

Claims regarding product scope

- (20) Several claims have been submitted in respect of the product scope, mostly by importers but also by authorities of a Member State. The claims are addressed individually below.

Electro-galvanized fittings

- (21) An importer claimed that 'electro-galvanized fittings' should be excluded from the definition of the threaded malleable fittings. It is argued that the production of electro-galvanized fittings requires additional production steps after threading, such as washing and an additional electrical galvanization. This arguably leads to a number of quality improvements and advantages vis-à-vis regular fittings. However, it is clear that electro-galvanized fittings are fully interchangeable with regular fittings, and therefore have the same basic physical and technical characteristics. They are therefore considered to be product concerned.

Bodies of compression fittings

- (22) The same importer imports bodies of compression fittings, which it further assembles together with other parts into finished compression fittings. It has been questioned whether the bodies of compression fittings fall under the definition of the product concerned. While these bodies look like a fitting and are threaded, they cannot be used directly to connect pipes – they have to be assembled before the assembled fitting connects the pipes. Although they are more expensive, they are interchangeable with other threaded fittings, since they are also used to connect pipes and tubes, albeit mainly in repairing rather than in new installations. It is therefore provisionally concluded that compression fittings and their bodies fall within the definition of the product concerned.

Black heart and white heart fittings

- (23) Some parties claimed that the malleable fittings manufactured and sold by the Union producers could not be considered comparable to those produced and exported to the Union by the exporting countries concerned on the grounds that the grade of the material used for the Union produced ones is, in general, white heart, while the grade of the material used for the exported ones is black heart malleable cast iron.

- (24) As already concluded in Council Regulation (EC) No 1784/2000⁽¹⁾ regarding the same product, the investigation has provisionally shown that there is no difference in market perception distinguishing between white heart fittings and black heart fittings as in all respects other than the carbon content they have closely resembling characteristics, the same end uses and are thus interchangeable. This has been confirmed by the fact that

the importers/traders which purchase both black heart malleable fittings from the countries concerned and white heart malleable fittings produced by the Union industry, sell them to the users without making a distinction between the two grades of material. As to the users of the product under consideration, the investigation has confirmed that they do not differentiate between white heart and black heart fittings to any significant degree.

- (25) This is also suggested by the fact that both white heart and black heart fittings are included in the European Standard EN 10242 and in the international standard ISO 49, which specify the requirements for the design and performance of the malleable fittings. As concerns, in particular, the grade of the material used, both white heart and black heart are admitted.
- (26) Given the above, it is provisionally concluded that the white heart malleable fittings manufactured and sold by part of the Union producers should be considered as like product to the black heart malleable fittings produced and exported to the Union by the exporting countries concerned.

Claim regarding import of unthreaded fittings

- (27) One importer imports limited quantities of unfinished fittings which are not threaded. The threading is applied subsequently by the importer. Since the imported goods are not threaded, they are not considered as product concerned.

Claim regarding the definition of 'malleable cast iron' under the Combined Nomenclature

- (28) The authorities of one of the Member States pointed out the fact that, according to the explanatory notes to the Combined Nomenclature⁽²⁾, the expression 'malleable' includes spheroidal graphite cast iron (identical to ductile cast iron). While no sales of threaded fittings made from ductile cast iron were reported by any interested party during the IP, there is evidence that this is possible. As these fittings have the same basic physical characteristics as the threaded malleable fittings investigated, it is considered appropriate to clarify that ductile iron products are falling within the scope of the proceeding and the measures.

C. SAMPLING**1. Sampling of Union producers**

- (29) In accordance with Article 17 of the basic Regulation, the Commission selected a sample based on the largest representative volume of sales of threaded malleable fittings to unrelated customers in the Union, which can reasonably be investigated within the time available. The selected sample consists of three producers belonging to

⁽¹⁾ OJ L 208, 18.8.2000, p. 8. Rec. 14f.

⁽²⁾ OJ C 137, 6.5.2011, p. 1.

two groups of companies, representing 81 % of sales of threaded malleable fittings to unrelated customers in the Union out of six Union producers known to produce the like product. In accordance with Article 17(2) of the basic Regulation, all Union producers and the complainant were consulted, and all interested parties were invited to comment on the proposed sample. No comments on the selection of the sample were made.

2. Sampling of exporting producers in the PRC

(30) In accordance with Article 17 of the basic Regulation, the Commission selected a sample based on the largest representative volume of exports which can reasonably be investigated within the time available. Twelve exporting producers accounting for 51 % of Chinese exports to the Union during the IP submitted sampling information requested in Annex A to the Notice of Initiation. The selected sample consists of three companies, representing 88 % of the export volume of the cooperating parties from the PRC to the Union. In accordance with Article 17(2) of the basic Regulation, all exporting producers concerned and the Chinese authorities were consulted. No comments on the selection of the sample were made.

3. Sampling of unrelated importers

(31) In accordance with Article 17 of the basic Regulation, the Commission selected a sample based on the largest representative volume of imports into the Union as well as the geographical location of the companies, which can reasonably be investigated within the time available. A total of 33 unrelated importers submitted the sampling information requested in Annex B to the Notice of Initiation. The initial sample selected consists of six importers in five Member States, representing 59 % of imports of threaded malleable fittings of cooperating importers into the Union. In accordance with Article 17(2) of the basic Regulation, all importers were consulted. Following comments, three further companies were added to the sample, resulting in a final sample of nine importers in six Member States, representing 67 % of imports of threaded malleable fittings of cooperating importers into the Union. No further comments were received on the enlarged sample. As one importer did not submit a questionnaire reply, the final sample consisted of the remaining eight importers.

D. DUMPING

1. People's Republic of China

1.1. Market economy treatment

(32) Pursuant to Article 2(7)(b) of the basic Regulation, in anti-dumping investigations concerning imports originating in the PRC, normal value shall be determined in accordance with Article 2(1) to (6) for those

producers which were found to meet the criteria laid down in Article 2(7)(c) of the basic Regulation.

(33) Briefly, and for ease of reference only, these criteria are set out below:

1. business decisions are made in response to market conditions and without significant State interference, and costs reflect market values;
2. firms have one clear set of basic accounting records, which are independently audited, in line with international accounting standards and applied for all purposes;
3. there are no significant distortions carried over from the former non-market economy system;
4. legal certainty and stability is provided by bankruptcy and property laws; and
5. currency exchanges are carried out at the market rate.

(34) Two exporting producers requested MET pursuant to Article 2(7)(b) of the basic Regulation and replied to the MET claim form within the given deadlines.

(35) The Commission sought all the information deemed necessary and verified all the information submitted in the MET claims at the premises of the companies in question.

(36) The verification established that both exporting producers claiming MET did not meet the requirements of the criteria laid down in Article 2(7)(c) of the basic Regulation.

(37) The audited accounts of both exporters did not comply with international accounting standards, and the audited accounts of one exporter were even incomplete, as they did not include a cash-flow statement. It is therefore evident that they fail to comply with criterion 2.

(38) One exporter could not demonstrate that the capital contributed during its privatisation was properly evaluated, while the second exporter received state benefits mainly in the form of a preferential income tax rate. They therefore fail to comply with criterion 3.

(39) One company claiming MET commented on the disclosure. It did not dispute any of the facts contained in the disclosure, but raised three main issues in its comments.

- (40) Firstly, it argued that the MET determination is illegal, since it was made almost two months after the statutory deadline. In this respect, it has to be mentioned that this delay was mainly due to the fact that an earlier MET verification could not take place as the Chinese exporters were not available at that time. It should be underlined that the timing of the determination did not have any impact on the outcome.
- (41) Secondly, it was argued that the non-compliance with the audited accounts is exclusively based on formal grounds. Furthermore, it was argued that *'an accounting practice that is not fully formally in line with IAS does not constitute a violation of the second MET criterion as long as it has not affected the company's financial results.'* In this respect, it is worth noting that criterion 2 does not have any reference to the financial results of the company. The claim is therefore unfounded. The relevant criterion, 'accounting records which are independently audited in line with international accounting standards', is indeed a formal requirement. It is nevertheless worth mentioning that all violations were of a significant nature, either due to the magnitude of the amounts involved or the significance of the violation (i.e. a mandatory analysis was simply not carried out).
- (42) Lastly, it was claimed that the benefits received in the form of a preferential income tax rate have not been used in the past to deny MET. In this respect, it is noted that every case is judged on its own merits. Under MET criterion 3 it is assessed whether the Chinese exporters are subject to significant distortions carried over from the former non-market economy system. Such is the case here with regard to state benefits, which were mainly in the form of a preferential tax rate. General comments of the kind put forward by the Chinese exporter are therefore not sufficiently substantiated.
- (43) In conclusion, it has not been shown that MET criteria 2 and 3 were fulfilled by either of the exporting producers. Therefore, MET cannot be granted to these companies.

1.2. Individual treatment

- (44) Pursuant to Article 2(7)(a) of the basic Regulation, a country-wide duty, if any, is established for countries falling under that provision, except in those cases where companies are able to demonstrate that they meet all criteria set out in Article 9(5) of the basic Regulation.
- (45) Briefly, and for ease of reference only, these criteria are set out below:
1. in the case of wholly or partly foreign owned firms or joint ventures, exporters are free to repatriate capital and profits;
 2. export prices and quantities, and conditions and terms of sale are freely determined;
3. the majority of the shares belong to private persons. State officials appearing on the Boards of Directors or holding key management positions shall either be in minority or it must be demonstrated that the company is nonetheless sufficiently independent from state interference;
 4. exchange rate conversions are carried out at the market rate; and
 5. state interference is not such as to permit circumvention of measures if individual exporters are given different rates of duty.
- (46) The exporting producers which did not meet the MET criteria as well as the third sampled producer all claimed IT. On the basis of the information available, it was provisionally established that all sampled exporting producers fulfilled the requirements foreseen in Article 9(5) of the basic Regulation and, thus, can be granted IT.

1.3. Analogue country

- (47) According to Article 2(7)(a) of the basic Regulation, normal value for the exporting producers not granted MET shall be established on the basis of the price or constructed value in a market economy third country ('analogue country').
- (48) In the Notice of Initiation the Commission indicated its intention to use Argentina as an appropriate analogue country for the purpose of establishing normal value for the PRC and invited all interested parties to comment thereon.
- (49) A number of exporters and importers have submitted comments on the choice of the analogue country arguing that Argentina would not be a suitable analogue country, mainly due to the low level of domestic competition and the consequent high price level on the Argentinian domestic market. Indeed, there are indications that the Argentinian market is largely shared between three domestic producers. According to Argentinian statistics, imports into the Argentinian market are negligible, since the traditionally largest foreign suppliers Brazil and China are subject to high anti-dumping duties.
- (50) The same exporters and importers proposed Thailand, India and Indonesia as more suitable analogue countries. Taking account of the comments by interested parties, cooperation from Argentinian and Indian producers was sought, and finally one Argentinian and one Indian producer accepted to cooperate.
- (51) An analysis of these replies showed that the domestic prices reported by the sole cooperating Argentinian producer were indeed very high, substantially higher than the sales prices of the sampled Union producers as well as their non-injurious price.

(52) On the other hand, it turned out that the Indian market is highly competitive with an estimated number of 300 producers. As a result, the domestic prices reported by the cooperating Indian exporter can be considered reasonable.

(53) Thailand and Indonesia are involved in the same investigation, but a very limited number of producers operate in both countries rendering their domestic markets less competitive compared to India. It is therefore provisionally concluded that India is an appropriate analogue country in accordance with Article 2(7)(a) of the basic Regulation.

1.4. Normal Value

(54) Since no sampled Chinese exporter was granted MET, normal value was established pursuant to the provision of Article 2(7)(a) of the basic Regulation, using India as analogue market economy third country.

(55) It was first established for each exporting producer concerned, whether the total domestic sales of threaded malleable fittings of the analogue country producer were representative, i.e. whether the total volume of such sales represented at least 5 % of each exporting producer's total volume of export sales of the product concerned to the Union during the IP. This was the case for two of the three sampled exporting producers.

(56) Subsequently, those product types sold domestically by the companies where the analogue country producer had overall representative domestic sales that were identical or directly comparable with the types sold for export to the Union were identified.

(57) For each type sold by the analogue country producer on its domestic market and found to be directly comparable with the type of threaded malleable fittings sold for export to the Union by the exporting producers, it was established whether domestic sales were sufficiently representative. Domestic sales of a particular product type were considered sufficiently representative when the volume of that product type sold on the domestic market to independent customers during the IP represented at least 5 % of the total volume of the comparable product type sold for export to the Union by the exporting producer.

(58) The Commission subsequently examined for the analogue country producer whether each type of the like product sold domestically in representative quantities could be considered as being sold in the ordinary course of trade. This was done by establishing for each product type the proportion of profitable sales to independent customers on the domestic market during the IP.

(59) Where the sales volume of a product type, sold at a net sales price equal to or above the calculated cost of

production, represented more than 80 % of the total sales volume of that type, and where the weighted average sales price of that type was equal to or higher than the cost of production, normal value was based on the actual domestic price. This price was calculated as a weighted average of the prices of all domestic sales of that type made during the IP.

(60) Where the volume of profitable sales of a product type represented 80 % or less of the total sales volume of that type, or where the weighted average price of that type was below the cost of production, normal value was based on the actual domestic price, calculated as a weighted average of profitable sales of that type only.

(61) Where the product types were all sold at a loss, it was considered that they were not sold in the ordinary course of trade.

(62) For sales of product types not made in the ordinary course of trade, as well as for product types which were not sold in representative quantities on the domestic market, a constructed normal value was used.

(63) To construct normal value, the weighted average selling, general and administrative (SG&A) expenses incurred and the weighted average profit realised by the sole cooperating analogue country producer on domestic sales of the like product, in the ordinary course of trade during the investigation period, was added to its own average cost of production during the investigation period. For any product type sold in non-representative quantities in the domestic market, the weighted average profit and SG&A expenses in the ordinary course of trade of these non-representative sales was used to construct normal value. Where necessary, the costs of production and SG&A expenses were adjusted, before being used in the ordinary course of trade test and in constructing normal values.

1.5. Export price

(64) As the sampled producers were granted IT and made export sales of the product concerned to the Union directly to independent customers in the Union, the export price was established in accordance with Article 2(8) of the basic Regulation, namely on the basis of export prices actually paid or payable.

1.6. Comparison

(65) The comparison between normal value and export price was made on an ex-works basis.

(66) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation.

(67) Appropriate adjustments for physical characteristics, indirect taxes, transport, insurance, handling loading and ancillary costs, packing, credit, commissions and bank charges were made in all cases where they were found to be reasonable, accurate and supported by verified evidence.

1.7. Dumping margins

(68) For the sampled companies, the weighted average normal value of each type of the like product established for the analogue country was compared with the weighted average export price of the corresponding type of the product concerned, as provided for in Articles 2(11) and 2(12) of the basic Regulation.

(69) On this basis the provisional weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Dumping Margin
Hebei Jianzhi	67,8 %
Jinan Meide	39,3 %
Qingdao Madison	32,1 %

(70) The weighted average dumping margin of the cooperating exporting producers not included in the sample was calculated in accordance with the provisions of Article 9(6) of the basic Regulation. This margin was established on the basis of the margins established for the sampled exporting producers.

(71) On this basis, the dumping margin calculated for the cooperating companies not included in the sample was provisionally established at 42,3 %.

(72) With regard to all other exporting producers in the PRC, the dumping margins were established on the basis of the facts available in accordance with Article 18 of the basic Regulation. To this end the level of cooperation was first established by comparing the volume of exports to the Union reported by the cooperating exporting producers with the equivalent Eurostat import statistics.

(73) As the cooperation accounted for more than 50 % of total Chinese exports to the Union and the industry can be considered fragmented due to the high number of exporting producers in the PRC, the level of cooperation can be considered high. Since there was no reason to believe that any exporting producer deliberately abstained from cooperating, the residual dumping margin was set at the level of the sampled company with the highest dumping margin. This was considered appropriate since there were no indications that the non-

cooperating companies were dumping at a lower level, and in order to ensure the effectiveness of any measures.

(74) On this basis the provisional weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Dumping Margin
Hebei Jianzhi	67,8 %
Jinan Meide	39,3 %
Qingdao Madison	32,1 %
Other cooperating companies	42,3 %
All other companies	67,8 %

2. Thailand and Indonesia

2.1. Normal Value

(75) In accordance with Article 2(2) of the basic Regulation, the Commission first established for each of the cooperating exporting producers whether its total domestic sales of the like product were representative, i.e. whether the total volume of such sales represented at least 5 % of its total volume of export sales of the product concerned to the Union. The investigation established that the domestic sales of the like product were representative for all cooperating exporting producers in Thailand and Indonesia.

(76) The Commission subsequently identified those product types sold domestically by the companies having overall representative domestic sales that were identical or closely resembling with the types sold for export to the Union.

(77) For each type of the like product sold by the exporting producers on their domestic market and found to be comparable with the type of the product concerned sold for export to the Union, it was established whether domestic sales were sufficiently representative for the purposes of Article 2(2) of the basic Regulation. Domestic sales of a particular product type were considered sufficiently representative when the volume of that product type sold on the domestic market to independent customers during the IP represented at least 5 % of the total volume of the comparable product type sold for export to the Union.

(78) The Commission subsequently examined whether each type of the like product sold domestically in representative quantities could be considered as being sold in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation. This was done by establishing for each product type the proportion of profitable sales to independent customers on the domestic market during the investigation period.

(79) Where the sales volume of a product type, sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume of that type, and where the weighted average sales price was equal to or higher than the unit cost, normal value, by product type, was calculated as the weighted average of all domestic sales prices of the type in question.

(80) Where the volume of profitable sales of a product type represented 80 % or less of the total sales volume of that product type, or where the weighted average price of that type was below the unit cost, normal value was based on the actual domestic price, which was calculated as the weighted average price of only the profitable domestic sales of the type in question.

(81) Where the product types were all sold at a loss, it was considered that they were not sold in the ordinary course of trade.

(82) For sales of product types not made in the ordinary course of trade, as well as for product types which were not sold in representative quantities on the domestic market, a constructed normal value was used.

(83) To construct normal value, the weighted average selling, general and administrative ('SG&A') expenses incurred and the weighted average profit realised by the cooperating exporting producers concerned on domestic sales of the like product, in the ordinary course of trade during the investigation period, was added to their own average cost of manufacturing during the investigation period. For any product type sold in non-representative quantities in the domestic market, the weighted average profit and SG&A expenses in the ordinary course of trade of these non-representative sales was used to construct normal value.

2.2. Export price

(84) As all exports of the product concerned of the cooperating Thai and Indonesian exporters were made to independent customers in the Union, the export price was established in accordance with Article 2(8) of the basic Regulation, namely on the basis of export prices actually paid or payable.

2.3. Comparison

(85) The comparison between normal value and export price was made on an ex-works basis.

(86) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation.

(87) Appropriate adjustments for level of trade, transport, insurance, handling loading and ancillary costs, packing, credit, commissions and bank charges were made in all cases where they were found to be reasonable, accurate and supported by verified evidence.

2.4. Dumping margins

(a) Thailand

(88) For the two cooperating companies in Thailand, the weighted average normal value of each type of the like product was compared with the weighted average export price of the corresponding type of the product concerned, as provided for in Article 2(11) and 2(12) of the basic Regulation.

(89) Given that the level of cooperation was considered to be high (the volume of exports of the two cooperating Thai companies represented more than 80 % of total Thai exports to the Union during the IP), the dumping margin for all other Thai exporting producers was set at the level of the highest dumping margin of the two cooperating companies.

(90) On this basis the provisional weighted average dumping margins for Thai companies expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Dumping Margin
BIS Pipe Fitting Industry Co., Ltd	15,9 %
Siam Fittings Co., Ltd	50,7 %
All other companies	50,7 %

(b) Indonesia

(91) For the sole cooperating company, the weighted average normal value of each type of the like product was compared with the weighted average export price of the corresponding type of the product concerned, as provided for in Article 2(11) and 2(12) of the basic Regulation.

(92) Given that the level of cooperation was considered to be high (the volume of exports of the sole cooperating Indonesian company represented more than 80 % of total Indonesian exports to the Union during the IP), the dumping margin for all other Indonesian exporting producers was set at the same level as for the cooperating company.

(93) On this basis the provisional weighted average dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Dumping Margin
PT. Tri Sinar Purnama	11,0 %
All other companies	11,0 %

E. INJURY

1. Union production

- (94) During the IP, the like product was manufactured by six producers in the Union. As indicated under recital (29) above, two groups of Union producers, comprised of three Union producers were selected in the sample, representing 81 % of the total Union production of the like product.

2. Definition of the Union industry

- (95) Within the meaning of Article 4(1) and Article 5(4) of the basic Regulation, all six existing Union producers manufacturing the like product during the IP constitute the Union industry and they will therefore be hereafter referred to as the 'Union industry'.

3. Union consumption

- (96) Union consumption was established on the basis of the sales volume of the Union industry on the Union market, and the import volume reported by Eurostat, as adjusted by the findings of the investigation.
- (97) Union consumption significantly decreased by 21 % between 2008 and 2009, subsequently increasing by 12 percentage points to a level 9 % below the consumption at the beginning of the period considered.

Union consumption (tonnes)				
	2008	2009	2010	IP
Union consumption	72 231	57 398	59 190	65 460
Index	100	79	82	91

Source: Complaint data, Eurostat and questionnaire replies.

4. Imports from the countries concerned

4.1. Cumulative assessment of the effects of the imports from the countries concerned

- (98) The Commission examined whether imports of threaded malleable fittings originating in the countries concerned should be assessed cumulatively in accordance with Article 3(4) of the basic Regulation.
- (99) The margin of dumping established in relation to the imports from each of the countries concerned was

above the *de minimis* threshold as defined in Article 9(3) of the basic Regulation (see recitals (74), (90) and (93) above).

- (100) With regard to the volumes of the dumped imports from Indonesia, it was found that they constituted only around 2,5 % of all imports of the like product to the Union during the IP. Therefore, they can be considered as not constituting a cause of material injury to the Union industry in the sense of Article 9(3) of the basic Regulation or the provisions of the WTO Anti-Dumping Agreement ⁽¹⁾.
- (101) At the same time the investigation established at this provisional stage that the majority of imports from Indonesia may well have been improperly declared under a different CN code, namely 7307 99 10 instead of 7307 19 10 that is normally relevant for threaded tube or pipe cast fittings, of malleable cast iron. However, all or at least a large part of those possibly misdeclared imports are already included in the figure of 2,5 % mentioned in the previous recital.
- (102) In the light of the above, it was provisionally decided not to cumulate those imports with the dumped imports from Thailand and the PRC.
- (103) With regard to the volumes of the dumped imports from Thailand and the PRC, they cannot be considered negligible as their market share attain 5,4 % and 47,3 %, respectively, in the IP.
- (104) The cumulative assessment was provisionally considered appropriate in view of the comparable conditions of competition between the imports from these two countries and the like Union product, i.e. through the same sales channels and to the same categories of customers. Indeed, in a number of cases it was shown that the imported products from the PRC and Thailand were sold via the same distributors.
- (105) In the light of the above, it was provisionally considered that all the criteria set out in Article 3(4) of the basic Regulation were met. The imports from Thailand and the PRC were therefore examined cumulatively. They are hereby referred to as 'imports from the two countries concerned'.

4.2. Volume and market share of the imports from the two countries concerned

- (106) The volume of imports of the product concerned from the two countries concerned into the Union market has increased by 15 % over the period considered. While imports initially decreased by 16 % between 2008 and 2009 due to the decrease in consumption mentioned in recital (97) above, they substantially increased by 31 percentage points subsequently until the IP.

⁽¹⁾ See Commission Decision 98/175/EC of 3 March 1998, OJ L 63 of 4.3.1998, p. 32, recital 2.

Union import volume (tonnes)				
	2008	2009	2010	IP
PRC	26 188	22 413	22 065	30 786
<i>Index</i>	100	86	84	118
Thailand	3 723	2 681	3 331	3 485
<i>Index</i>	100	72	89	94
Two countries concerned	29 911	25 094	25 396	34 271
<i>Index</i>	100	84	85	115

Source: Eurostat and findings of the investigation.

- (107) The market share of dumped imports from the two countries concerned has increased by 11 percentage points from 41,7 % to 52,7 % during the period considered. This market share growth mainly took place between 2010 and the IP, during a period of recovering demand.

Union market share				
	2008	2009	2010	IP
PRC	36,5 %	39,3 %	37,7 %	47,3 %
<i>Index</i>	100	108	103	129
Thailand	5,2 %	4,7 %	5,7 %	5,4 %
<i>Index</i>	100	91	110	103
Two countries concerned	41,7 %	44,0 %	43,4 %	52,7 %
<i>Index</i>	100	106	104	126

Source: Complaint data, Eurostat and questionnaire replies.

4.3. Prices of the imports from the two countries concerned and price undercutting

(a) Price evolution

- (108) The table below shows the average price of dumped imports from the two countries concerned, at the Union frontier duty unpaid, as reported by Eurostat. During the period considered the average price of imports from the two countries concerned continuously increased by a total of 14 %.

Import prices (EUR/tonne)				
	2008	2009	2010	IP
PRC	1 428	1 557	1 631	1 676

Import prices (EUR/tonne)				
	2008	2009	2010	IP
<i>Index</i>	100	109	114	117
Thailand	2 126	2 208	2 036	2 148
<i>Index</i>	100	104	96	101
Two countries concerned	1 515	1 626	1 679	1 721
<i>Index</i>	100	107	111	114

Source: Eurostat.

(b) Price undercutting

- (109) A type-to-type price comparison was made between the selling prices of the exporting producers and the sampled Union producers' selling prices in the Union. To this end, the sampled Union producers' prices to unrelated customers have been compared with the prices of sampled exporting producers of the two countries concerned. Adjustments were applied where necessary to take account of differences in the level of trade (notably OEM sales) and post-importation costs.
- (110) The comparison showed that, during the IP, imports of the product concerned originating in Thailand and the PRC were sold in the Union at prices which undercut the Union industry prices, when expressed as a percentage of the latter, by 25 % to 55 %.

5. Situation of the Union industry

- (111) In accordance with 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 having a bearing on the state of the Union industry during the period considered. The data presented below relate to all Union producers for production, production capacity, capacity utilisation, sales and market shares, and to the sampled Union producers for all the remaining indicators. As concerns the indicators based on the sampled producers, given that the sample was comprised of only two groups of producers, for confidentiality reasons the actual aggregate data could not be disclosed in the related tables below; instead, only the indices are presented in order to show the trend of those indicators.

5.1. Production, production capacity and capacity utilisation

- (112) The Union production volumes sharply fell between 2008 and 2009 by 39 %, and subsequently slightly decreased from the already low level despite a 12 percentage point increase in consumption in the following years, as indicated in recital (97) above.

Union production volume (tonnes)				
All producers	2008	2009	2010	IP
Union consumption	55 726	33 780	32 303	32 646
<i>Index</i>	100	61	58	59

Source: Complaint data and questionnaire replies.

- (113) The production capacity of the Union industry decreased by 21 % during the period considered, mainly between 2008 and 2009. The main reason for the reduction of the production capacity was the shutdown of three Union producers during the period considered.

Union production capacity (tonnes)				
All producers	2008	2009	2010	IP
Production capacity	90 400	75 440	71 440	71 440
<i>Index</i>	100	83	79	79

Source: Complaint data and questionnaire replies.

- (114) Despite the decrease in production capacity, the capacity utilisation of the Union industry decreased by 26 %, mainly between 2008 and 2009.

Union production capacity utilisation				
All producers	2008	2009	2010	IP
Production capacity utilisation	62 %	45 %	45 %	46 %
<i>Index</i>	100	73	73	74

Source: Complaint data and questionnaire replies.

5.2. Stocks

- (115) The volume of stocks decreased by 23 % during the period considered, in line with the decreasing sales and production volumes of the Union industry.

Stocks (tonnes)				
Sample	2008	2009	2010	IP
<i>Index</i>	100	91	75	77

Source: Questionnaire replies sampled Union producers.

5.3. Sales volume and market share

- (116) The sales volume of all Union producers on the Union market significantly decreased by 25 % between 2008

and 2009 due to a decreasing demand. After 2009, however, the demand substantially increased in the Union, as mentioned in recital (97) above, but the Union sales remained at the low level of 2009 until the end of the period considered.

Union sales volume (tonnes)				
All producers	2008	2009	2010	IP
Union sales	34 210	25 702	26 717	25 333
<i>Index</i>	100	75	78	74

Source: Questionnaire replies sampled Union producers.

- (117) The market share of the Union industry continuously decreased by 9 percentage points or 18 % during the period considered, while the dumped imports gained 11 percentage points of market share during the same period, as indicated in recital (107) above.

Union market share				
All producers	2008	2009	2010	IP
Union sales	47,7 %	45,1 %	45,6 %	38,9 %
<i>Index</i>	100	95	96	82

Source: Complaint data, Eurostat and questionnaire replies.

5.4. Prices and factors affecting prices

- (118) The sampled Union producers were able to only moderately increase their sales prices by 4 % during the period considered. Due to the increasing quantities of dumped imports entering the Union market, this price increase was lower than the increase in costs.

Average Union price per tonne				
Sample	2008	2009	2010	IP
<i>Index</i>	100	103	103	104

Source: Questionnaire replies sampled Union producers.

5.5. Profitability, return on investment and cash flow

- (119) Profitability of the Union industry was established by expressing the pre-tax net profit of the sales of the like product on the Union market to unrelated customers as a percentage of the turnover of these sales. While the profitability of the Union industry was satisfactory at the beginning of the period considered, it was almost completely eliminated in 2009. Although it somewhat recovered subsequently, it remained far below the non-injurious level throughout the rest of the period considered.

- (120) As concerns the return on investments, expressed as the profit in percent of the net book value of investments, this indicator followed the same trend as the profitability.

Profitability & return on investments (ROI)				
Sample	2008	2009	2010	IP
Profitability (Index)	100	8	38	37
ROI (Index)	100	1	36	40

Source: Questionnaire replies sampled Union producers.

- (121) The net cash flow from operating activities continuously decreased by a total of 64 % during the period considered, reaching a very low level during the IP.

Cash flow (EUR)				
Sample	2008	2009	2010	IP
Index	100	55	58	36

Source: Questionnaire replies sampled Union producers.

5.6. Growth

- (122) As indicated in recital (97) above, the Union consumption was growing significantly between 2009 and the IP by 8 000 tonnes, while the volume of dumped imports increased by 9 000 tonnes during the same period, as indicated in recital (106) above. The complete growth of the Union market between 2009 and the IP was therefore absorbed by dumped imports, while the Union sales of the Union industry remained at the very low level of 2009. It is therefore shown that the Union industry could not benefit from the recent growth in Union consumption due to the increasing market share of dumped imports from the two countries concerned.

5.7. Investments and ability to raise capital

- (123) During the period considered, the investments of the sampled Union producers developed as follows:

Net investments (EUR)				
Sample	2008	2009	2010	IP
Index	100	65	41	76

Source: Questionnaire replies sampled Union producers.

- (124) As the table above shows, the Union producers have substantially decreased investments between 2008 and 2010. This trend reversed during the IP, when the investments significantly rebounded, but without reaching the level at the beginning of the period considered.

5.8. Ability to raise capital

- (125) Due to the insufficient profitability described in recital(119) above, some of the Union producers have encountered difficulties to raise capital for future investments in the current circumstances. Also, the unsatisfactory return on investment adds to the problems in raising capital.

5.9. Employment, productivity and labour costs

- (126) The employment in full-time equivalents (FTE) largely followed the development of the production volumes (see recital (112) above), which indicates that the Union industry has attempted to rationalise manufacturing costs when it was necessary. The Union industry tried to adapt their workforce to the worsening market situation, leading to a steady overall decrease in employment of 36 % during the period considered.

Employment in FTE				
Sample	2008	2009	2010	IP
Index	100	75	67	64

Source: Questionnaire replies sampled Union producers.

- (127) Despite the above attempts of the Union industry to align the employment to worsening market situation, the output per FTE of the Union producers fell considerably by 19 % between 2008 and 2009. The situation continuously improved afterwards, but remained 9 % below the beginning of the period considered.

Productivity (tonnes/FTE)				
Sample	2008	2009	2010	IP
Index	100	81	87	91

Source: Questionnaire replies sampled Union producers.

- (128) During the period considered, average labour costs of the Union industry continuously increased by a total 12 %.

Labour costs (EUR/FTE)				
Sample	2008	2009	2010	IP
Index	100	106	112	112

Source: Questionnaire replies sampled Union producers.

5.10. Magnitude of the dumping margin

- (129) The dumping margins for imports from the two countries concerned, as specified in recitals (74) and (90), are high. Given the volume, market share and prices of the dumped imports, the impact of the margins of dumping can be considered substantial.

5.11. Recovery from past dumping

- (130) Threaded malleable fittings, originating in Brazil, the Czech Republic, Japan, the PRC, the Republic of Korea and Thailand were already subject to measures⁽¹⁾ between 2000 and 2005⁽²⁾ ('the previous measures'). The satisfactory profitability of the Union industry at the beginning of the period considered (see recital (119) above) suggests that these measures brought temporary relief to the Union industry. The increasing volumes of dumped imports have, however, put an end to this rather positive period. It is also noted that the combined market share of the six countries concerned by the previous measures was never above 29 %⁽³⁾, while the two countries concerned by the current investigation held a market share of 52,7 % during the IP, as indicated in recital (107) above.

6. Conclusion on injury

- (131) The injury indicators developed negatively during the period considered. This is particularly noticeable for the indicators concerning profitability, production volumes, capacity utilisation, sales volumes and market share that have all showed a clearly deteriorating trend.
- (132) At the same time, imports of threaded malleable fittings from the two countries concerned were undercutting Union industry prices by up to 55 % during the IP (see recital (110) above), substantially increasing their market share at the same time (see recital (107) above).
- (133) In the light of the foregoing, it is provisionally concluded that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

F. CAUSATION

1. Introduction

- (134) In accordance with Article 3(6) and 3(7) of the basic Regulation, it was examined whether the dumped imports originating in the PRC and Thailand have caused injury to the Union industry to a degree that may be considered as material. Known factors other than the dumped imports, which could at the same time have injured the Union industry, were also examined in order to ensure that the possible injury caused by these other factors was not attributed to the dumped imports.

2. Effect of the dumped imports

- (135) Between 2008 and the IP, the volume of the dumped imports from the two countries concerned increased in terms of volume by 15 % in a market contracting by 9 %, which resulted in an increase of Union market share from 41,7 % to 52,7 %.

⁽¹⁾ OJ L 55, 29.2.2000, p. 3 (provisional), OJ L 208, 18.8.2000, p. 8 (definitive).

⁽²⁾ Due to the enlargement of the EU, measures against the Czech Republic lapsed on 1 May 2004.

⁽³⁾ OJ L 55, 29.2.2000, p. 3, rec. 146.

- (136) The increase in dumped imports of the product concerned from the two countries concerned over the period considered coincided with a downward trend in most injury indicators of the Union industry. The Union industry lost 8,7 percentage points of market share, and had to reduce its production by 41 %. The significant price undercutting prevented the Union industry from passing on the increased production costs in the sales prices to an acceptable extent, which resulted in very low profitability levels during most of the period considered.

- (137) Based on the above it is provisionally concluded that the low-priced dumped imports from the two countries concerned, which entered the Union market in large and overall increasing volumes and which significantly undercut the Union industry prices throughout the period considered, are causing material injury to the Union industry.

3. Effect of other factors

3.1. Imports from other third countries

- (138) While Eurostat reports significant imports from India at very low prices during the whole period considered, there are indications that these imports are not the product concerned, but different products reported under the same CN code.
- (139) For the other third countries, there were limited imports throughout the whole period considered. The total market share of imports from countries other than the two countries concerned has decreased by 2,1 percentage points, from 10,5 % to 8,4 %.

- (140) The next largest sources of imports during the IP were Indonesia, Brazil and Turkey, which held market shares between 1,3 % and 1,6 % respectively, and all of these countries lost market share during the period considered.

Import market share				
	2008	2009	2010	IP
Brazil	3,6 %	3,8 %	4,0 %	1,5 %
Indonesia	1,8 %	2,5 %	1,9 %	1,6 %
Turkey	1,6 %	2,0 %	1,9 %	1,3 %
Other Countries	3,6 %	2,5 %	3,2 %	4,0 %
Total	10,5 %	10,8 %	11,0 %	8,4 %
<i>Index</i>	100	105	104	80

Source: Eurostat.

- (141) Due to the limited volumes and decreasing trends, it can be concluded that imports from third countries other than the countries concerned do not appear to have contributed to the injury suffered by the Union industry during the IP.

3.2. Export performance of the Union industry

- (142) As concerns the development of export sales of the Union industry, exports continuously decreased by a total of 34 % during the period considered.

Export sales (tonnes)				
Sample	2008	2009	2010	IP
Export sales	7 134	5 043	4 969	4 700
Index	100	71	70	66

Source: Questionnaire replies sampled EU producers.

- (143) However, during the whole period considered, export sales accounted for only 13 %-15 % of the Union industry's production. Therefore they do not appear to have contributed to any significant degree to the injury suffered by the Union industry during the IP.

3.3. Development of Union consumption

- (144) As indicated in recital (97) above, the Union consumption decreased by 21 % between 2008 and 2009, resulting in a decrease of Union sales of the Union industry of 25 % during the same period. After 2009, however, the Union consumption was growing significantly, by around 8 000 tonnes, while the volume of dumped imports increased by around 9 000 tonnes during the same period, as indicated in recital (106) above. The complete growth of the Union market between 2009 and the IP was therefore absorbed by dumped imports, while the Union sales of the Union industry remained at the very low level of 2009.

- (145) Interested parties claimed that an important cause of injury was the crisis on the Spanish construction market, which allegedly strongly affects ATUSA, a Spanish company and one of the main complainants. However, ATUSA sells in most EU Member States and the actual impact of the Spanish construction crises was limited to their Spanish sales, which never accounted for the majority of their sales. Moreover, the injury picture is clear in respect of both of the sampled company groups, the totality of complainants as well as the total Union industry. In any event, the injury analysis was not limited to the performance of one Union producer or one national market, but with regard to the whole Union industry.

- (146) Interested parties also claimed that the injury caused by the negative development of Union consumption was

not caused by dumped imports, but by substitution effects. In this respect, it is noted that the negative development of Union consumption may have caused injury to the Union producers. This injury was, however, aggravated by the steady increase of dumped imports in a shrinking market. As indicated above, the recent recovery of Union consumption has exclusively benefited the dumped imports, while Union producers were not able to increase their sales volume.

3.4. Structural problems of the Union producers

- (147) Interested parties claimed that the fact that Georg Fischer (GF) has continued to be profitable despite their higher prices, while the other Union producers failed to perform satisfactorily, indicates that structural problems caused the injury suffered by the Union industry rather than dumped imports. However, also GF has been negatively affected, losing market share and some of its profit margin. Its employment fell as well as its output. Therefore, the argument that GF was not injured cannot be accepted.

- (148) Furthermore, all Union producers, including GF, were subject to the price pressure exerted by the dumped imports.

- (149) Similarly, interested parties claimed that since Berg Montana, the Bulgarian subsidiary of ATUSA group, has also continued to be profitable indicates that other reasons than dumped imports have caused the injury. However, also Berg Montana was negatively affected by Chinese imports: production and capacity utilisation decreased significantly as did the employment. As the majority of Berg Montana's sales are to related companies of the ATUSA group, an isolated look at the profitability of Berg Montana without also looking at the financial result of the total group is not appropriate, since Berg Montana's profitability is influenced by transfer pricing – and overall the ATUSA group is indeed loss-making. Therefore, the argument that Berg Montana was not injured cannot be accepted either.

- (150) One could claim that the 9 % drop in labour productivity between 2008 and the IP, as indicated in recital (127) above is a sign of a structural problem. However, this drop occurred in a period during which the Union industry reduced their overall workforce by 36 % and their output by 41 %. These reductions indicate that the Union producers were continuously forced to align their operations with the market pressure stemming from dumped imports and the temporarily weaker demand. In view of this bleak economic environment, the 9 % decrease in labour productivity can be considered rather moderate.

4. Conclusion on causation

- (151) In conclusion, the above analysis has demonstrated that imports from the two countries concerned have increased in terms of quantities and gained substantial market

share over the period considered. Moreover, these increased quantities which entered the Union market at dumped prices severely undercut the Union industry prices.

- (152) Other factors which could have caused injury to the Union industry have also been analysed. In this respect, it was found that imports from other third countries, the export performance of the Union industry and the development of Union consumption, do not appear to be such as to break the causal link established between the dumped imports and the injury suffered by the Union industry during the IP.
- (153) Based on the above analysis, which has properly distinguished and separated the effects of all known factors on the situation of the Union industry from the injurious effects of the dumped imports, it is provisionally concluded that the imports from the PRC and Thailand have caused material injury to the Union industry within the meaning of Article 3(6) of the basic Regulation.

G. UNION INTEREST

1. Preliminary remark

- (154) In accordance with Article 21 of the basic Regulation, it was examined whether, despite the provisional conclusion on injurious dumping, compelling reasons existed for concluding that it was not in the Union interest to adopt provisional anti-dumping measures in this particular case. For this purpose, and in accordance with Article 21(1) of the basic Regulation the likely impact of possible measures on all parties involved as well as the likely consequences of not taking measures were considered on the basis of all evidence submitted.

2. Union Industry

- (155) All known Union producers support the imposition of anti-dumping measures. It is recalled that most injury indicators showed a negative trend and that in particular the injury indicators related to production and sales volumes and market share as well as the financial performance of the Union industry such as profitability and return on investment, were seriously affected.
- (156) If measures are imposed, it is expected that the price depression and loss of market share will be mitigated and that the sales prices of the Union industry will start to recover, resulting in a significant improvement of the Union industry's financial situation.
- (157) On the other hand, should anti-dumping measures not be imposed, it would be likely that the deterioration of the Union industry's market and financial situation would continue. In such a scenario, the Union industry would lose further market share, as it is not able to follow the market prices set by dumped imports from the two countries concerned. The likely effects would

entail further cuts in manufacturing and the closure of production facilities in the Union, resulting in substantial job losses.

- (158) Taking into account all the above factors, it is provisionally concluded that the imposition of anti-dumping measures would be in the interest of the Union industry.

3. Importers

- (159) As indicated in recital (31) above, 32 unrelated importers cooperated in the investigation, and their imports accounted for around 45 % of total imports from the two countries concerned. In general, importers oppose the imposition of anti-dumping measures. However, in most cases, the impact of the measures appear to be limited. In many cases, the product concerned accounts for a minor part of the importers' total business. Also, some importers already purchase threaded malleable fittings from other sources, and importers currently only purchasing from the two countries concerned can also change to other sources, including the Union industry. On that basis, it is provisionally concluded that the imposition of provisional measures will not have substantially negative effects on the interest of importers.

4. Users

- (160) As indicated in recital (18) above, threaded malleable fittings are mainly used in the gas, water and heating systems of residential and non-residential buildings. As such, the users of the threaded malleable fittings are the plumbers. No user or consumers' association cooperated in the investigation. Also, the value of the threaded malleable fittings only account for a minor part of the total cost of a gas, water or heating installation. On that basis, it is provisionally concluded that the imposition of provisional measures will not have substantially negative effects on the interest of the users.
- (161) All in all, when considering the overall impact of the anti-dumping measures, the positive effects on the Union industry appear to clearly outweigh the potential negative impacts on the other interest groups. Therefore, it is provisionally concluded that the anti-dumping duties are not against the Union interest.

5. Competition aspects

- (162) Interested parties have argued that in case anti-dumping measures are introduced, a duopoly may develop on the Union market which would be dominated by the two main complainants ATUSA and GF. In this respect, it should first be noted that the current market share of these two groups are comparably low, giving the alleged "duopoly" a rather moderate market share of around 30 %. This should be compared to the market share of the two countries concerned which amounts to 52,7 %, while imports from other third countries also represent a market share of 8,4 %. The other Union producers also hold a market share of 7,5 %.

(163) Furthermore, the purpose of anti-dumping duties is not to prohibit all imports, but to restore a level playing field. It is worth noting that the previous measures in force between 2000 and 2005 did not stop imports. To the contrary, the PRC exported higher quantities in 2002, 2003 and 2004 than before the imposition of measures of the 49,4 % anti-dumping duty. All in all, the presence of such a substantial number of players on the Union market indicates that the risk of an anti-competitive duopoly dominating the Union market is low.

6. Conclusion on Union interest

(164) In view of the above, it was provisionally concluded that overall, based on the information available concerning the Union interest, no compelling reasons exist against the imposition of provisional measures on imports of threaded malleable fittings originating in the PRC and Thailand.

H. PROVISIONAL ANTI-DUMPING MEASURES

1. Injury elimination level

(165) In view of the conclusions reached with regard to dumping, injury, causation and Union interest, provisional measures should be imposed in order to prevent further injury being caused to the Union industry by the dumped imports from the two countries concerned.

(166) For the purpose of determining the level of these measures, account was taken of the dumping margins found and the amount of duty necessary to eliminate the injury sustained by the Union producers.

(167) When calculating the amount of duty necessary to remove the effects of the injurious dumping, it was considered that any measures should allow the Union producers to cover their costs of production and to obtain a profit before tax that could be reasonably achieved by a producer of this type in the sector under normal conditions of competition, i.e. in the absence of dumped imports, on the sales of the like product in the Union.

(168) In the previous investigation concerning the same product, this reasonable profit was established at the level of 7 % ⁽¹⁾. Since the sampled Union producers were able to achieve similar profit at the beginning of the period considered, there are no indications that this profit margin is no longer reasonable.

(169) On this basis, a non-injurious price was calculated for the Union producers of the like product. The non-injurious price was obtained by adding the abovementioned profit margin of 7 % to the cost of production.

(170) The necessary price increase was then determined on the basis of a comparison of the weighted average import

price, with the weighted average non-injurious price of the like product sold by the Union industry on the Union market. Any difference resulting from this comparison was then expressed as a percentage of the weighted average import CIF value.

2. Provisional measures

(171) In the light of the foregoing, and in accordance with Article 7(2) of the basic Regulation, it is considered that provisional anti-dumping measures should be imposed on imports originating in the PRC and Thailand at the level of the lower of the dumping and the injury margins found, in accordance with the lesser duty rule.

(172) Given the high rate of cooperation of Chinese and Thai exporting producers, the all other companies duty for both countries was set at the level of the highest duty to be imposed on the companies, respectively, sampled or cooperating in the investigation from the given country. The all other companies duty will be applied to those companies which had not cooperated in the investigation.

(173) For the cooperating non-sampled Chinese companies listed in the Annex, the provisional duty rate is set at the weighted average of the rates of the sampled companies.

(174) The proposed rates of the provisional anti-dumping duties are as follows:

People's Republic of China

Company	Dumping margin	Injury margin	Duty Rate
Hebei Jianzhi Casting Group Ltd.	67,8 %	136,5 %	67,8 %
Jinan Meide Casting Co., Ltd.	39,3 %	122,4 %	39,3 %
Qingdao Madison Industrial Co., Ltd.	32,1 %	128,4 %	32,1 %
Other cooperating companies	42,3 %	124,7 %	42,3 %
All other companies			67,8 %

Thailand

Company	Dumping margin	Injury margin	Duty Rate
BIS Pipe Fitting Industry Co., Ltd	15,9 %	86,2 %	15,9 %
Siam Fittings Co., Ltd	50,7 %	39,7 %	39,7 %
All other companies			39,7 %

⁽¹⁾ OJ L 55, 29.2.2000, p. 3, rec. 188.

(175) The above anti-dumping measures are provisionally established in the form of *ad valorem* duties.

(176) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of the present investigation. Therefore, they reflect the situation found during that investigation with respect to these companies. These duty rates (as opposed to the countrywide duty applicable to 'all other companies') are thus exclusively applicable to imports of products originating in the the People's Republic of China and Thailand and produced by the companies and thus by the specific legal entities mentioned. Imported products produced by any other company not specifically mentioned in the operative part of this Regulation with its name, including entities related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to 'all other companies'.

(177) Any claim requesting the application of these individual company anti-dumping duty rates (e.g. following a change in the name of the entity or following the setting-up of new production or sales entities) should be addressed to the Commission ⁽¹⁾ forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for example, that name change or that change in the production and sales entities. If appropriate, the Regulation will accordingly be amended by updating the list of companies benefiting from individual duty rates.

(178) In order to ensure a proper enforcement of the anti-dumping duty, the all other companies duty level should not only apply to the non-cooperating exporting producers, but also to those producers which did not have any exports to the Union during the IP.

(179) However, in the case of Thailand, the latter companies are invited, when they fulfil the requirements of Article 11(4) of the basic Regulation, second paragraph, to present a request for a review pursuant to that Article in order to have their situation examined individually.

I. FINAL PROVISION

(180) In the interests of sound administration, a period should be fixed within which the interested parties which made themselves known within the time limit specified in the Regulation may make their views known in writing and request a hearing. Furthermore, it should be stated that the findings concerning the imposition of a duty made for the purposes of this Regulation are provisional and may have to be reconsidered for the purpose of any definitive duty,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is hereby imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, currently falling within CN code ex 7307 19 10 (TARIC code 7307 19 10 10) and originating in the People's Republic of China and Thailand.

2. The rate of the provisional 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:

Country	Company	Duty Rate	TARIC additional code
People's Republic of China	Hebei Jianzhi Casting Group Ltd. - Yutian County	67,8 %	B335
	Jinan Meide Casting Co., Ltd. - Jinan	39,3 %	B336
	Qingdao Madison Industrial Co., Ltd. - Qingdao	32,1 %	B337
	Hebei XinJia Casting Co., Ltd. - XuShui County	42,3 %	B338
	Shijiazhuang Donghuan Malleable Iron Castings Co., Ltd. - Xizhaotong Town	42,3 %	B339
	Linyi Oriental Pipe Fittings Co., Ltd. - Linyi City	42,3 %	B340
	China Shanxi Taigu County Jingu Cast Co., Ltd. - Taigu County	42,3 %	B341
	Yutian Yongli Casting Factory Co., Ltd. - Yutian County	42,3 %	B342
	Langfang Pannext Pipe Fitting Co., Ltd. - LangFang, Hebei	42,3 %	B343
	Tangshan Daocheng Casting Co., Ltd. - Hongqiao Town, Yutian County	42,3 %	B344
Tangshan Fangyuan Malleable Steel Co., Ltd. - Tangshan	42,3 %	B345	

⁽¹⁾ European Commission, Directorate-General for Trade, Directorate H, 1049 Brussels, Belgium.

Country	Company	Duty Rate	TARIC additional code
	Taigu Tongde Casting Co., Ltd. – Nanyang Village, Taigu	42,3 %	B346
	All other companies	67,8 %	B999
Thailand	BIS Pipe Fitting Industry Co., Ltd - Samutsakorn	15,9 %	B347
	Siam Fittings Co., Ltd - Samutsakorn	39,7 %	B348
	All other companies	39,7 %	B999

3. The release for free circulation in the Union of the product referred to in paragraph 1 shall be subject to the provision of a security equivalent to the amount of the provisional duty.

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

Done at Brussels, 14 November 2012.

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

Article 2

Without prejudice to Article 20 of Council Regulation (EC) No 1225/2009, interested parties may request disclosure of the details underlying the essential facts and considerations on the basis of which this Regulation was adopted, make their views known in writing and apply to be heard orally by the Commission within one month of the date of entry into force of this Regulation.

Pursuant to Article 21(4) of Regulation (EC) No 1225/2009, the parties concerned may comment on the application of this Regulation within one month of the date of its entry into force.

Article 3

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

Article 1 of this Regulation shall apply for a period of six months.

For the Commission

The President

José Manuel BARROSO

COMMISSION REGULATION (EU) No 1072/2012

of 14 November 2012

imposing a provisional anti-dumping duty on imports of ceramic tableware and kitchenware originating in the People's Republic of China

THE EUROPEAN COMMISSION,

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

Having regard to 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 7 thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE**1. Initiation**

- (1) On 16 February 2012, the European Commission announced, by a notice published in the *Official Journal of the European Union*⁽²⁾ (the notice of initiation), the initiation of an anti-dumping proceeding with regard to imports into the Union of ceramic tableware and kitchenware originating in the People's Republic of China (the country concerned, 'China' or 'the PRC').
- (2) The proceeding was initiated following a complaint lodged on 3 January 2012 on behalf of EU producers (the complainants), representing more than 30 % of the total Union production of ceramic tableware and kitchenware. The complaint contained *prima facie* evidence of dumping of the said product and of material injury resulting therefrom, which was considered sufficient to justify the opening of a proceeding.

2. Parties concerned by the proceeding

- (3) The Commission officially advised the complainants, other known Union producers, the known exporting producers in the PRC, importers, traders, users, suppliers and associations known to be concerned, and the representatives of the PRC of the initiation of the proceeding. The Commission also advised producers in the Russian Federation, which was proposed in the notice of initiation as a possible analogue country. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the notice of initiation. All interested parties who so requested and showed that there were particular reasons why they should be heard, were granted a hearing.

(4) In view of the apparent high number of exporting producers and unrelated importers, the notice of initiation requested exporting producers and unrelated importers to make themselves known to the Commission and to provide basic information on their activities related to the product concerned during the period from 1 January 2011 to 31 December 2011. This information would allow the Commission, in accordance with Article 17 of the basic Regulation, to decide whether sampling would be necessary and if so, to select samples.

(5) In view of the large number of Union producers involved in this proceeding, the notice of initiation announced that the Commission had provisionally selected a sample of Union producers for the determination of injury in accordance with Article 17 of the basic Regulation. That pre-selection had been made by using the information available to the Commission at initiation stage and it was based on the producers' sales volume, size, geographic location in the Union and product segment. It included six Union producers covering all major product types and located in five Member States, out of which two were small and medium-sized enterprises (SMEs). That preliminary sample accounted for over 15 % of the estimated total Union production. However, one of the preliminary sampled producers did not wish to be part of the sample and several interested parties submitted that a Member State with large production volumes had been overlooked and should be included in a representative sample. In view of this, the Commission changed its preliminary sample and the resulting final sample included seven Union producers covering all major product types and located in six Member States, out of which two were SMEs. That sample represented over 20 % of the estimated total Union production.

(6) Around 400 exporting producers or groups of exporting producers in the PRC who account for over 60 % of total exports provided the requested information and agreed to be included in the sample. On the basis of the information received the Commission provisionally selected a sample of five exporting producers with the highest export volume to the Union and invited all exporting producers known to the Commission to make comments on the proposed sample. Two exporting producers pre-selected to form part of the sample then corrected their sampling information such that their export volume was not sufficient for them to be included in the sample. The Commission then selected the final sample with the updated five largest companies in terms of export volume. The sampled companies account for almost 20 % of the exports to the Union of all cooperating exporting producers.

⁽¹⁾ OJ L 343, 22.12.2009, p. 51.

⁽²⁾ OJ C 44, 16.2.2012, p. 22.

- (7) The companies or groups of companies finally selected to be included in the sample are:
- (a) Hunan Hualian China Industry Co., Ltd and its related companies,
 - (b) Guangxi Sanhuan Enterprise Group Holding Co., Ltd and its related companies,
 - (c) CHL International Ltd and its related companies,
 - (d) Shandong Zibo Niceton-Marck Huaguang Ceramics Limited and its related companies ('Niceton'), and
 - (e) Guangxi Province Beiliu City Laotian Ceramics Co., Ltd
- (8) One company contested the selection of sampled companies and claimed that it should be included in the sample. It argued that its inclusion would not make the number of sampled companies unreasonable or cause delays to the investigation, especially since the company is a relatively small exporter. It further claimed that the company is foreign-owned and that the sample would not be representative without its inclusion.
- (9) The Commission recalls that the selection of sampled companies was made on the basis of the largest quantities of volumes in accordance with Article 17(1) of the basic Regulation taking into account the number of producers that could reasonably be investigated within the time available. Considering that the company is a relatively small exporter, its inclusion would not add any value to the representativeness of the sample in terms of volume exported. Furthermore, it is also noted that the company came forward very late — four months after the final selection had been communicated to all exporting producers and also after verification visits at the selected companies' premises had taken place. The request to be included in the sample has therefore been rejected.
- (10) More than sixty unrelated importers replied by the deadline to the sampling questions and offered cooperation in the proceeding. From those companies, five were selected to form the sample. These five unrelated importers were selected on the basis of the volumes and value of imports and resales in the Union, their geographical location, their business model and their product segment. The sampled companies corresponded to the largest representative volumes and value of imports and resales in the Union which could reasonably be investigated within the time available. According to the figures reported at the sampling stage, they accounted for ca. 6 % of the imports of the product concerned during the IP.
- (11) In order to allow exporting producers in the PRC to submit a claim for market economy treatment ('MET') or individual treatment ('IT'), if they so wished, the Commission sent claim forms to the Chinese exporting producers that had so requested and to the Chinese authorities.
- (12) Eleven Chinese exporting producers or groups of exporting producers requested MET pursuant to Article 2(7) of the basic Regulation, or IT should the investigation establish that they did not meet the conditions for MET. Three of these claimants were included in the sample whereas the other eight were not. One of these exporting producers, not included in the sample, subsequently withdrew its MET request while retaining its claim for IT. The remaining two exporting producers in the sample and four other companies, not included in the sample, requested IT only.
- (13) The Commission sent questionnaires to the five sampled exporting producers in the PRC and to almost 300 other exporting producers in the PRC that had so requested. Moreover, questionnaires were sent to the seven Union producers selected in the sample, the five importers selected in the sample, four associations of retailers and distributors and also to individual retailers and distributors who so requested. In addition, questionnaires were sent to exporting producers in India, Turkey, Brazil, Thailand and Russia, which were considered candidate countries for the selection of an appropriate analogue country.
- (14) Replies were received from thirteen exporting producers or groups of exporting producers in the PRC and from three producers from possible analogue countries (Brazil, Thailand and Russia). Furthermore, questionnaire replies were received from the seven Union producers selected in the sample and the five importers selected in the sample. Questionnaire replies were also received from one retailer, one distributor and two associations of retailers and distributors.
- (15) In addition, the Commission received submissions from more than 20 importers not related to an exporting producer, several retailers, a provider of marketing programmes and from the Chinese Chamber of Light Industrial Products and Arts-Crafts (CCCLA).
- (16) The Commission sought and verified all the information deemed necessary for a provisional determination of dumping, resulting injury and Union interest. Verification visits were carried out at the premises of the following companies:
- (a) *Union producers*
- (17) Verification visits were carried out at the premises of the seven sampled Union producers.
- (18) The sampled Union producers as well as other cooperating Union producers requested, on the grounds of the provisions of Article 19 of the basic Regulation, that their identities be kept confidential. They claimed that the disclosure of their identity could lead to a risk of significant adverse effects.

- (19) Certain complainant Union producers supply customers in the Union that also source their products from China, thus benefiting directly from these imports. Those complainants considered themselves therefore in a sensitive position since some of their clients might not be satisfied with their lodging or supporting a complaint against alleged injurious dumping. For these reasons they considered that there was a risk of retaliation by some of their clients. In addition, certain complainant Union producers are also exporting to China. Those companies deemed that lodging or supporting a complaint against alleged injurious dumping could represent a threat to their business in China. The request was granted as it was sufficiently substantiated.
- (20) The representatives of certain exporting producers, the CCCLA and some unrelated importers claimed that they could not properly exercise their right of defence because the identity of the complainants and supporters had not been disclosed. They argued that, in those circumstances, parties were precluded from commenting on standing, material injury, whether producers could be excluded from the Union industry according to Article 4(1)(a) of the basic Regulation and/or the representativity of the sample. However, it is noted that the Commission ensured that these issues could be verified and dealt with in the files available for inspection by interested parties, such as correspondence to interested parties, via notes on standing and the sample selection and via requiring properly documented submissions from other parties. The claim was therefore rejected.
- (b) *Exporting producers in the PRC*
- Hunan Hualian China Industry Co, Ltd, Hunan Hualian Ebillion Industry Co., Ltd, Hunan Liling Hongguanyao China Industry Co., Ltd and Hunan Hualian Yuxiang China Industry Co., Ltd (*Hunan Hualian*)
 - Guangxi Sanhuan Enterprise Group Holding Co., Ltd and Guangxi Sanhuan Lucky Xinda Export & Import Co., Ltd (*Guangxi Sanhuan*)
 - CHL International Ltd and CHL Porcelain Industries Ltd (*CHL*)
 - Shandong Zibo Niceton-Marck Huaguang Ceramics Limited, Shandong Silver Phoenix Company Limited and a related trader based in Hong Kong, Niceton International Limited (*Niceton*)
 - Guangxi Province Beiliu City Laotian Ceramics Co., Ltd
 - Fujian Dehua Hiap Huat Koyo Toki Co., Ltd
 - Shenzhen Baosanhe Ceramics Industrial Co., Ltd
 - Chaozhou Fairway Ceramics Manufacturing Co., Ltd
 - Chaozhou Mingyu Porcelain Industries Co., Ltd
 - Shenzhen Grand Collection Industrial Co., Ltd and Chaozhou Grand Collection Tableware Co., Ltd (*Grand Collection*)
 - Tianshan (Handan) Tableware Co., Ltd
 - Zibo Kun Yang Ceramic Corporation Limited
- (c) *Union importers*
- Symbol srl, Treviso, Italy;
 - Metro AG, Dusseldorf, Germany;
 - Ritzenhoff & Breker GmbH & Co. KG, Bad Driburg, Germany;
 - Joseph Maeser GmbH, Dornbirn, Austria;
 - IKEA Supply AG, Pratteln, Switzerland
- (d) *Exporting producer in the analogue country*
- (21) The cooperating Brazilian producer requested that its identity should remain confidential as its disclosure could result in significant adverse effects on its business. The request was deemed warranted and hence accepted.
- ### 3. Investigation period
- (22) The investigation of dumping and injury covered the period from 1 January 2011 to 31 December 2011 ('investigation period' or 'IP'). The examination of the trends relevant for the assessment of injury covered the period from 1 January 2008 to the end of the investigation period (the period considered).
- (23) The complainants claimed that the period for assessment of injury should be extended by one year and start in 2007 whereas CCCLA claimed that it should be shortened by one year and start only in 2009. As concerns the first claim, it was not granted given that nothing on file substantiated that a period considered of five years would reflect trends better, as suggested by the complainants. As to the second claim, CCCLA referred in general terms to WTO case law which would have established that WTO members cannot select a baseline that results in a mere endpoint-to-endpoint comparison and that if a change in the baseline year can easily reverse a finding of injury, the WTO member might have difficulty establishing the existence of material injury. However, the investigation showed that reducing the period considered in this case would result in an unnecessarily short analysis period which moreover, in view of the impact of the economic crisis on certain indicators, could have offered a biased picture of injury trends. Thus, both claims were provisionally rejected.
- ## B. PRODUCT CONCERNED AND LIKE PRODUCT
- ### 1. Product concerned
- (24) The product concerned is ceramic tableware and kitchenware currently falling within CN codes

6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90 and originating in the People's Republic of China (the product concerned). It can be of porcelain or china, of common pottery, stoneware, earthenware or fine pottery or other materials. The main raw materials include minerals such as kaolin, feldspar and quartz and the composition of raw materials used determines the type of the final ceramic product produced.

- (25) Ceramic tableware and kitchenware items are commercialised in a large variety of forms that have been evolving over time. They are used in a wide range of places, e.g. households, hotels, restaurants or care establishments.

1.1. Claims for exclusion

- (26) During the investigation, several claims for exclusion of specific products from the product scope were submitted and analysed. The analysis of these claims is summarized hereunder.

1.1.1. (Fine) bone china

- (27) In its representations CCCLA claimed that (fine) bone china should be excluded from the product scope of the investigation. Allegedly, (fine) bone china is fundamentally different from other kinds of table and kitchenware due to differences in physical characteristics, production processes, end-uses and consumer perception. Made of bull bone powder, its high levels of whiteness and translucency would be noticeable. With a very high mechanical strength and chip resistance, it would be produced in much thinner cross-sections and via a more sophisticated and costly production not typically used by Union producers. Also, only few Union producers would be manufacturing (fine) bone china.

- (28) With regard to these claims, the investigation revealed firstly that there is no universally accepted definition of bone china. (Fine) bone china is just one form of soft-paste porcelain, a big share of the raw materials being the same as for other ceramic items. In its submissions CCCLA contradicted itself as to the combination and share of the different ingredients. Secondly, the investigation could not confirm that (fine) bone china required a much more sophisticated production process. Thirdly, the use of (fine) bone china as tableware is identical everywhere, be it in China or in the Union. Also, hardness and robustness are not specific to (fine) bone china. For instance, also ceramic tableware for restaurants or catering is specially hard and robust. Last but not least, (fine) bone china is manufactured by a number of Union producers and it is in competition with imports of (fine) bone china originating in China. The claims for the exclusion of (fine) bone china from the product scope of the investigation are therefore provisionally rejected.

1.1.2. Ceramic (kitchen) knives

- (29) Two exporting producers, CCCLA and various importers claimed that ceramic (kitchen) knives should be excluded from the product scope. This claim is based on the allegation that, in view of their specificities, such knives and other types of ceramic tableware and kitchenware could not be considered as forming one single product. Ceramic (kitchen) knives usually have a ceramic material made of zirconium oxide for the blade which is not used for 'standard' tableware such as cups and plates. Their degree of interchangeability with the main categories of the product under investigation would be limited.
- (30) The investigation revealed that ceramic (kitchen) knives have the same physical characteristics (shape and hardness), industry design and end-use (slicing) as metal (kitchen) knives. Consequently, they are different from the other products covered by the proceeding because the latter are mainly items aimed at retaining foodstuff due to their specific design and physical characteristics.
- (31) Moreover, it was claimed that the technology to produce those ceramic (kitchen) knives would be inexistent in the Union, so continuing the investigation with respect to ceramic (kitchen) knives would infringe Union and WTO law. The complainants acknowledged that, to their knowledge, there was no such production in the Union.
- (32) It was also added that ceramic (kitchen) knives are sold only in exclusive locations, while distribution channels (kitchen tools distributors) and the representative association (cutlery association) would also differ. However, the investigation could not confirm that these issues would be tantamount to a different consumer perception as compared to other types of ceramic tableware and kitchenware.
- (33) It was further alleged that measures on ceramic knives would not restore fair market conditions for tableware but rather harm end consumers (of ceramic (kitchen) knives). Some parties stated that, ceramic (kitchen) knives not being produced in the Union, it was not possible that there was material injury to the Union industry in this respect. The Commission subordinated the analysis of these claims to a conclusion on whether ceramic (kitchen) knives and other types of ceramic tableware and kitchenware are considered as forming one single product.
- (34) On the basis of the considerations in recital (30) above, the investigation provisionally concluded that ceramic (kitchen) knives are fundamentally different from other kinds of ceramic table and kitchenware due to differences

in physical characteristics, production processes and end-uses. Therefore, the claim to exclude them from the product scope of this investigation is provisionally accepted.

1.1.3. Chinese/Oriental-looking items

- (35) Two importers claimed that Chinese/Oriental-looking tableware and kitchenware should be excluded from the product scope. The main reason alleged was that this kind of items would not be produced in the Union, that in the Union the demand for these goods had always been supplied by imports and that imports of this type would not have any negative impact on any market share held by the Union industry.
- (36) The investigation established that there is neither a universally accepted and objective definition of this category nor specific features to identify it. Moreover, Union producers can manufacture this style as well. In addition, Chinese/Oriental-looking tableware and kitchenware do not have a unique or different end use. Last but not least, the investigation pinpointed that in many Asian restaurants western styled tableware is used and that the products in question can easily be substituted. The claims for the exclusion of Chinese/Oriental-looking items from the product scope of the investigation are therefore provisionally rejected.

1.1.4. Durable porcelain

- (37) On the one hand, it was claimed that durable porcelain should be excluded from the product scope because of its unique physical characteristics and production process. With higher endurance and strength, durable porcelain raw materials would include 6-10 % of alumina powder, while the preparation process of raw materials (kaolin) would be unique. Durable porcelain would require skilful workers and enjoy higher quality and price as compared to traditional tableware. Moreover, there would be no Union producers of it.
- (38) On the other hand, an importer submitted that durable tableware, typically used as hotelware, accounts for a substantial share of overall Chinese ceramic production, so its disregard would produce misleading results for the investigation.
- (39) The investigation found that there is neither a universally accepted and objective definition of durable porcelain nor uncontested features to identify it. Moreover, Union producers can manufacture this type of tableware as well and both Union-made and Chinese products are in direct competition. In addition, durable porcelain does not have a unique or different end use. The claims for the exclusion of durable porcelain from the product scope of the investigation are therefore provisionally rejected.

1.1.5. Hand-made porcelain

- (40) A Swedish association representing relevant Swedish importers made representations in favour of excluding

hand-made porcelain from the product scope of the investigation. It invoked the long history of such handicraft in China, its affordability and the different consumer perception between Chinese handmade items versus non-handmade items produced in the Union.

- (41) However, the investigation showed that, on the one hand, there is no universally accepted/objective definition of this category and that, on the other hand, several Union producers do manufacture hand-made porcelain. The investigation showed neither fundamentally different physical characteristics from other kinds of ceramic tableware and kitchenware nor a different consumer perception as compared to hand-made porcelain produced in the Union. The claim for the exclusion of hand-made porcelain from the product scope of the investigation is therefore provisionally rejected.

1.1.6. Hand-painted tableware

- (42) Various importers made representations for excluding hand-painted tableware from the product scope of the investigation. The arguments put forward concerned the fact that hand-painted tableware is targeted at a certain kind of consumers, that it may be used for different purposes than traditional tableware (e.g. decoration), that it is not produced in commercial quantities in the Union, that it is neither directly competitive nor interchangeable with other kitchen/tableware, the different perception by consumers, its luxury and more fragile nature, along with its specific production process, more labour intensive and involving highly skilled workers.
- (43) The investigation showed that the product is absolutely identical to non-hand-painted tableware until the hand-painting takes place. It also made clear that the fact that the manufacturing process involves more manual handling does not render the product a different one; indeed, for most end-users hand-painted porcelain is difficult to distinguish, if at all, from non-hand painted porcelain. The investigation further showed that hand-painted tableware has normally the same end-use as other types of ceramic tableware and that it is not necessarily more fragile. It was also found that several Union producers do manufacture hand-painted porcelain and that Union-made and imported products are in direct competition. The claims for the exclusion of hand-painted tableware from the product scope of the investigation are therefore provisionally rejected.

1.1.7. Underglaze figurative hand-painted tableware

- (44) An importer made representations for excluding underglaze figurative hand-painted tableware from the product scope of the investigation. The arguments put forward concerned the fact that underglaze hand-painted tableware entails a different production process, a different use (used for food and drink, whereas, allegedly, on-glaze painted products normally cannot) and different quality and physical characteristics, namely food-safe and 100 % dishwasher and microwave proof. The party also

said that no Union producer is capable and willing to do commercial volumes of underglaze figurative hand-painted tableware and suggested that there is no circumvention risk, should underglaze figurative hand-painted tableware be excluded from the product scope of the investigation. It also argued that consumer perceive it in a different way, given that, rather than as part of a brand, it is seen as collector/lifestyle item and not sold in complete sets.

- (45) Yet, the investigation showed that, on the one hand, there is no universally accepted/objective definition of this category and that, on the other hand, several Union producers can manufacture it. In addition, it was noted that Union-made and imported products are in direct competition. The investigation disclosed that the product is physically absolutely identical to non-hand-painted tableware and that the average consumer does not make a difference between underglaze figurative hand-painted tableware and other types of decorated tableware. It also made clear that the fact that the manufacturing process involves more skilled labour does not render the product a different one and that underglaze hand-painted tableware has basically the same end-use as other types of ceramic tableware. The claims for the exclusion of underglaze hand-painted tableware from the product scope of the investigation are therefore provisionally rejected.

1.1.8. Non-EU produced tableware items

- (46) Some importers' representations claim that the investigation should be limited to markets currently being served by complaining Union producers. Otherwise duties would harm certain 'specialised' importers without them being able to source from Union producers. It was also submitted that Union producers with brands do not produce for other companies and that Union producers do neither serve small orders nor work with castings as required for certain shapes. Also, Union producers would not be flexible and would not offer gift presentations.

- (47) This claim is provisionally rejected as it is too wide and undefined and there is no objective basis for such exclusion. Moreover, Union producers have a wide range of products and do regularly offer new products, thus collections and products ranges vary continuously. The types of products and qualities produced by the Union industry are regularly also found with exporters. In addition, the investigation unveiled that there are Union producers that manufacture items under other parties' brands. It has also been found that Union-manufactured and Chinese imported products are in direct competition, can be easily substituted and share the same end use, similar production processes and customer perception. The question of flexibility is addressed in the Union interest section.

1.1.9. Stoneware

- (48) An importer with production in China claimed that imports of stoneware products, mainly consisting of

kitchenware, should be excluded from the product scope. According to this party there would only be a marginal production of stoneware products in the Union and a strong likelihood that complainants included stoneware products to pre-empt circumvention. The importer alleged also that the prices it charged on imported products were much higher than those charged by any other producer in the Union and that these imports did not cause any price depression or injury.

- (49) Yet, the investigation has shown that the Union production of stoneware is significant. It is also concluded that Union-manufactured and Chinese imported stoneware products are in direct competition, can be easily substituted and share the same end use, similar production processes and customer perception and physical characteristics. Price-related allegations are dealt with in recital (240). The claim for the exclusion of stoneware from the product scope of the investigation is therefore provisionally rejected.

- (50) Alternatively, the party claimed that stoneware glazed and/or enamelled products or non-white and/or graded stoneware glazed and/or enamelled products should be excluded from the scope of the investigation. However a conclusion on this point could not be reached at this stage of the proceeding.

1.1.10. Other claims

- (51) An importer claimed that the product scope of the investigation was too wide to allow for a reasonable comparison amongst product types. An importer with producing interests in China expressed a similar view. In this respect, some parties also referred to purely decorative items.

- (52) In this respect, it is noted that the relevant criteria applied in order to determine whether or not the product, subject of an investigation, can be considered a single product, i.e. its basic physical and technical characteristics, are set out in detail below. Purely decorative items are thus not covered. Furthermore, even though the various types of ceramic tableware and kitchenware may indeed have certain different specific characteristics, the investigation showed that, with the exception of ceramic knives, their basic characteristics remain identical. In addition, the fact that the product concerned can be produced with some variations in the manufacturing process is not in itself a criterion which could result in a finding of two or more distinct products. Finally, the investigation also revealed that the various types of the product concerned were generally sold via the same sales channels. While some specialised shops may focus on certain specific types, a big share of the distributors (retailers, department stores, supermarkets) sell various types of ceramic tableware and kitchenware, in order to

offer a wide choice range to their customers. Claims that the product scope of the investigation was too wide are therefore provisionally rejected.

- (53) A party claimed that certain ceramic spice mill should be excluded from the product scope. However, the investigation could not come to a conclusion on their specificities, thus the claim was provisionally rejected.

1.2. Conclusion on product concerned

- (54) The investigation has shown that all types of ceramic tableware and kitchenware, despite the differences in terms of properties and style, have the same basic physical and technical characteristics, i.e. ceramic ware primarily aimed at being in contact with food, they are basically used for the same purposes, and can be regarded as different types of the same product.
- (55) In addition to the fact that they share the same basic physical and technical characteristics, all those various styles and types are in direct competition and to a very large extent interchangeable. This is clearly illustrated by the fact that there are no clear dividing lines between them, i.e. there is quite some overlapping and competition between different product types and standard buyers do not often make a distinction for instance between porcelain versus non-porcelain goods.
- (56) However, as explained in recitals (29)-(34) above, it was also deemed appropriate to narrow down the product scope definition on the basis of which the current investigation has been initiated by excluding ceramic knives. Therefore, the product concerned is provisionally defined as ceramic tableware and kitchenware, excluding ceramic knives, originating in the People's Republic of China, currently falling within CN codes ex 6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90.
- (57) In conclusion, for the purposes of this proceeding and in accordance with consistent Union practice, it is therefore considered that all types of the product described above, with the exception of ceramic knives, should be regarded as forming one single product.

2. Like product

- (58) The investigation has shown that ceramic tableware and kitchenware produced and sold by the Union industry in the Union, ceramic tableware produced and sold on the domestic market of the PRC and ceramic tableware and kitchenware imported into the Union from the PRC, as well as that produced and sold in Brazil, which serves as an analogue country, have the same basic physical and chemical characteristics and the same basic end uses.

2.1. Claims

- (59) During the investigation, certain interested parties argued that ceramic tableware and kitchenware produced by the Union industry and sold on the Union market was not similar to the product concerned. They claimed that this is evidenced in particular by differences between products in terms of properties, quality, consumer perceptions, channels of sales and segmentation. It was further claimed that the consumers in the Union usually perceive the product concerned as being a cheaper product and that those products do not benefit from any brand premium.
- (60) The investigation revealed contradictory statements by importers in that respect. While some claimed that the product concerned is usually of inferior quality and remains in a different price category compared to Union made products, others claimed that brand ceramic tableware and kitchenware manufactured in the country concerned is imported at higher prices from China.
- (61) On the one hand one non-sampled importer submitted that German producers place particular emphasis to the quality profile 'made in Germany'. The party stated that the quality of the flat tableware supplied by certain German brands is considerably better because of the manufacturing method, while other importers stated that they sourced from China because of the good qualities, casting capabilities and the skilled workers. The investigation confirmed that in the Union both low and high quality ceramic tableware and kitchenware are manufactured and sold via the same distribution channels as the product concerned, i.e. via independent retailers, non-specialised supermarkets, department stores, etc. Therefore, they compete at the same market.
- (62) In addition, ceramic tableware and kitchenware does not necessarily indicate its country of origin. It is therefore often very difficult for the consumer to make the distinction between ceramic tableware and kitchenware manufactured in the country concerned and Union-made products.

2.2. Conclusion

- (63) For those reasons, it is concluded that, while there may be some minor differences, ceramic tableware and kitchenware produced in and exported from the country concerned, ceramic tableware and kitchenware produced in and sold on the Brazilian market and ceramic tableware and kitchenware produced in and sold in the Union share the same basic physical characteristics and end uses and are therefore considered to be alike within the meaning of Article 1(4) of the basic Regulation.

C. DUMPING

1. Market Economy Treatment (MET)

- (64) Pursuant to Article 2(7)(b) of the basic Regulation, in antidumping investigations concerning imports originating in the PRC, normal value shall be determined in accordance with paragraphs 1 to 6 of the said Article for those producers which were found to meet the criteria laid down in Article 2(7)(c) of the basic Regulation. Briefly and for ease of reference only, these criteria are set out in summarised form below:
- Business decisions are made in response to market signals, without significant State interference, and costs reflect market values,
 - Firms have one clear set of basic accounting records, which are independently audited in line with international accounting standards and are applied for all purposes,
 - There are no significant distortions carried over from the former non-market economy system,
 - Bankruptcy and Property laws guarantee stability and legal certainty, and
 - Exchange rate conversions are carried out at market rates.
- (65) As set out in recital 12 above, eleven exporting producers or groups of exporting producers from the PRC requested market economy treatment (MET) and replied to the MET claim form within the given deadline. One exporting producer, however, subsequently withdrew its claim for MET.
- (66) In its judgment in case C-249/10 P – *Brosmann and others v. Council*, the Court of Justice ruled that the sampling technique laid down in Article 17 of the basic Regulation may not be applied for the purpose of determining claims of individual market economy treatment made under Article 2(7)(c) of that Regulation. The Court found that under Article 2(7)(c) of the basic Regulation cooperating producers, which are not part of the sample, are entitled to have their claims for market economy treatment examined, regardless of whether an individual dumping margin was to be calculated for those companies outside the sample⁽¹⁾. In view of this judgment it was decided to examine not only the MET claims of the three exporting producers or groups of exporting producers that are included in the sample but also the seven exporting producers or groups of exporting producers, which were not included in the sample. The Commission sought all information deemed necessary and verified information submitted in the MET claim at the premises of the companies in question.
- (67) It is the Union's established and consistent practice to examine whether a group of related companies as a whole fulfils the conditions for MET. Therefore, in cases where a subsidiary or any other company related to the applicant in the PRC is involved, directly or indirectly, in the production or sales of the product concerned, the MET examination is carried out in respect of each company individually as well as to the group of companies as a whole.
- (68) Accordingly, the MET claims of ten exporting producers, comprised of sixteen legal entities, were verified.
- (69) None of the ten cooperating exporting producers or groups of exporting producers in the PRC was found to meet the criteria to be granted MET. The MET investigation revealed, in particular, that none of the exporting producers, either individually or as a group, have a clear set of basic accounting records, which are independently audited in line with international accounting standards. The investigation also established that seven companies, or group of companies, could not demonstrate to the Commission that there were no significant distortions carried over from the former non-market economy system. In addition, three of the ten companies failed to demonstrate that business decisions were made in response to market signals, without State interference and that costs reflect market values.
- (70) Moreover, during the verification visit of one of the above companies it was established that it had provided misleading and deficient information in its MET claim form, particularly in relation to a related company. Its overall cooperation was severely deficient and the company was therefore informed that article 18(1) of the basic Regulation may be applied and was asked to submit its comments. The comments received confirmed the lack of cooperation, particularly with regard to the related company. It is therefore provisionally decided that it can no longer be deemed a cooperating exporting producer and that any provisional or final findings would be made on facts available pursuant to Article 18 of the basic Regulation.
- (71) The Commission officially disclosed the results of the MET findings to the companies concerned in the PRC, the authorities of the PRC and the complainant. They were given an opportunity to make their views known in writing and to request a hearing if there were particular reasons to be heard.

⁽¹⁾ See also Proposal for a Regulation of the European Parliament and of the Council Amending Council Regulation (EC) No 1225/2009 on protection against dumped imports from countries not members of the European Community; Brussels, 8.6.2012 COM(2012) 270 Final, 2012/0145(Cod).

- (72) Several companies argued that the Commission had failed to reply to their MET claim within three months, as required by Article 2(7)(c) of the basic Regulation. Therefore, the investigation would be vitiated by a procedural error and the Commission should, in accordance with the *Brosmann* judgment ⁽¹⁾, terminate the investigation.
- (73) The Commission acknowledges that due to the large number of MET claims examined and verified on spot in China, in this particular case, it was not possible to make a determination on the MET claims within the stipulated period. However, it is recalled that the General Court has recently held that a MET determination made outside the three month deadline laid down in Article 2(7)(c) of the basic Regulation is not in itself sufficient to lead to an annulment of a regulation imposing anti-dumping measures ⁽²⁾. The claim is therefore rejected.
- (74) Moreover, six companies contest the Commission's assessment that they do not have a clear set of accounting records, which are independently audited in line with international accounting standards. The Commission carefully examined these claims and found that the explanations provided were not such as to rebut the overall findings made following the on the spot verifications. More particularly, in some cases the new information provided contradicted the information previously given whereas in some other cases the companies submitted new supporting evidence that had not been provided or made available during the on the spot verifications
- (75) Five companies also contest the Commission's findings that they failed to demonstrate that no significant distortions were carried over from the former non-market economy system. The comments received are however not of such character that they could alter the Commission's findings following the verification visits. In particular, the companies did not provide any evidence that were liable to dispel the Commission's original findings that distortions have been carried over from the non-market economy system in respect of, e.g. assets and land-use rights.
- (76) Finally, two companies contest the findings that they failed to demonstrate that business decisions were made in response to market signals, without State interference and that costs reflect market values. In particular, the comments received from one company were not such as to rebut the Commission's finding that the State interfered in its recruitment policy whereas the other company provided new and contradictory information regarding raw material purchases.
- (77) It follows from the foregoing that none of the arguments brought forward were such as to alter the findings with regard to the MET determination.
- (78) On the basis of the above, neither of the ten cooperating exporting producers or groups of exporting producers in the PRC that had requested MET could show that they fulfilled the criteria set out in Article 2(7)(c) of the basic Regulation.
- 2. Individual Treatment (IT)**
- (79) Pursuant to Article 2(7)(a) of the basic Regulation a country-wide duty, if any, is established for countries falling under that Article, except in those cases where companies are able to demonstrate that they meet the criteria set out in Article 9(5) of the basic Regulation. Briefly, and for ease of reference only, these criteria are set out below:
- In the case of wholly or partly foreign owned firms or joint ventures, exporters are free to repatriate capital and profits,
 - Export prices and quantities, and conditions and terms of sale are freely determined,
 - The majority of the shares belong to private persons. State officials appearing on the Boards of Directors or holding key management positions shall either be in minority or it must be demonstrated that the company is nonetheless sufficiently independent from State interference,
 - Exchange rate conversions are carried out at the market rate, and
 - State interference is not such as to permit circumvention of measures if individual exporters are given different rates of duty.
- (80) Three exporting producers, which were included in the sample and seven exporting producers that were not included in the sample and which requested MET, also claimed IT in the event it would not be granted MET. In addition, two exporting producers in the sample and four exporting producers not selected in the sample requested IT only. In accordance with Article 17(1) of the basic Regulation, only the IT claims of the sampled companies were examined.

⁽¹⁾ Court of Justice judgment of 2 February 2012 in case C-249/10 P, *Brosmann Footwear HK and others v. Council*.

⁽²⁾ General Court judgment of 18 September 2012 in case T-156/11, *Since Hardware (Guangzhou) Co., Ltd v. Council*, paragraph 167 (not yet published) and General Court judgment of 10 October 2012 in case T-170/09; *Ningbo Yonghong Fasteners Co., Ltd v. Council*, paragraph 53 (not yet published).

(81) Given the fact that all MET claims have been provisionally rejected and based on the information available, it has provisionally been established that all sampled companies that have requested IT met the criteria for being granted IT.

3. Individual Examination (IE)

- (82) Claims for individual examination pursuant to Article 17(3) of the basic Regulation were submitted by seven cooperating exporting producers or groups of exporting producers not selected in the sample.
- (83) At this stage of the proceedings the Commission has not taken any decisions in respect of the requests for individual examination, which will be taken in due course.

4. Normal value

4.1. Choice of the analogue country

- (84) According to Article 2(7)(a) of the basic Regulation, normal value for exporting producers not granted MET has to be established on the basis of the domestic prices or constructed normal value in an analogue country.
- (85) In the notice of initiation, the Commission indicated its intention to use the Russian Federation as an appropriate analogue country for the purpose of establishing normal value and interested parties were invited to comment on this.
- (86) The Commission received numerous submissions stating that Russia was not an appropriate analogue country. In particular, the information received indicated that Russia is a premium porcelain market specialised in ornamental porcelain with expensive materials while the domestic production of the product concerned is relatively small compared to domestic consumption. In addition, the Russian market is protected by non-tariff barriers, e.g. the GHOST certification systems. It was therefore considered that Russia is not an appropriate analogue country.
- (87) Accordingly, the Commission examined whether other countries could be a reasonable choice of analogue country and sent letters to known producers in several countries including Thailand, India, Malaysia, Turkey, Brazil, Ukraine, Indonesia, Egypt, Colombia, South Korea, Bangladesh and Argentina following which producers from India, Turkey, Brazil and Russia confirmed their willingness to cooperate with the Commission. However, only three producers from Brazil, Thailand and Russia respectively submitted a questionnaire reply. The investigation demonstrated that Brazil has a competitive domestic market for ceramic tableware and kitchenware with numerous producers and a relatively low customs duty. In addition, the data submitted by the cooperating Brazilian producer were analysed and found to be reliable information on which a normal value could be based.
- (88) In view of the above and considering all information available at this stage of the proceedings, Brazil has provisionally been chosen as an appropriate and reasonable analogue country in accordance with Article 2(7)(a) of the basic Regulation.

4.2. Determination of normal value

- (89) In view of the fact that all requests for MET were denied, normal value for all Chinese exporting producers was established on the basis of information received from the producer in the analogue country, pursuant to Article 2(7)(a) of the basic Regulation.
- (90) In accordance with Article 2(2) of the basic Regulation, the Commission first examined whether the sales of the like product in Brazil to independent customers were representative. The sales of the Brazilian cooperating producer of the like product were found to be sold in representative quantities on the Brazilian domestic market compared to the product concerned exported to the Union by the exporting producers included in the sample.
- (91) The Commission subsequently examined whether these sales could be considered as having been made in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation. This was done by establishing the proportion of profitable sales to independent customers. The sales transactions were considered profitable where the unit price was equal or above the cost of production. The cost of production of the Brazilian producer during the IP was therefore determined.
- (92) For those product types where more than 80 % by volume of sales on the domestic market of the type in question were above cost and the weighted average sales price of that type was equal to or above the unit cost of production, normal value, by product type, was calculated as the weighted average of the actual domestic prices of all sales of the type in question, irrespective of whether those sales were profitable or not.
- (93) Where the volume of profitable sales of a product type represented 80 % or less of the total sales volume of that type, or where the weighted average price of that type was below the unit cost of production, normal value was based on the actual domestic price, which was calculated as a weighted average price of only the profitable domestic sales of that type made during the IP.
- (94) As regards the types of product that were not profitable, normal value was constructed using the cost of manufacturing of the Brazilian producer plus SG&A and profit for the product types of the Brazilian producer that are profitable.

5. Export prices for the exporting producers granted IT

- (95) As all cooperating exporting producers granted IT made export sales to the Union directly to independent customers in the Union, the export prices were based on the prices actually paid or payable for the product concerned, in accordance with Article 2(8) of the basic Regulation.

6. Comparison

- (96) The normal value and export price were compared on an ex-works basis. The dumping margins were established by comparing the individual ex-works prices of the sampled exporters to the domestic sales prices of the analogue producer or to the constructed normal value as appropriate.
- (97) For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. Adjustments were made, where appropriate, in respect of level of trade, differences in physical characteristics and for other factors affecting price comparability, notably 'branding'.
- (98) First, it was examined whether a level of trade adjustment under Article 2(10)(d) of the basic Regulation was warranted. In this respect it was found that the Chinese exports were essentially made at wholesale level whereas the sales in the analogue country were also made at retail level. The investigation further established that on both markets the different distribution chains affected the price level thus affecting fair price comparability between export price and normal value. Furthermore, the investigation also demonstrated that the majority of Chinese export sales were made in large quantities while the majority of domestic sales in the analogue country were made in smaller quantities resulting in price differences on the same level of trade on the two relevant markets. Accordingly, in order to make a fair comparison between the export price and the normal value, the normal value was adjusted on the basis of the price differences within the same level of trade in the analogue country and, where appropriate, on the price differences found in respect of the quantities sold at each level of trade.
- (99) Second, it was examined whether an adjustment under Article 2(10)(a) of the basic Regulation for differences in physical characteristics was warranted. In this regard the investigation established that Chinese exporting producers qualify their products in up to five different grades ranging from A to E with significant price differences. The vast majority of export to the Union consists, however, of A-grade, B-grade or C-grade or a combination thereof. This grading is however not universal or based on any general industry wide standards but is rather company specific and allows for price differentiation. On the other hand, the analogue country producer only sell the equivalent of grade A on the domestic Brazilian market and price comparability was therefore found to be affected. Accordingly, the export price was adjusted upwards to Chinese A-grade level in order to be comparable with the product sold by the analogue producer on the Brazilian market.
- (100) Third, the investigation established that the Brazilian producer only sells branded products on the Brazilian

market whereas the Chinese exporting producers do not sell branded products but rather — so called - 'private label' products or generic ceramic tableware and kitchenware. Branded products are normally perceived by customers to be products signifying a certain prestige, assured quality and design thus commanding higher market prices whereas generic (private label) products, whilst having the same physical and technical characteristics, are usually sold at considerably lower price levels. While the additional value of a branded product cannot generally be exactly quantified as it depends on many different factors, such as customer perception, brand recognition and other non-quantifiable factors, the Brazilian producer has, in this particular case, confirmed that its ceramic branded products can be sold at significantly higher prices on the Brazilian market than other non-branded (generic) products. Accordingly, a further adjustment was made to the normal value pursuant to Article 2(10)(k) of the basic Regulation.

- (101) Further adjustments were made, where appropriate, in respect of transport, insurance, handling and ancillary costs, packing, credit, bank charges and commissions in all cases where they were found to be reasonable, accurate and supported by evidence.

7. Dumping margins

- (102) Pursuant to Articles 2(11) and 2(12) of the basic Regulation, the dumping margins for the exporting producers granted IT were established on the basis of a comparison of a weighted average normal value established for the analogue country, as adjusted with each company's weighted average export price, as adjusted, expressed as a percentage of the CIF Union frontier price, duty unpaid.
- (103) A weighted average of the sampled exporting producers' dumping margins was calculated for the cooperating exporting producers not selected in the sample. On this basis the provisional dumping margin for the non-sampled exporting producers, expressed as a percentage of the CIF Union frontier price, duty unpaid is 26,6 %.
- (104) In order to calculate the country-wide dumping margin applicable to the non-cooperating or unknown exporting producers in the PRC, the level of cooperation was first established by comparing the volume of exports to the Union reported by the cooperating exporting producers with the equivalent Eurostat statistics.
- (105) In this investigation, cooperation from the PRC was considered high for a fragmented industry since the

exporting producers that came forward represent over 60 % of total exports from the PRC to the Union of the product concerned. Therefore, the country-wide margin applicable to all other exporting producers was established by using the weighted average of the highest dumping margins established for representative product types and volume of the sampled exporting producers.

On this basis the country-wide level of dumping was provisionally established at 58,8 % of the CIF Union frontier price, duty unpaid.

(106) On this basis, the provisional dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are:

Company	Provisional dumping margin
Hunan Hualian China Industry Co., Ltd; Hunan Hualian Ebellion Industry Co., Ltd; Hunan Liling Hongguanyao China Industry Co., Ltd and Hunan Hualian Yuxiang China Industry Co., Ltd	26,8 %
Guangxi Sanhuan Enterprise Group Holding Co., Ltd	31,2 %
CHL Porcelain Industries Ltd	30,0 %
Shandong Zibo Niceton-Marck Huaguang Ceramics Limited; Zibo Huatong Ceramics Co., Ltd; Shandong Silver Phoenix Co., Ltd; Niceton Ceramics (Linyi) Co., Ltd and Linyi Jingshi Ceramics Co., Ltd	17,6 %
Guangxi Province Beiliu City Laotian Ceramics Co., Ltd	23,0 %
Non-sampled cooperating exporting producers	26,6 %
Country-wide dumping margin	58,8 %

D. INJURY

1. Union production and Union industry

(107) All available information concerning Union producers, including the data reported in the complaint and subsequent submissions in respect of the producers that did not come forward in this investigation was used to establish the total Union production. The total Union production of the like product was estimated by extrapolating data provided by the European and national associations, cross-checked with data provided by individual producers and also with research and statistical sources.

(108) During the IP, the like product was manufactured in the Union by more than 200 Union producers. On the basis referred to in the previous recital, the total Union production was estimated to be around 240 200 tonnes during the IP. The Union producers accounting for the total Union production constitute the Union industry within the meaning of Article 4(1) of the basic Regulation and will be thereafter referred to as the 'Union industry'. The Union industry was divided into two segments: SMEs and larger companies. SMEs accounted for 42 % of the total Union production in that period. Indeed, the Union production is highly fragmented, though concentrated in Czech Republic, French Republic (France), Germany, Italy, Republic of Poland

(Poland), Portuguese Republic (Portugal), Romania, Kingdom of Spain (Spain) and the United Kingdom of Great Britain and Northern Ireland (United Kingdom).

2. Union consumption

(109) The Union consumption was established on the basis of Eurostat import statistics for the product under investigation and submissions regarding Union industry sales on the Union market.

(110) On this basis, the Union consumption developed as follows:

Table 1

Volume (tonnes)	2008	2009	2010	IP
Union consumption	826 896	687 609	750 830	726 614
<i>Index (2008 = 100)</i>	100	83	91	88

(111) The consumption of ceramic tableware and kitchenware in the Union overall decreased during the period considered by 12 %. The main decrease by 17 % happened between 2008 and 2009.

- (112) This overall decrease in consumption during the period considered has to be seen in conjunction with a recovery situation following the 2009 economic crisis. There are good prospects for the market for ceramic tableware and kitchenware. ⁽¹⁾

3. Imports from the country concerned

3.1. Volume, price and market share of dumped imports from the country concerned

- (113) Based on Eurostat data, the volume, market share and average prices of imports of the product concerned developed as set out below:

Table 2

Imports from the PRC	2008	2009	2010	IP
Volume of imports (tonnes)	535 593	449 346	516 618	485 814
Index (2008 = 100)	100	84	96	91
Market share	64,8 %	65,3 %	68,8 %	66,9 %
Average import price (EUR/tonne)	1 274	1 307	1 473	1 499
Index (2008 = 100)	100	103	116	118

- (114) The volume of total imports from China decreased by 9 % over the period considered and amounted to 485 814 tonnes during the IP. However, in percentage terms, it should be noted that imports from China decreased less than the overall EU consumption. Indeed, when analysed from the perspective of the whole period considered, the market share of Chinese imports increased from 64,8 % in 2008 to 66,9 % in the IP.
- (115) The import price increased by 17,7 % during the period considered, from 1 274 EUR/tonne to 1 499 EUR/tonne.

⁽¹⁾ The publicly available CBI market survey 'The tableware, kitchenware and other household articles market in the EU, November 2009' pointed at a number of trends (demographic, social, cultural, fashion and technical) which would result in a continued strong presence of ceramic products on the Union tableware and kitchenware market which it expected to grow overall. The reasons put forward by the survey range from the increasing demand for more informal table and kitchenware, namely easy-to-handle utility products, new products and new designs, to the changing size of households. In the current investigation, a large sampled importer, which is as well a retailer, also reported to expect a healthy consumption in the future as it anticipated that people still want to eat from ceramic plates rather than from other ones — and it therefore announced ambitious expansion plans in this area.

This is the average import price per tonne of all imports of the product concerned and therefore, the trend could be affected by changes in the product mix.

3.2. Price undercutting

- (116) For the purposes of price undercutting, the weighted average sales prices of the sampled Union producers to unrelated customers on the Union market, adjusted to an ex-works level, i.e. excluding freight costs in the Union and after deduction of discounts and rebates, were compared to the corresponding weighted average prices of the cooperating exporters from the PRC to the first independent customer on the Union market, i.e. net of discounts and adjusted where necessary to CIF Union frontier price and also duly adjusted for existing customs duties, customs clearance costs and post-importation costs. Prices of lower-grades products were adjusted to A-grade level prices as lower grade products were, from a consumer perspective, found to be competing with A-grade products as also concluded in recital 61 above. Union industry prices were also adjusted for differences in level of trade and to neutralize the price element linked to branding, if applicable.
- (117) The comparison showed that during the IP the dumped products concerned originating in the PRC sold in the Union undercut the Union industry's sales prices, when expressed as a percentage of the latter, by 26,3 % to 47,6 %.
- ### 4. Situation of the Union industry
- #### 4.1. General
- (118) Pursuant to Article 3(5) of the basic Regulation, the Commission examined all relevant economic factors and indices having a bearing on the state of the Union industry.
- (119) The macroeconomic indicators (production, production capacity, capacity utilisation, sales volume, market share, employment, productivity and magnitude of dumping margins) were assessed at the level of the whole Union industry. The assessment was based on the information provided by European and national associations, cross-checked with data provided by Union producers and available official statistics.
- (120) The analysis of microeconomic indicators (stocks, sale prices, profitability, cash flow, investments, return on investments, ability to raise capital, wages and cost of production) was carried out at the level of the sampled Union producers. The assessment was based on their information, duly verified.

(121) For some microeconomic indicators (sales price, profitability, return on investments and cost of production) the results of the sampled companies in the specific segment have been weighted in accordance with the share of that segment in the total Union production (using the specific weight in terms of production volumes of each segment in the total ceramic tableware sector – 42 % for SMEs, 58 % for non-SMEs). As a consequence it has been ensured that the results of large companies did not distort the injury analysis but that the situation of the smaller companies, collectively accounting for a large share of the Union production, was properly reflected where possible.

4.2. Macroeconomic indicators

4.2.1. Production, production capacity and capacity utilisation

(122) Over the period considered, the production, production capacity and capacity utilisation of the Union industry developed as set out below.

Table 3

	2008	2009	2010	IP
Production volume (tonnes)	281 300	230 300	235 700	240 200
<i>Index (2008 = 100)</i>	100	82	84	85
Production capacity (tonnes)	371 540	361 253	326 573	324 072
<i>Index (2008 = 100)</i>	100	97	88	87
Capacity utilisation	75,7 %	63,8 %	72,2 %	74,1 %
<i>Index (2008 = 100)</i>	100	84	95	98

(123) The production of the Union industry decreased by 15 % over the period considered. In overall terms, the reduction is more pronounced than the decrease of Union consumption over the same period. Production did not pick up in the same way consumption did in 2010.

(124) The Union's industry production capacity decreased by 13 % over the period considered. In spite of this, the industry's capacity utilisation rate further decreased during the period considered, overall by 2 % to 74,1 %.

4.2.2. Sales volume and market share

(125) Sales of the Union industry on the Union market to unrelated customers fell at a higher rate (8 % more) than the decrease in consumption during the period

considered. It is noted that between 2009 and 2010 the sales volume continued to fall while Union consumption increased by 8 %.

Table 4

Volume (tonnes)	2008	2009	2010	IP
Sales in the Union	190 332	156 798	152 609	152 095
<i>Index (2008 = 100)</i>	100	82	80	80

(126) The market share held by the Union industry decreased by 9 % over the period considered, or by 2.1 percentage points.

Table 5

	2008	2009	2010	IP
Market share in the Union	23,0 %	22,8 %	20,3 %	20,9 %
<i>Index (2008 = 100)</i>	100	99	88	91

4.2.3. Employment and productivity

(127) The employment decreased throughout the period considered and fell by 21 %. The trend follows the same pattern as the decline of sales volumes on the Union market to unrelated customers.

Table 6

	2008	2009	2010	IP
Number of employees	31 559	26 146	24 993	25 093
<i>Index (2008 = 100)</i>	100	83	79	79

(128) Productivity of the Union industry's workforce, measured as output per person employed per year, increased by 8 % over the period considered. This is partly due to the efforts of the Union industry to respond to the pressure derived from dumped imports from China.

Table 7

	2008	2009	2010	IP
Productivity (tonnes/employee)	8,9	8,8	9,4	9,6
<i>Index (2008 = 100)</i>	100	99	106	108

4.2.4. Magnitude of the dumping margin

- (129) The dumping margins are specified above in the dumping section. All margins established are significantly above the *de minimis* level. Furthermore, given the volumes and the prices of dumped imports, the impact of the actual margin of dumping cannot be considered negligible.

4.3. Microeconomic indicators

4.3.1. Stocks

- (130) The level of closing stocks of the Union industry decreased in absolute terms by 14 % over the period considered. The investigation revealed that this is not a crucial indicator for this type of industry, which basically works on orders.

Table 8

	2008	2009	2010	IP
Stocks (tonnes)	7 754	6 647	7 611	6 647
<i>Index (2008 = 100)</i>	100	86	98	86

4.3.2. Sales prices

- (131) Sales prices of the Union industry on the Union market decreased by 12 % during the period considered.

Table 9

	2008	2009	2010	IP
Average sale price in EU to unrelated customers (EUR/tonne)	4 103	3 818	3 811	3 615
<i>Index (2008 = 100)</i>	100	93	93	88

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

- (132) Over the period considered, the profitability, cash flow, return on investment (ROI), ability to raise capital, investments and wages of the Union industry developed as follows:

Table 10

	2008	2009	2010	IP
Net profit of Union sales to unrelated customers (% of net sales turnover)	4,2 %	2,2 %	0,1 %	3,5 %
Cash flow (EUR)	10 531 970	6 205 824	9 267 381	11 998 647
<i>Index (2008 = 100)</i>	100	59	88	114
Net investments (EUR)	13 686 363	9 423 983	10 805 215	9 690 923
<i>Index (2008 = 100)</i>	100	69	79	71
ROI (net profit in % of net book value of investments)	19,2 %	14,8 %	- 51,3 %	5,5 %
<i>Index (2008 = 100)</i>	100	77	- 267	29
Annual labour cost per employee	20 436	20 526	21 619	20 832
<i>Index (2008 = 100)</i>	100	100	106	102

- (133) The profitability of the Union industry dropped by 0,7 percentage points during the period considered. Profitability was at its lowest in 2010 when the magnitude of the fall reached 4,1 percentage points between 2008 and 2010.

- (134) It should be highlighted that the Union industry was already in a fragile state at the beginning of the period considered, due to the huge volumes of low-priced imports from China on the Union market which increased strongly in 2002-2004 and which had

reached a very significant market share after the elimination of the import quota for such imports as from 2005. This had caused a major restructuring of the sector which was in its ending phase at the beginning of the period considered.

- (135) Therefore, in view of this development prior to the period considered, the profit achieved in the beginning of the period considered cannot be considered as a normal profit. In the absence of any submission in this

regard, it is considered that the normal profit level for another widely used and important consumer product which has been subject to an anti-dumping investigation, leather footwear, can instead provisionally serve as a valid benchmark. That profit level is 6 %⁽¹⁾. It is thus clear that overall the Union industry, throughout the period considered, was never able to reach a profit level which can be deemed acceptable for this product.

- (136) Overall, the cash flow of the Union industry significantly increased during the period considered. However this is to be attributed to some bigger and well-established companies – this was not the case of SMEs. The level of net investments went down by 33 %. However, it should be noted that by the end of the period considered for SMEs the level of investments became almost inexistent. Only two non-SMEs could afford making some significant investments over the period considered. The drop of the return on investment was higher than the shrinkage of profitability over the whole period considered.
- (137) Between 2008 and the IP, the average wage per employee increased by 2 %. This labour cost increase is significantly below the overall labour cost development in the Union during the period considered, which suggests that the Union industry made efforts to keep labour wages as low as possible.

4.3.4. Cost of production

- (138) Over the period considered the cost of production fell by 10 %.

Table 11

	2008	2009	2010	IP
Cost of production (EUR/tonne)	3 578	3 583	3 514	3 230
Index (2008 = 100)	100	100	98	90

5. Conclusion on injury

- (139) The investigation has shown that the injury indicators such as production volume, capacity, sales to unrelated customers and employment deteriorated during the period considered.
- (140) In addition, the injury indicators related to the financial performance of the Union producers, such as profitability, investments and return on investments developed negatively during the period considered.

- (141) Overall, not only did the profitability never reach a satisfactory profit level for the sector, but it also deteriorated over the period considered. The continuous decreases in sales prices made by the Union industry entailed that at a point the industry was almost unable to make any profit.
- (142) Although the productivity of the Union industry increased over the period considered, this is mainly due to its significant efforts to compete against the highly present dumped Chinese imports.
- (143) Considering the above, it is provisionally concluded that the Union industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

E. CAUSATION

1. Introduction

- (144) In accordance with Article 3(6) and 3(7) of the basic Regulation it was examined whether the dumped imports from China had caused injury to the Union industry to a degree sufficient to be considered as material. Furthermore, known factors other than dumped imports, which might have injured the Union industry, were examined to ensure that any injury caused by those factors was not attributed to dumped imports.

2. Effect of the dumped imports

- (145) The investigation showed that the Union consumption decreased by 12 % over the period considered. At the same time while the volume of dumped imports from China decreased by about 9 %, their market share increased. Moreover, sales volume of the Union industry decreased by 20 % and market share dropped from 23 % in 2008 to 20,9 % in the IP.
- (146) In the period from 2009 up to the end of the IP, Union consumption increased while the Union industry market share dropped, in contrast to an increase in dumped imports from China which market share increased significantly in that period.

- (147) Prices of dumped imports from China increased in the period considered. Even if in the period considered the average import price from China increased by 18 %, these prices consistently remained significantly lower than sales prices of the Union industry and in particular during the IP, thus keeping pressure on the prices in the Union market. Consequently, the shrinkage of sales prices of the Union industry on the Union market and its profitability can be attributed to the price depression caused onto the Union market by dumped imports from China. The fall of the Union industry's cost of production and employment level demonstrate the efforts it made to respond to such imports.

⁽¹⁾ Council Regulation (EC) No 1472/2006, as published in OJ L 275, 6.10.2006, p. 36 (recital 292).

(148) Based on the above it is concluded that the presence of Chinese imports and the increase of the market share of dumped imports from China at prices constantly undercutting those of the Union industry have had a determining role in the material injury suffered by the Union industry, which is reflected in particular in its poor financial situation and in the deterioration of most of the injury indicators.

3. Effect of other factors

(149) The other factors which were examined in the context of the causality are: the development of demand on the

Union market and its segmentation, the export performance of the Union industry, the imports from other countries of the product under investigation, anti-competitive practices on the Union market, differences in production methods and the second-hand market. Other factors were also analysed.

3.1. Imports from third countries other than the country concerned

(150) The volume of imports from other third countries during the period considered is shown in the table below. The quantity and price trends are based on Eurostat data.

Table 12

	2008	2009	2010	IP
Volume of imports from all other third countries (tonnes)	100 971	81 464	81 602	88 706
<i>Index (2008 = 100)</i>	100	81	81	88
Market share	12,2 %	11,8 %	10,9 %	12,2 %
Average import price (EUR/tonne)	2 378	2 354	2 591	2 522
<i>Index (2008 = 100)</i>	100	99	109	106
Volume of imports from Turkey (tonnes)	36 952	33 275	32 887	40 553
<i>Index (2008 = 100)</i>	100	90	89	110
Market share	4,5 %	4,8 %	4,4 %	5,6 %
Average import price (EUR/tonne)	2 027	2 014	2 171	2 058
<i>Index (2008 = 100)</i>	100	99	107	102

(151) The imports from third countries decreased by 12 % over the period considered, while the market share of these imports remained rather stable.

(152) It should be noted that average import prices from other third countries increased by 6 % during the period considered, remaining consistently higher than the average selling price of Chinese export sales (by 68 % during the IP).

(153) CCCLA observed that imports from Turkey would have increased by 8 % between 2010 and 2011, the import prices from Turkey being allegedly only around 20 % higher than import prices from China.

(154) With regard to this claim, it is noted that when comparing the situation at the beginning and at the end of the period considered import volumes from Turkey increased by 10 % or 1.1 percentage point, but also that their average prices remained consistently much higher (from 37 % to 60 %) than Chinese import prices. Moreover they never represented more than a 5,6 % market share. Thus it is difficult to conclude that the material injury suffered by the Union industry is due to Turkish imports.

(155) For the above reasons, it is concluded that imports from other third countries did not materially affect the situation of the Union industry.

3.2. Market segments

- (156) A Germany-based association of importers and some of its members submitted that, on the basis of end-customer prices, product qualities and sales channels, the market for the ceramic products under investigation is to be divided into at least the following three segments: premium (high quality, high prices), medium/low (medium/low quality, medium/low prices) and special products (such as decorative items, souvenirs, pots and hotel porcelain). Allegedly, most Union production would be sold on the premium and/or special product markets, whereas Chinese imports predominantly serve the low price market segment. The Union industry would target mostly boutique sales rather than places where standard consumers do shopping. Chinese imports, therefore, would not directly compete with the Union production.
- (157) However, the investigation did not confirm the allegations. Firstly, it is noted that the like product does not cover certain items referred to by these parties, such as purely decorative items (see recitals (51) and (52)). Secondly, the investigation showed that currently Union production serves all markets, as do Chinese imports. In fact a relevant part of Chinese imports would fall under the so-called premium or special products segments. A British importer claimed to be importing premium products from China, while a group of EU companies with production interest in China also referred to the very high prices it charged on the Union market for its China-origin stoneware products.
- (158) Finally, reference is made to section B.1.2 above where it was concluded that all types of the product concerned and the like product were regarded as forming one single product. Thus the analysis should be carried out at the level of the product concerned and the like product. Therefore, any claim regarding certain segments could not be retained.

3.3. Consumption and demand

- (159) A European association of importers and retailers and CCCLA pointed at a contraction in demand in the Union. One non-sampled importer stated that demand for porcelain, particularly in the side and ancillary ranges and in the private sector, has fallen sharply and that the remaining demand is extremely diversified. Likewise several parties claimed that due to changing fashions, consumers nowadays are looking for affordable ceramic tableware and kitchenware. In a wholesaler's view, the high end premium market is decreasing and will decrease over next years.
- (160) According to the above-mentioned European association of importers and retailers, contraction in demand would explain the drop in sales and production by Union producers during the period considered.

- (161) CCCLA stated that the complaint showed a substantial fluctuation in the level of consumption within the Union throughout the period considered, in line with general macroeconomic conditions. According to CCCLA, during the period considered injury factors developed in parallel with the fluctuations in demand in the Union and other markets and both sales by Union producers and Chinese imports followed changes in demand.
- (162) A Germany-based association of importers and some of its members submitted that Chinese import figures following the enlargement of the Union in 2004 and the lifting of import quotas for this product as of 1 January 2005 indicate a huge demand for cheaper tableware on the Union market between 2002 and 2005, which was followed by a decrease between 2005 and 2010. Allegedly, Union producers were not willing and/or not capable to satisfy such demand.
- (163) As to these claims, firstly, reference is made to section B.1.2 above where it was concluded that all types of the product concerned and the like product were regarded as forming one single product. Any claim regarding certain ranges is therefore not relevant and the analysis should be carried out at the level of the product concerned and the like product.
- (164) Secondly, the allegation that injury factors developed in parallel with the fluctuations in demand in other export markets is contradicted by the fact that the export performance of sampled Union producers developed positively during the period considered.
- (165) Thirdly, as concluded in section D.2 above, consumption has decreased over the period considered. There was no evidence confirming that Union producers were not willing and/or not capable to satisfy a huge demand for cheaper tableware in the Union. On the contrary, the investigation established that throughout the period considered Union producers were meeting demand of various types, including for cheaper tableware. Even if there were fluctuations in the level of consumption within the Union through the period considered which may have contributed to the Union industry's poor performance at some stage, overall, it cannot be considered to have an impact such as to break the causal link between the dumped imports and the injurious situation of that industry suffered during the IP.
- (166) The claims were therefore rejected.

3.4. Exports by Union industry

- (167) According to data from Eurostat (export volume) and the sampled Union producers (average export price), exports by the Union industry developed as follows during the period considered:

Table 13

	2008	2009	2010	IP
Volume of exports (tonnes)	90 968	73 502	83 091	88 105
<i>Index (2008 = 100)</i>	100	81	91	97
Average export price (EUR/tonne)	3 136	2 983	3 462	3 125
<i>Index (2008 = 100)</i>	100	95	110	100

- (168) In the complaint, exports by Union producers increased substantially between 2009 and 2011, CCCLA observed. This party submitted that injury factors developed negatively when the export performance of Union producers decreased. Therefore, the injury would have been caused by the unfavourable development of the export sales of the EU industry.
- (169) In this context, it should firstly be noted that the injury analysis focuses on the situation of the Union industry on the Union market. Therefore changes of the export performance, if any, does not have any impact on most of the indicators analysed above, such as sales volume, market share and prices. Secondly, exports by the Union industry can be interpreted as a way to compensate decreasing sales on the Union market, i.e. where injury is being suffered. Thirdly, as the above table shows, overall exports from the Union decreased by 3%. Lastly, the exports prices of the cooperating sampled producers sales remained stable over the period considered.
- (170) The claim was therefore rejected and it is concluded that the export performance of the Union industry did not cause any material injury.

3.5. Elimination of the import quotas

- (171) Until 1 January 2005, for the Members States that were members of the Union at the time the products originating in China and falling within the CN codes referred to in recital (56) were subject to quantitative quotas of which altogether amounted to 84 473 tonnes in 2000 and which were gradually increased to 147 744 tonnes in 2004. Available statistical data indicate that in 2004 imports of the product concerned by the 27 countries that are now Member States amounted to 173 809 tonnes. One year later, once the quotas lifted, those imports went up to 530 294 tonnes. Since then, Chinese imports have never been less than 449 000 tonnes per year.
- (172) As concerns the role of the import quotas in the injury observed during the period considered it should first be

noted that, given that the quotas were gradually increased and removed 3 years before the beginning of the period considered and 6 years before the beginning of the IP, there had already been a severe restructuring in the Union market as from 2002 to account for these changed market circumstances. This is also corroborated by information submitted by the complainant on closures and insolvencies of European ceramic tableware producers. As a result, the Union industry had been, by the beginning of the period considered, converted into a downsized and performing sector.

- (173) Consequently, one might argue that the effects of the ending of the import quotas for the product concerned in 2005 may have negatively affected the health state of the Union industry before the beginning of the period considered. But even if this is the case, it is still the dumped imports which have caused the injury in the IP. Therefore, the elimination of the import quota as from 2005 does not break the causal link between the dumped imports and the injurious situation of the industry during the period considered and the IP.

3.6. Anti-competitive practices on the Union market

- (174) Several parties alleged that injury is caused by anti-competitive practices on the Union market and it was also stated that this anti-dumping proceeding was launched to recuperate losses produced by fines for illegal cartels. CCCLA stated that the presence of collusive practices on the Union market may render the injury data (namely sales prices, sales volumes, market share and profits) both in the complaint and collected throughout the investigation unreliable given that they do not represent a situation that reflects the normal operation of the market.
- (175) On the one hand, it is noted that in 2010 the Commission fined seventeen bathroom fixtures and fittings undertakings for a price fixing cartel between 1992 and 2004 affecting six Member States: Germany, Austria, Italy, France, Kingdom of Belgium (Belgium) and the Kingdom of Netherlands (Netherlands)⁽¹⁾. The practices in question took place before the period considered and concerned other products. In addition, the only undertaking concerned which was also active in the ceramic tableware and kitchenware sector during the period considered filed an action for the annulment of that fine with the General Court of the European Union. This action remains pending. On the other hand, the German authorities launched a cartel investigation on some German tableware producers in February 2011. The outcomes of the investigation have not been made public by German authorities yet, so no conclusions can be drawn on this point. Moreover, that investigation concerns only one Member State, while the Union industry is quite widespread. The claims were therefore rejected.

⁽¹⁾ [http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011XC1129\(02\):EN:NOT](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011XC1129(02):EN:NOT)

(176) As to the reference made by some parties to the fact that some manufacturers in the Union changed their activities and became also traders of China-origin products, this is a business option which cannot be labelled as being anti-competitive.

3.7. Production methods

(177) According to certain parties, the choices made by Union producers as far as production methods are concerned clearly contributed to the injury suffered by the Union industry. These parties underline that Union production methods are by far less efficient than Chinese ones – Union production methods are fully automatic which would entail high re-setting costs when runs are short, expensive mould making, more costly raw materials and, due to a two-firing process, higher energy costs. Moreover, unlike Union producers, Chinese manufacturers would work on the basis of orders, bear less storing costs and sell their total production in batches without grading and coupled with price discounts. Also the cost for decal transfers for in-glaze decoration would be almost double in the Union. On the other hand, certain parties pointed at the efficiency of Union production methods for instance as regards longer runs.

(178) The investigation showed the existence of relevant technology transfer worldwide. It could not establish a link between a specific production method and success in the business. It could not establish either that having opted for a specific production method was significant enough to have an impact such as to break the causal link between dumped imports from the country concerned and the injury suffered by the Union industry.

3.8. Second-hand markets

(179) According to a non-sampled importer households have become smaller over the last decades and dispose of unnecessary items via flea markets, web auctions or other forms of second-hand markets. For this party, second-hand tableware and kitchenware serve a significant part of current demand and are in direct competition with newly-manufactured tableware and kitchenware. The non-sampled importer provided supporting documentation on web auction values for several product lines of well-known German porcelain manufacturers.

(180) However, no reasonable basis could be found for extrapolating the volumes and prices from a German speaking platform on very specific collections of three German companies to other Union countries or other product ranges. It was, therefore, impossible to quantify this market and the investigation could not establish that second-hand sales were significant enough to have an impact such as to break the causal link between dumped imports from the country concerned and the injury suffered by the Union industry.

3.9. Economic crisis

(181) According to CCCLA, the alleged injury is caused by the impact of the financial crisis, economic recession and sovereign debt crisis on consumer budgets. The complainants being, allegedly, profitable at the operating level, CCCLA considers that the losses reported are to be attributed to financial speculation (such as losses on equity or on sovereign bonds) and non-operating expenses linked to the financial crisis.

(182) The economic crisis may explain contraction in consumption during parts of the period considered. However, it is noteworthy that in a situation of decreasing consumption in the period considered and in a situation of increasing consumption in the period between 2009 and the IP, the performances of the low-priced dumped imports contrast with those of the Union industry.

(183) The investigation clearly shows that the dumped imports from China have intensified the effect of the economic downturn. Even during the general economic recovery, the Union industry was unable to recover and to regain significant sales volumes and lost significant market share throughout the period considered whereas the Chinese dumped imports gained more market share.

(184) Therefore, although the economic crisis may have contributed to the Union industry's poor performance, overall, it cannot be considered to have an impact such as to break the causal link between the dumped imports and the injurious situation of that industry suffered during the IP.

3.10. Other factors

(185) An association pointed at other factors that, in its view, would break the causal link. This party referred to intra-Union competition (on the basis that prices within the Union differ considerably) and to the Union safety and health requirements, which are becoming more stringent, thus causing increased production costs. Other factors cited included counterfeiting by some Chinese manufacturers and the existence of non-tariff barriers in a number of non-EU markets, which would hinder exports by Union manufacturers.

(186) As regards the inter-Union competition argumentation, the investigation did not show any link between injury, the location of Union producers and prices in that Member State. As to the Union safety and health requirements, it is noted that they are applicable to Union-made and imported products, thus impact prices of all operators. Given that no information to substantiate the

counterfeiting claim was submitted, the effects of that claim could not be analysed. The claim regarding the existence of non-tariff barriers in a number of non-EU markets could not be retained: such barriers could prevent Union producers from exploiting their export potential, however it has no impact on decreasing sales on the Union market, i.e. where injury is being suffered.

- (187) CCCLA pointed at other factors namely shortages of skilled labour on the Union market and self-inflicted injury, on the basis that some Union manufacturers import the product concerned. However, based on the information available, it is concluded that overall the whole Union industry was in a poor situation and the fact that the number of business models has spread did not cause any injury to the Union industry and should rather be interpreted as a way to compensate decreasing sales on the Union market. As regards any shortage of skilled labour in the ceramic tableware and kitchenware sector in the Union, no interested parties located in the Union claimed to be concerned.
- (188) An importer invited the institutions to analyse the impact of other types of tableware and kitchenware, such as plastic, aluminium, melamine and glass. However, no information was submitted to substantiate the claim. The investigation could not establish any finding about this issue.
- (189) Some parties link the injury suffered by the Union industry to the situation of the Union industry before the period considered. In this respect, several importers alleged that the deterioration of the Union industry started already in the period 1975-2002. However, the Commission's analysis could not possibly go back so far, inter alia, because of the unavailability of reliable data for that period. That was also the case for another event which took place long before the period considered: the state aid received by the German porcelain industry and which, according to a non-sampled importer, would prove that the Union industry did not increase its efficiency⁽¹⁾.
- (190) The examination of the other known factors which could have caused injury to the Union industry revealed that these factors are not such as to break the causal link established between the dumped imports from the PRC and the injury suffered by the Union industry.

4. Conclusion on causation

- (191) Based on the above analysis, which has properly distinguished and separated the effects of all known factors on the situation of the Union industry from the injurious effects of the dumped imports, it is provisionally concluded that the dumped imports from China have caused material injury to the Union industry within the meaning of Article 3(6) of the basic Regulation.

F. UNION INTEREST

1. Preliminary remarks

- (192) In accordance with Article 21 of the basic Regulation it was examined whether, despite the provisional conclusion on injurious dumping, compelling reasons existed for concluding that it is not in the Union interest to adopt provisional anti-dumping measures in this particular case. The analysis of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users of the product concerned.

2. Interest of the Union industry

- (193) The Union industry consists of more than 200 producers, with factories located in different Member States of the Union, directly employing more than 25 000 people in the IP in the production and sale of the like product.
- (194) The investigation established that the Union industry has suffered material injury caused by the dumped imports from the country concerned during the investigation period. In particular, injury indicators relating to the financial performance of the Union industry, such as production, profitability and return on investment, showed a declining trend in the period considered. SMEs were suffering the most: in the period considered, they were loss-making since 2010. In the absence of measures, it is considered that the efforts already made in the sector will not be sufficient to allow the recovery of the Union industry's financial situation which might deteriorate further.
- (195) The findings of the current investigation are not put into question by the fact that certain Union producers are doing better than others or by the situation of the Union industry before the period considered.
- (196) It is expected that the imposition of measures will restore effective and fair trading conditions on the Union market. That would, in its turn, have a further positive impact on its economic situation and profitability.
- (197) Some importers claimed that if measures are imposed the product concerned will be replaced by other types of products (than Union-made ceramic tableware and kitchenware), such as textiles (e.g. for gift-oriented items) or plastic tableware, thus benefiting non-ceramic sectors. However, the investigation could not confirm that such substitution would be significant.
- (198) It was therefore concluded that the imposition of provisional anti-dumping measures on imports of ceramic tableware and kitchenware originating in China would be in the interest of the Union industry.

⁽¹⁾ Case T-20/03 Kahla/Thüringen Porzellan v Commission.

3. Interest of unrelated importers

- (199) As mentioned in recital 4 above, in view of the apparent high number of unrelated importers sampling was applied.
- (200) Overall, during the IP the sampled importers sourced their supplies mainly from the country concerned and employed some 350 people in the importation and resale of ceramic tableware and kitchenware. They were active in different kinds of products, ranging from gift porcelain items through branded earthenware to simple tableware for households. Their level of cooperation varied. For instance, the two largest importers in the sample, which also have major retail activities, did not provide full profitability data and the margin between purchase and resale prices to unrelated customers and one of them even denied access to its accounts. These parties only provided transfer purchase prices and/or transfer sales prices. Therefore, although repeatedly requested, no meaningful information was received which enabled an estimation of a representative importers' gross and net margin on the product concerned for the sample as a whole.
- (201) In the same vein, the data provided by the two sampled importers/retailers, as it was deficient in many aspects, did not enable an estimation of the gross and net margin of profit of retailers of the product concerned. Therefore, on the basis of the cooperation of the importers in the sample, no determination could be made as regards the ability of the EU supply chain to absorb the proposed anti-dumping duty and, consequently, the impact of such duty on the retail price and, thus, consumers.
- (202) However, firstly, as concerns importers, the vast majority of the importers which replied to the importers' sampling questions reported a gross margin between purchase and resale price ranging between 50 % and 200 %. The verified figures of the pure importers in the sample confirm that such gross margins are representative. Secondly, publicly available documentation would suggest that the supply chain in the Union (i.e. importers and subsequent channels) would be perfectly capable of taking in an anti-dumping duty at the proposed rate, without jeopardizing the viability of the economic operators concerned. According to a recent publication⁽¹⁾, a Chinese ceramic mug which is purchased by EU distributors for USD 0.70 would retail, in the EU, for USD 3.50 — with a mark-up of more than 150 % for the distributor/retailer. In such scenario, the anti-dumping duties as proposed would result for most imports in an extra charge of EUR 0,16 (and of EUR 0,36 for non-cooperating producers) for the EU supply chain which would have, overall, a gross margin of EUR 2.08 on this particular product. Moreover, the 2009 CBI market survey on 'tableware, kitchenware and other household markets' referred to
- in recital 112 above reports EU border CIF – consumer prices ratios ranging between 2,6 and 5,3⁽²⁾. Finally, the sampled importers/retailers never indicated that they will exclude the ceramic tableware and kitchenware from their imports or sales if anti-dumping duties were imposed.
- (203) Taking account of the above, and in the absence of any other reliable information obtained in this investigation so far, it is provisionally considered that the distribution chain in general, including importers, is likely to be able to take in the increase in CIF prices at the proposed levels without any major problem and that consumers are unlikely to experience any price increases. However, interested parties are, again, explicitly invited to submit additional, comprehensive and verifiable data on this issue which would enable to further analyse the impact of measures on the supply chain and, eventually, consumers in the next stage of this proceeding.
- (204) Submissions on Union interest were received from more than 20 non-sampled importers, mostly small enterprises, an association of European and International commerce, a Swedish association of importers and retailers, a Dutch association of importers from the Far East and a Germany-based association and network of importers. A common concern of the importers was that measures would entail import price increases, a (partial) shrinkage of their business and thus a negative impact on them in general in terms of margins and profitability, *inter alia*. These arguments could not be retained on the basis of the conclusions reached in the next recital and in recital 202.
- (205) Several importers submitted that more jobs would be lost with importers if measures are imposed than jobs would be saved with Union producers. However, this is contradicted by other representations of importers where they submitted that they might replace ceramic items by non-ceramic ones (like textiles for gifts) or that they would be willing to procure more within the Union.
- (206) The Swedish association deemed that measures would have a negative economic impact upon importers in terms of significant re-sourcing and administration costs should the latter have to find alternatives to Chinese imports. An association of European and International commerce pinpointed that changing suppliers is difficult because importers would have heavily invested in them. However, this does not seem to be a main concern of some importers which prefer the possibility of being able to switch sources of supply. Moreover, the fact that

⁽¹⁾ 'Dumping case likely to harm ceramic makers', China Daily, 17 February 2012.

⁽²⁾ It should be noted that this market survey targets a range of products which is broader than the product scope of this investigation, as it also includes plasticware, woodware, glassware, metalware and cutlery.

the products offered and Union consumption changes with fashion suggests that the occurrence of costs to develop new products (from new suppliers) is inherent to this sector.

- (207) Several non-sampled importers claimed that Union factories are not interested in manufacturing somebody else's branded products. However, this was contradicted by the outcome of the investigation as regards sampled Union producers (which showed that they produced branded goods for third parties), by the representation made by another importer and by the fact that several importers which distribute products under their own brand are procuring part of their assortment within the Union.
- (208) One non-sampled importer expressed its unwillingness to share production ideas, product design and in-house developments with certain competing Union producers of ceramic tableware and kitchenware. However the investigation did not show that this was a general concern amongst importers. It should be noted that the importer concerned had legal disputes with some German manufacturers and that part of its collection would be in direct competition with that of Union manufacturers.
- (209) Certain importers claimed that they cannot procure from Union manufacturers because of their higher costs, lack of capacity for craft items, inability to offer small production runs, inflexibility, lack of an adequate organisation to duly serve big retailers offering many products; and/or the inexistence of some production processes, qualities, types of decoration or shapes. These parties claimed that the problems were particularly important as regards crafts and promotion-oriented items (e.g. pottery), certain branded products sold under license, the manufacturing of certain registered utility models and special side or catering items (e.g. large-volume porcelain items). Some claimed to have no alternative but importing from China. Yet the investigation established that most of the importers that came forward do procure ceramic tableware and/or kitchenware from several sources, including Union producers in a wide variety of ranges and qualities. Moreover, Union producers offer a wide variety of products and have the production capacity to sell more on the Union market.
- (210) In sum, it can be concluded that the imposition of measures may indeed have a possible negative effect on the financial situation of certain importers. On average however, this negative effect is not expected to have a significant financial impact on the overall situation of the importers. In general it is expected that they are able to (partially) support the price increases and/or (partially)

pass on the duty to their customers (i.e. wholesalers, distributors, retailers), all the more so because the duties affect the major source in the market. For importers that came forward and which are at the same time retailers, the investigation showed that the product concerned represents a very small proportion of their overall business. The information submitted by these parties did not allow a proper quantification as to what extent they would be able to take in a purchase price increase by the proposed duty levels but, as explained in recitals 202-203, the information collected so far does not suggest that they would not be in a position to do so.

- (211) It is therefore provisionally concluded that the imposition of measures at the proposed levels does not have a significantly adverse impact on the situation of unrelated importers of the product concerned.

4. Interest of other economic sectors

- (212) Several importers alleged that the imposition of any measures will probably negatively affect importers' business partners, ranging from finishing and decorating firms to wholesalers, distributors or retailers. In this respect, they claimed that the imposition of measures may cause more job losses with their 'satellite businesses' such as designers or logistics than the number of jobs kept/created by the Union industry. Some importers also alleged that the gift items sector, the advertising industry, the hotel and catering industries, group catering and commercial consumers in general would also be directly affected by a shortage of products. This would lead to an increase in price competition within a short period at the level of large discounts outlets. Institutions which usually struggle with their budgets, such as care establishments, would suffer as well. Moreover, some parties claimed that anti-dumping measures would entail a shortage of raw material for artistic and creative work such as by porcelain painters or craft workshops.
- (213) All these claims have been found to be unwarranted. On the one hand, the statements of these importers seem to contradict those points in their representations where they suggest that they might replace ceramic items by non-ceramic ones (like textiles for gifts), thus resorting in any case to their usual business partners referred to above. Moreover, it can be expected the 'satellite businesses' to the Union industry will benefit from the imposition of measures. On the other hand, the investigation could not conclude that there will be a shortage of products if imports from China would compete at non-dumped prices. Measures are designed and expected to create a level playing field for all the suppliers of ceramic tableware and kitchenware – and not to unduly limit imports from the country concerned. As regards the

- suggested increase in price competition, this could be also seen as a positive effect for instance by those institutions which usually struggle with their budgets, such as care establishments.
- (214) The Swedish association deemed that measures would have a negative economic impact upon wholesale and retail sectors in Sweden. It estimated a decrease of 2-3 % in employment (more for young people) and of 20 % in imports. However, the suggested impact seems to be overstated. In this respect is noteworthy that none of the importers that are at the same time retailers and which made representations in the context of the investigation indicated that the whole product will be excluded from their product range if anti-dumping duties were imposed. The job projections made by one of them in the event of imposition of measures are basically the same as in the case where no measures are imposed.
- (215) CCCLA pointed to a Danish study according to which for each euro Union producers gain from trade protection, user companies in the Union must pay up to more than 60 times as much. Yet this statement is very general, it does not specifically relate to this investigation and there is no evidence that shows that this would indeed be the impact in this investigation.
- (216) A provider of special retailer promotion actions to major retailers across the world claimed that its business required large quantities over short periods for retail promotions running for a few months. According to this party, which sources some two thirds of the products from Asia, mainly China, a significant duty would destroy its ability to sell at promotion prices in the future. It must be recognised that anti-dumping duties may negatively affect this type of business. However, the purpose of the duties is not to exclude the Chinese merchandise from the market. Moreover over the past three years, Union producers covered 33 % of what this party labelled as volatile demand.
- (217) At this provisional stage, it is therefore concluded that the benefits that would be obtained by preventing injury for the remainder of this investigation through the imposition of provisional measures on imports of the product concerned cannot be outweighed by its potentially negative effect on some other economic sectors.
- (219) However, in view of the publicly available data, as mentioned under recital (202) above, it is provisionally concluded that measures at the proposed duty level will be taken in by the supply chain and, therefore, not result in higher prices for consumers at retail level.
- (220) According to CCCLA and several parties representing the interests of importers and retailers, if anti-dumping duties are imposed, EU consumers will suffer the most. In the Union, low income consumers would represent the highest share of the consumers and will be confronted to a more limited choice and higher prices for no additional value and this at a time of a fragile EU economy. Allegedly, this product has psychological price-limits above which consumers would not buy. Certain types of the product would disappear from the market or be replaced by other materials such as plastic, melamine, metal or wood. In general these options would be more environmentally unfriendly products. It was also claimed that the choice will also be limited since imports concerned meeting over 60 % of demand will be removed from the Union market while a lack of supply will push prices up. In the same line, some parties claimed that customers do their shopping in their close neighbourhood but that Union producers are unable and unwilling to serve low cost products at local supply facilities. The fact that German producers can offer bigger standard volumes for a cheap price will not satisfy the Union market, which requires variety in line with changing fashion and trends. Some representations underline that if Chinese imports still remain on the Union market, this will likely be in substantially lower volumes and at significantly higher prices, namely due to higher wages in China and the additional duties. It was also claimed that if the product is not affordable, new generations will not get the culture for this product.
- (221) As regards claims linked to a more limited choice, it is noted that the investigation revealed that the Union industry is offering a very wide range of products aimed at various markets segments and distribution channels. Measures are expected to help the Union industry exploit its full potential and further enrich the market with its products. In addition, none of the importers that are at the same time retailers indicated that they might consider fully removing the product from their product range if anti-dumping duties were imposed.
- (222) As to the claims on higher prices, the investigation aims at creating a level playing field and not at excluding Chinese merchandise from the Union market. No price-limits could objectively be established above which consumers would not buy this kind of product. Moreover, given that importers are often bound by price lists for at least one year, overall it is not expected that they are able to transfer the price increases to their customers in the short term. More importantly, given the level of the measures and the significant difference between the import price and the resale price it is unlikely that users and consumers will

5. Interest of consumers (households)

- (218) No parties directly representing the interests of end-buyers such as associations of consumers made any representations.

pay substantially higher prices – the duty is calculated based on the CIF import price and the retail prices is a multiple of the import price. Thus, the duty will most likely be taken up by the supply chain from the importer to the final consumer. Should some price increases take place, they will be small and not impact on the consumer choice. It is not expected that anti-dumping measures will lead to new generations not purchasing ceramic tableware and kitchenware. It is further noted that the investigation revealed that Union industry can offer competitive prices.

- (223) It could not be concluded that measures would have a significant impact on materials used for kitchenware and tableware either. The type of material is not always the main driver when choosing for instance a ceramic gift-oriented item. However it is clear that interchangeability of materials is not always possible: for instance the Union legislation of food contact materials imposes certain requirements for materials to be in contact with foodstuffs. It is noteworthy as well that a well-established importer which is also a retailer also thinks that people will continue to eat from ceramic plates rather than from plates made of other types of materials — and its expansion plans are tailored accordingly.
- (224) The claims regarding supply problems cannot be accepted because, on the one hand, the fact of creating a level playing field with fair prices is not tantamount to fully removing imports from China. On the contrary, all world players are expected to benefit from a fairer trade situation. On the other hand, it was found that the fact that currently the Union industry is capable of supplying for one third of the total Union consumption does not undermine the fact imports from China should enter the Union market at non-dumped prices. Both the export performance of the Union industry and the fact that it was not working at full capacity during the period considered suggest that Union manufacturers could indeed sell more on the Union market, should dumped imports be removed. Last but not least, China is not the only source of imports into the Union.
- (225) Both a Danish study mentioned by CCCLA and a Swedish piece of research referred to by a Swedish association suggest that anti-dumping measures in general have a costly impact on consumers. Yet these statements are very general, they do not specifically related to this investigation and there is no evidence that shows that this would indeed be the impact in this investigation.
- (226) On the basis of the above, it is provisionally concluded that the imposition of measures would not, overall, have a significant impact on consumers such as households.

6. Conclusion on Union interest

- (227) In view of the above, it was provisionally concluded that, overall, based on the information available concerning

the Union interest, there are no compelling reasons against the imposition of provisional measures on imports of ceramic tableware and kitchenware originating in China.

- (228) This conclusion cannot be outweighed by the considerations put forward by several parties, namely that anti-dumping duties in general are a trade-off to their efforts to transfer some Union values to non-Union countries such as improving the social standards of suppliers, child labour or environmental and general development programs. These issues cannot undermine the goal of achieving open and fair trade via the defence of Union production against international trade distortions such as dumping, by applying trade defence instruments in compliance with EU law and WTO rules.
- (229) Notwithstanding the above, this preliminary assessment may require further careful analysis following comments of interested parties.

G. PROVISIONAL ANTI-DUMPING MEASURES

1. Injury elimination level

- (230) In view of the conclusions reached with regard to dumping, injury, causation and Union interest, provisional anti-dumping measures should be imposed in order to prevent further injury being caused to the Union industry by the dumped imports.
- (231) For the purpose of determining the level of these measures, account was taken of the dumping margins found and the amount of duty necessary to eliminate the injury sustained by the Union industry.
- (232) When calculating the amount of duty necessary to remove the effects of the injurious dumping, it was considered that any measures should allow the Union industry to cover its costs of production and to obtain a profit before tax that could be reasonably achieved by an industry of this type in the sector under normal conditions of competition, i.e. in the absence of dumped imports, on sales of the like product in the Union. As explained in recital (135) above, a profit margin of 6 % of turnover is provisionally regarded as an appropriate minimum which the Union industry could have expected to obtain in the absence of injurious dumping.
- (233) On this basis, a non-injurious price was calculated for the Union industry for the like product. The non-injurious price was obtained by deducting the actual profit from the ex-works price and adding to the thus calculated break-even sales price of the Union industry the above-mentioned profit margin of 6 %.

(234) The necessary price increase was then determined on the basis of a comparison of the weighted average import price of the cooperating exporting producers in the PRC, as established for the price undercutting calculations, with the non-injurious price of the products sold by the Union industry on the Union market during the IP. Any difference resulting from this comparison was then expressed as a percentage of the average total CIF import value.

2. Provisional measures

(235) In the light of the foregoing, it is considered that, in accordance with Article 7(2) of the basic Regulation, provisional anti-dumping measures should be imposed in respect of imports originating in the PRC at the level of the lower of the dumping and the injury margins, in accordance with the lesser duty rule.

(236) On the basis of the above, the anti-dumping duty rates have been established, in this case, at the level of the dumping margins.

(237) The individual company anti-dumping duty rates specified in this Regulation were established on the basis of the findings of the present investigation. Therefore, they reflect the situation found during that investigation with respect to these companies. These duty rates (as opposed to the country-wide duty applicable to 'all other companies') are thus exclusively applicable to imports of products originating in the PRC and produced by the companies and thus by the specific legal entities mentioned. Imported products produced by any other company not specifically mentioned in the operative part of this Regulation including entities

related to those specifically mentioned, cannot benefit from these rates and shall be subject to the duty rate applicable to 'all other companies'.

(238) Any claim requesting the application of these individual company anti-dumping duty rates (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission ⁽¹⁾ forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for example, that name change or that change in the production and sales entities. If appropriate, the Regulation will accordingly be amended by updating the list of companies benefiting from individual duty rates.

(239) In order to ensure a proper enforcement of the anti-dumping duty, the residual duty level should not only apply to the non-cooperating exporting producers but also to those producers which did not have any exports to the Union during the IP.

(240) A party requested measures, if any, to be imposed in the form of a minimum price. The party stated that ad valorem duties would particularly hit customers who buy high quality and/or high weight imported products. However, the investigation revealed that no other form of measures would have been more suitable, account taken of the range of items falling within the product scope.

(241) On the basis of the above, the dumping and injury margins established and the provisional duty rates are as follows:

Company	Dumping margin	Injury margin	Provisional duty rate
Hunan Hualian China Industry Co., Ltd; Hunan Hualian Ebillion Industry Co., Ltd; Hunan Liling Hongguanyao China Industry Co., Ltd and Hunan Hualian Yuxiang China Industry Co., Ltd	26,8 %	45,3 %	26,8 %
Guangxi Sanhuan Enterprise Group Holding Co., Ltd and Guangxi Sanhuan Lucky Xinda Import & Export Co., Ltd	31,2 %	85,3 %	31,2 %
CHL International Ltd and CHL Porcelain Industries Ltd	30,0 %	109,3 %	30,0 %
Shandong Zibo Niceton-Marck Huaguang Ceramics Limited; Zibo Huatong Ceramics Co., Ltd; Shandong Silver phoenix Co., Ltd; Niceton Ceramics (Linyi) Co., Ltd and Linyi Jingshi Ceramics Co., Ltd	17,6 %	76,0 %	17,6 %
Guangxi Province Beiliu City Laotian Ceramics Co., Ltd	23,0 %	44,8 %	23,0 %
All other cooperating exporting producers	26,6 %	76,1 %	26,6 %
All other companies	58,8 %	109,3 %	58,8 %

⁽¹⁾ European Commission, Directorate-General for Trade, Directorate H, 1049 Brussels, Belgium.

H. FINAL PROVISION

- (242) In the interest of sound administration, a period should be fixed within which the interested parties which made themselves known within the time limit specified in the notice of initiation may make their views known in writing and request a hearing. The findings concerning the imposition of duties made for the purposes of this Regulation are provisional and may have to be reconsidered for the purpose of any definitive measures,

HAS ADOPTED THIS REGULATION:

Article 1

1. A provisional anti-dumping duty is hereby imposed on imports of ceramic tableware and kitchenware, excluding ceramic knives, currently falling within CN codes ex 6911 10 00, ex 6912 00 10, ex 6912 00 30, ex 6912 00 50 and ex 6912 00 90 (TARIC codes 6911 10 00 90, 6912 00 10 11, 6912 00 10 91, 6912 00 30 10, 6912 00 50 10 and 6912 00 90 10) and originating in the People's Republic of China

2. The rate of the provisional 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
Hunan Hualian China Industry Co., Ltd; Hunan Hualian Ebillion Industry Co., Ltd; Hunan Liling Hongguanyao China Industry Co., Ltd; Hunan Hualian Yuxiang China Industry Co., Ltd	26,8 %	B349
Guangxi Sanhuan Enterprise Group Holding Co., Ltd	31,2 %	B350
CHL Porcelain Industries Ltd	30,0 %	B351
Shandong Zibo Niceton-Marck Huaguang Ceramics Limited; Zibo Huatong Ceramics Co., Ltd; Shandong Silver Phoenix Co., Ltd; Niceton Ceramics (Linyi) Co., Ltd Linyi Jingshi Ceramics Co., Ltd	17,6 %	B352
Guangxi Province Beiliu City Laotian Ceramics Co., Ltd	23,0 %	B353
Companies listed in Annex I	26,6 %	B354
All other companies	58,8 %	B999

3. The application of the provisional anti-dumping duty rates specified for the companies mentioned in paragraph 2 shall be conditional upon presentation to the customs authorities of the Member States of a valid commercial invoice, which shall be conform to the requirements set out in the Annex II. If no such invoice is presented, the duty applicable to all other companies shall apply.

4. The release for free circulation in the Union of the product referred to in paragraph 1 shall be subject to the provision of a security, equivalent to the amount of the provisional duty.

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

Article 2

1. Without prejudice to Article 20 of Council Regulation (EC) No 1225/2009, interested parties may request disclosure of the essential facts and considerations on the basis of which this Regulation was adopted, make their views known in writing and apply to be heard orally by the Commission within one month of the date of entry into force of this Regulation.

2. Pursuant to Article 21(4) of Council Regulation (EC) No 1225/2009, the parties concerned may comment on the application of this Regulation within one month of the date of its entry into force.

Article 3

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

Article 1 of this Regulation shall apply for a period of six months.

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

Done at Brussels, 14 November 2012.

For the Commission
The President
José Manuel BARROSO

ANNEX I

Cooperating Chinese exporting producers not sampled (TARIC additional code B354):

- (1) Amaida Ceramic Product Co., Ltd
- (2) Asianera Porcelain (Tangshan) Ltd
- (3) Beiliu Changlong Ceramics Co., Ltd
- (4) Beiliu City Heyun Building Materials Co., Ltd
- (5) Beiliu Jiasheng Porcelain Co., Ltd
- (6) Beiliu Quanli Ceramic Co., Ltd
- (7) Beiliu Windview Industries Ltd
- (8) Betterway International Co., Ltd
- (9) Cameo China (Fengfeng) Co., Ltd
- (10) Changsha Ellen-Design Arts & Crafts Co., Ltd
- (11) Changsha Happy Go Products Developing Co., Ltd
- (12) Chao Ao Huadayu Craftwork Factory
- (13) Chao'an Lian Xing Yuan Ceramics Co., Ltd
- (14) Chaoan Oh Yeah Ceramics Industrial Co., Ltd
- (15) Chaoan Xin Yuan Ceramics Factory
- (16) Chao'an Yongsheng Ceramic Industry Co., Ltd
- (17) Chaozhou Baode Ceramics Co., Ltd,
- (18) Chaozhou Baodyai Porcelain Co., Ltd
- (19) Chaozhou Baolian Ceramics Co., Ltd
- (20) Chaozhou Big Arrow Ceramics Industrial Co., Ltd
- (21) Chaozhou Boshifa Ceramics Making Co., Ltd
- (22) Chaozhou Cantake Craft Co., Ltd
- (23) Chaozhou Ceramics Industry and Trade General Corp.
- (24) Chaozhou Chaofeng Ceramic Making Co., Ltd
- (25) Chaozhou Chengxi Jijie Art & Craft Painted Porcelain Fty.
- (26) Chaozhou Chengxinda Ceramics Industry Co., Ltd
- (27) Chaozhou Chenhui Ceramics Co., Ltd
- (28) Chaozhou Chonvson Ceramics Industry Co., Ltd
- (29) Chaozhou Daxin Arts & Crafts Co., Ltd
- (30) Chaozhou Dayi Ceramics Industries Co., Ltd
- (31) Chaozhou Dehong Ceramics Making Co., Ltd
- (32) Chaozhou Deko Ceramic Co., Ltd
- (33) Chaozhou Diamond Ceramics Industrial Co., Ltd
- (34) Chaozhou Dongyi Ceramics Co., Ltd
- (35) Chaozhou Dragon Porcelain Industrial Co., Ltd
- (36) Chaozhou Fairway Ceramics Manufacturing Co., Ltd
- (37) Chaozhou Feida Ceramics Industries Co., Ltd
- (38) Chaozhou Fengxi Baita Ceramics Fty.
- (39) Chaozhou Fengxi Canhui Ceramics Manufactory
- (40) Chaozhou Fengxi Dongtian Porcelain Fty. No 2
- (41) Chaozhou Fengxi Fengcer Ceramics Craft Fty.

- (42) Chaozhou Fengxi Hongrong Color Porcelain Fty.
- (43) Chaozhou Fengxi Shengshui Porcelain Art Factory
- (44) Chaozhou Fengxi Zone Jinbaichuan Porcelain Crafts Factory
- (45) Chaozhou Fromone Ceramic Co., Ltd
- (46) Chaozhou Genol Ceramics Manufacture Co., Ltd
- (47) Chaozhou Good Concept Ceramics Co., Ltd
- (48) Chaozhou Grand Collection Tableware Co. Ltd
- (49) Chaozhou Guangjia Ceramics Manufacture Co., Ltd
- (50) Chaozhou Guidu Ceramics Co., Ltd
- (51) Chaozhou Haihong Ceramics Making Co., Ltd
- (52) Chaozhou Hengchuang Porcelain Co., Ltd
- (53) Chaozhou Henglibao Porcelain Industrial Co., Ltd
- (54) Chaozhou Hongbo Ceramics Industrial Co., Ltd
- (55) Chaozhou Hongjia Ceramics Making Co., Ltd
- (56) Chaozhou Hongye Ceramics Manufactory Co., Ltd
- (57) Chaozhou Hongye Porcelain Development Co., Ltd
- (58) Chaozhou Hongyue Porcelain Industry Co., Ltd
- (59) Chaozhou Hongzhan Ceramic Manufacture Co., Ltd
- (60) Chaozhou Hua Da Ceramics Making Co., Ltd
- (61) Chaozhou Huabo Ceramic Co., Ltd
- (62) Chaozhou Huade Ceramics Manufacture Co., Ltd
- (63) Chaozhou Huashan Industrial Co., Ltd
- (64) Chaozhou Huayu Ceramics Co., Ltd
- (65) Chaozhou Huazong Ceramics Industries Co., Ltd
- (66) Chaozhou Huifeng Ceramics Craft Making Co., Ltd
- (67) Chaozhou J&M Ceramics Industrial Co., Ltd
- (68) Chaozhou Jencymic Co., Ltd
- (69) Chaozhou Jiahua Ceramics Co., Ltd
- (70) Chaozhou Jiahuabao Ceramics Industrial Co., Ltd
- (71) Chaozhou JiaHui Ceramic Factory
- (72) Chaozhou Jiaye Ceramics Making Co., Ltd
- (73) Chaozhou Jiayi Ceramics Making Co., Ltd
- (74) Chaozhou Jiayu Ceramics Making Co., Ltd
- (75) Chaozhou Jin Jia Da Porcelain Industry Co., Ltd
- (76) Chaozhou Jingfeng Ceramics Craft Co., Ltd
- (77) Chaozhou Jinqiangyi Ceramics Co., Ltd
- (78) Chaozhou Jinyuanli Ceramics Manufacture Co., Ltd
- (79) Chaozhou Kaibo Ceramics Making Co., Ltd
- (80) Chaozhou Kedali Porcelain Industrial Co., Ltd
- (81) Chaozhou King's Porcelain Industry Co., Ltd
- (82) Chaozhou Kingwave Porcelain & Pigment Co., Ltd
- (83) Chaozhou Lemontree Tableware Co., Ltd
- (84) Chaozhou Lianfeng Porcelain Co., Ltd
- (85) Chaozhou Lianjun Ceramics Co., Ltd

- (86) Chaozhou Lianyu Ceramics Co., Ltd
- (87) Chaozhou Lianyuan Ceramic Making Co., Ltd
- (88) Chaozhou Lisheng Ceramics Co., Ltd
- (89) Chaozhou Loving Home Porcelain Co., Ltd
- (90) Chaozhou Maocheng Industry Dve. Co., Ltd
- (91) Chaozhou MBB Porcelain Factory
- (92) Chaozhou Mingyu Porcelain Industry Co., Ltd
- (93) Chaozhou New Power Ltd
- (94) Chaozhou Ohga Porcelain Co.,Ltd
- (95) Chaozhou Oubo Ceramics Co., Ltd
- (96) Chaozhou Pengfa Ceramics Manufactory Co., Ltd
- (97) Chaozhou Pengxing Ceramics Co., Ltd
- (98) Chaozhou Qingfa Ceramics Co., Ltd
- (99) Chaozhou Raoping Xinfeng Yangda Porcelain Factory
- (100) Chaozhou Ronghua Ceramics Making Co., Ltd
- (101) Chaozhou Ronglibao Porcelain Co., Ltd
- (102) Chaozhou Rui Cheng Porcelain Industry Co., Ltd
- (103) Chaozhou Rui Xiang Porcelain Industrial Co., Ltd
- (104) Chaozhou Ruilong Ceramics Co., Ltd
- (105) Chaozhou Sanhua Ceramics Industrial Co., Ltd
- (106) Chaozhou Sanming Industrial Co., Ltd
- (107) Chaozhou Santai Porcelain Co., Ltd
- (108) Chaozhou Shunqiang Ceramics Making Co., Ltd
- (109) Chaozhou Shuntai Ceramic Manufactory Co., Ltd
- (110) Chaozhou Songfa Ceramics Co.,Ltd
- (111) Chaozhou Sundisk Ceramics Making Co., Ltd
- (112) Chaozhou Teemjade Ceramics Co., Ltd
- (113) Chaozhou Thyme Ceramics Co., Ltd
- (114) Chaozhou Tongxing Huajiang Ceramics Making Co., Ltd
- (115) Chaozhou Totye Ceramics Industrial Co., Ltd
- (116) Chaozhou Trend Art & Crafts Co., Ltd
- (117) Chaozhou Uncommon Craft Industrial Co., Ltd
- (118) Chaozhou Weida Ceramic Making Co., Ltd
- (119) Chaozhou Weigao Ceramic Craft Co., Ltd
- (120) Chaozhou Wingoal Ceramics Industrial Co., Ltd
- (121) Chaozhou Wood House Porcelain Co., Ltd
- (122) Chaozhou Xiangye Ceramics Craft Making Co., Ltd
- (123) Chaozhou Xin Weicheng CP., Ltd
- (124) Chaozhou Xincheng Ceramics Co., Ltd
- (125) Chaozhou Xinde Ceramics Craft Factory
- (126) Chaozhou Xingguang Ceramics Co., Ltd
- (127) Chaozhou Xinhui Porcelain Co., Ltd
- (128) Chaozhou Xinkai Porcelain Co., Ltd
- (129) Chaozhou Xinlong Porcelain Industrial Co., Ltd

- (130) Chaozhou Xinyu Porcelain Industrial Co., Ltd
- (131) Chaozhou Xinyue Ceramics Manufacture Co., Ltd
- (132) Chaozhou Yangguang Ceramics Co., Ltd
- (133) Chaozhou Yaran Ceramics Craft Making Co., Ltd
- (134) Chaozhou Yinhe Ceramics Co., Ltd
- (135) Chaozhou Yongsheng Ceramics Manufacturing Co., Ltd
- (136) Chaozhou Yongxuan Domestic Ceramics Manufactory Co., Ltd
- (137) Chaozhou Yu Ri Ceramics Making Co., Ltd
- (138) Chaozhou Yuefeng Ceramics Ind. Co., Ltd
- (139) Chaozhou Yufeng Ceramics Making Factory
- (140) Chaozhou Zhongxia Porcelain Factory Co., Ltd
- (141) Chaozhou Zhongye Ceramics Co., Ltd
- (142) Dabu Yongxingxiang Ceramics Co., Ltd
- (143) Dapu Fuda Ceramics Co., Ltd
- (144) Dapu Taoyuan Porcelain Factory
- (145) Dasheng Ceramics Co., Ltd Dehua
- (146) De Hua Hongshun Ceramic Co., Ltd
- (147) Dehua Hongsheng Ceramic Co., Ltd
- (148) Dehua Jianyi Porcelain Industry Co., Ltd
- (149) Dehua Kaiyuan Porcelain Industry Co., Ltd
- (150) Dehua Ruyuan Gifts Co., Ltd
- (151) Dehua Xinmei Ceramics Co., Ltd
- (152) Dongguan Kenney Ceramic Ltd
- (153) Dongguan Shilong Kyocera Co., Ltd
- (154) Dongguan Yongfuda Ceramics Co., Ltd
- (155) Evershine Fine China Co., Ltd
- (156) Excellent Porcelain Co., Ltd
- (157) Fair-Link Limited (Xiamen)
- (158) Far East (Boluo) Ceramics Factory Co., Ltd
- (159) Far East (chaozhou) Ceramics Factory Co., Ltd
- (160) Fengfeng Mining District Yuhang Ceramic Co. Ltd (Yuhang)
- (161) Foshan Metart Company Limited
- (162) Fujian De Hua Jiashun Art&Crafts Co., Ltd
- (163) Fujian Dehua Chengyi Ceramics Co., Ltd
- (164) Fujian Dehua Five Continents Ceramic Manufacturing Co., Ltd
- (165) Fujian Dehua Fujue Ceramics Co., Ltd
- (166) Fujian Dehua Full Win Crafts Co., Ltd
- (167) Fujian Dehua Fusheng Ceramics Co., Ltd
- (168) Fujian Dehua Gentle Porcelain Co., Ltd
- (169) Fujian Dehua Guanhong Ceramic Co., Ltd
- (170) Fujian Dehua Guanjie Ceramics Co., Ltd
- (171) Fujian Dehua Hiap Huat Koyo Toki Co., Ltd
- (172) Fujian Dehua Hongda Ceramics Co., Ltd
- (173) Fujian Dehua Hongsheng Arts & Crafts Co., Ltd

- (174) Fujian Dehua Hongyu Ceramic Co., Ltd
- (175) Fujian Dehua Huachen Ceramics Co., Ltd
- (176) Fujian Dehua Huaxia Ceramics Co., Ltd
- (177) Fujian Dehua Huilong Ceramic Co., Ltd
- (178) Fujian Dehua Jingyi Ceramics Co., Ltd
- (179) Fujian Dehua Jinhua Porcelain Co., Ltd
- (180) Fujian Dehua Jinzhu Ceramics Co., Ltd
- (181) Fujian Dehua Lianda Ceramic Co., Ltd
- (182) Fujian Dehua Myinghua Ceramics Co., Ltd
- (183) Fujian Dehua Pengxin Ceramics Co., Ltd
- (184) Fujian Dehua Rongxin Ceramic Co., Ltd
- (185) Fujian Dehua Shisheng Ceramics Co., Ltd
- (186) Fujian Dehua Will Ceramic Co., Ltd
- (187) Fujian Dehua Xianda Ceramic Factory
- (188) Fujian Dehua Xianghui Ceramic Co., Ltd
- (189) Fujian Dehua Xingye Ceramic Co., Ltd
- (190) Fujian Dehua Yonghuang Ceramic Co., Ltd
- (191) Fujian Dehua Yousheng Ceramics Co., Ltd
- (192) Fujian Dehua You-Young Crafts Co., Ltd
- (193) Fujian Dehua Zhenfeng Ceramics Co., Ltd
- (194) Fujian Dehua Zhennan Ceramics Co., Ltd
- (195) Fujian Jackson Arts and Crafts Co., Ltd
- (196) Fujian Jiamei Group Corporation
- (197) Fujian Profit Corp
- (198) Fujian Province Dehua County Beatrot Ceramic Co., Ltd
- (199) Fujian Province Yongchun County Foreign Processing and Assembling Corporation
- (200) Fujian Quanzhou Longpeng Group Co., Ltd
- (201) Fujian Quanzhou Shunmei Group Co., Ltd
- (202) Fung Lin Wah Group
- (203) Ganzhou Koin Structure Ceramics Co., Ltd
- (204) Global Housewares Factory
- (205) Guangdong Baofeng Ceramic Technology Development Co., Ltd
- (206) Guangdong Bening Ceramics Industries Co., Ltd
- (207) Guangdong Daye Porcelain Co., Ltd
- (208) Guangdong Dongbao Group Co., Ltd
- (209) Guangdong Huaxing Ceramics Co., Ltd
- (210) Guangdong Quanfu Ceramics Ind. Co., Ltd
- (211) Guangdong Shunxiang Porcelain Co., Ltd
- (212) Guangdong Sitong Group Co., Ltd
- (213) Guangdong Songfa Ceramics Co.,Ltd
- (214) Guangdong Yutai Porcelain Co., Ltd
- (215) Guangxi Beiliu City Ming Chao Porcelain Co., Ltd
- (216) Guangxi Beiliu Guixin Porcelain Co., Ltd
- (217) Guangxi Beiliu Huasheng Porcelain Ltd

- (218) Guangxi Beiliu Newcentury Ceramic Llc.
- (219) Guangxi Beiliu Qinglang Porcelain Trade Co., Ltd
- (220) Guangxi Beiliu Rili Porcelain Co.,Ltd
- (221) Guangxi Beiliu Xiongfa Ceramics Co., Ltd
- (222) Guangxi Beiliu Yujie Porcelain Co., Ltd
- (223) Guangxi Beiliu Zhongli Ceramics Co., Ltd
- (224) Guangxi Nanshan Porcelain Co., Ltd
- (225) Guangxi Xin Fu Yuan Co. Ltd
- (226) Guangxi Yulin Rongxing Ceramics Co., Ltd
- (227) Guangzhou Chaintime Porcelain Co., Ltd
- (228) Guangzhou Xiongji Imp. & Exp. Co., Ltd
- (229) Haofa Ceramics Co., Ltd of Dehua Fujian
- (230) Hebei Dersun Ceramic Co., Ltd
- (231) Hebei Great Wall Ceramic Co., Ltd
- (232) Hunan Baihua Ceramics Co., Ltd
- (233) Hunan Eka Ceramics Co., Ltd
- (234) Hunan Fungdeli Ceramics Co., Ltd
- (235) Hunan Gaofeng Ceramic Manufacturing Co., Ltd
- (236) Hunan Greture Co., Ltd
- (237) Hunan Huawei China Industry Co., Ltd
- (238) Hunan Huayun Ceramics Factory Co., Ltd
- (239) Hunan Liling Tianxin China Industry Ltd
- (240) Hunan Provincial Liling Chuhua Ceramic Industrial Co., Ltd
- (241) Hunan Quanxiang Ceramics Corp. Ltd
- (242) Hunan Taisun Ceramics Co., Ltd
- (243) Hunan Victor Imp. & Exp. Co., Ltd
- (244) Hunan Wing Star Ceramic Co., Ltd
- (245) Hunan Xianfeng Ceramic Industry Co.,Ltd
- (246) Jiangsu Gaochun Ceramics Co., Ltd
- (247) Jiangsu Yixing Fine Pottery Corp., Ltd
- (248) Jiangxi Global Ceramic Co., Ltd
- (249) Jiangxi Kangshu Porcelain Co.,Ltd
- (250) Jingdezhen F&B Porcelain Co., Ltd
- (251) Jingdezhen Yuanjing Porcelain Industry Co., Ltd
- (252) Jiyuan Jukang Xingxing Ceramics Co., Ltd
- (253) Jooye Arts & Crafts Co., Ltd
- (254) Junior Star Ent's Co., Ltd
- (255) K&T Ceramics International Co., Ltd
- (256) Kam Lee (Xing Guo) Metal and Plastic Fty. Co., Ltd
- (257) Karpery Industrial Co., Ltd
- (258) Kilncraft Ceramics Ltd
- (259) Lian Jiang Golden Faith Porcelain Co., Ltd
- (260) Liling Esion Homeware Co., Ltd
- (261) Liling Gaopeng Ceramic Industry Co., Ltd

- (262) Liling GuanQian Ceramic Manufacture Co., Ltd
- (263) Liling Huahui Ceramic Manufacturing Co., Ltd
- (264) Liling Huawang Ceramics Manufacturing Co., Ltd
- (265) Liling Kaiwei Ceramic Co., Ltd
- (266) Liling Liangsheng Ceramic Manufacture Co., Ltd
- (267) Liling Minghui Ceramic Factory
- (268) Liling Only Co., Ltd
- (269) Liling Quanhu Industries General Company
- (270) Liling Rongxiang Ceramic Co., Ltd
- (271) Liling Ruixiang Ceramics Industrial Co., Ltd
- (272) Liling Santang Ceramics Manufacturing Co., Ltd
- (273) Liling Shenghua Industrial Co., Ltd
- (274) Liling Swan Household Co., Ltd
- (275) Liling Tengrui Industrial and Trading Co.,Ltd
- (276) Liling United Ceramic-Ware Manufacturing Co., Ltd
- (277) Liling Yihong Arts & Crafts Co., Ltd
- (278) Liling Yonghe Porcelain Factory
- (279) Liling Yucha Ceramics Co., Ltd
- (280) Linyi Jinli Ceramics Co., Ltd
- (281) Linyi Pengcheng Industry Co., Ltd
- (282) Linyi Wanqiang Ceramics Co., Ltd
- (283) Linyi Zhaogang Ceramics Co., Ltd
- (284) Liveon Industrial Co., Ltd
- (285) Long Da Bone China Co., Ltd
- (286) Meizhou Gaoyu Ceramics Co., Ltd
- (287) Meizhou Lianshunchang Trading Co., Ltd
- (288) Meizhou Xinma Ceramics Co., Ltd
- (289) Meizhou Yuanfeng Ceramic Industry Co., Ltd
- (290) Meizhou Zhong Guang Industrial Co., Ltd
- (291) Miracle Dynasty Fine Bone China (Shanghai) Co., Ltd
- (292) Photo USA Electronic Graphic Inc.
- (293) Quanzhou Allen Light Industry Co., Ltd
- (294) Quanzhou Chuangli Craft Co., Ltd
- (295) Quanzhou Dehua Fangsheng Arts Co., Ltd
- (296) Quanzhou Haofu Gifts Co., Ltd
- (297) Quanzhou Hongsheng Group Corporation
- (298) Quanzhou Jianwen Craft Co., Ltd
- (299) Quanzhou Kunda Gifts Co., Ltd
- (300) Quanzhou Yongchun Shengyi Ceramics Co., Ltd
- (301) Raoping Bright Future Porcelain Factory (RBF)
- (302) Raoping Sanrao Yicheng Porcelain Factory
- (303) Raoping Sanyi Industrial Co., Ltd
- (304) Raylon Enterprise Co., Ltd
- (305) Rong Lin Wah Industrial (Shenzhen) Co., Ltd

- (306) Shandong Futai Ceramics Co., Ltd
- (307) Shandong Gaode Hongye Ceramics Co., Ltd
- (308) Shandong Kunlun Ceramic Co., Ltd
- (309) Shandong Zhaoding Porcelain Co., Ltd
- (310) Shantou Ceramics Industry Supply & Marketing Corp.
- (311) Shantou Jinyuan Huajing Economic Trading Co., Ltd
- (312) Sheng Hua Ceramics Co., Ltd
- (313) Shenzhen Baoshengfeng Imp. & Exp. Co., Ltd
- (314) Shenzhen Bright Future Industry Co., Ltd (SBF)
- (315) Shenzhen Donglin Industry Co., Ltd
- (316) Shenzhen Ever Nice Industry Co., Ltd
- (317) Shenzhen Evergrows Trading Co., Ltd
- (318) Shenzhen Fuliuyan Porcelain Co., Ltd
- (319) Shenzhen Fuxingjiayun Ceramics Co., Ltd
- (320) Shenzhen Gottawa Industrial Ltd
- (321) Shenzhen Hiker Housewares Ltd
- (322) Shenzhen Senyi Porcelain Industry Co. Ltd
- (323) Shenzhen Tao Hui Industrial Co., Ltd
- (324) Shenzhen Topchoice Industries Limited
- (325) Shenzhen Trueland Industrial Co., Ltd
- (326) Shenzhen Universal Industrial Co., Ltd
- (327) Shenzhen Zhan Peng Xiang Industrial Co., Ltd
- (328) Shijiazhuang Kuangqu Huakang Porcelain Co., Ltd
- (329) Shun Sheng Da Group Co., Ltd Quanzhou Fujian
- (330) Stechcol Ceramic Crafts Development (Shenzhen) Co., Ltd
- (331) Tangshan Beifangcidu Ceramic Group Co., Ltd
- (332) Tangshan Boyu Osseous Ceramic Co., Ltd
- (333) Tangshan Daxin Ceramics Co., Ltd
- (334) Tangshan Golden Ceramic Co., Ltd
- (335) Tangshan Haigelei Fine Bone Porcelain Co., Ltd
- (336) Tangshan Hengrui Porcelain Industry Co., Ltd
- (337) Tangshan Huamei Porcelain Co., Ltd
- (338) Tangshan Huaxincheng Ceramic Products Co., Ltd
- (339) Tangshan Huyuan Bone China Co., Ltd
- (340) Tangshan Imperial-Hero Ceramics Co., Ltd
- (341) Tangshan Jinfangyuan Bone China Manufacturing Co., Ltd
- (342) Tangshan Keyhandle Ceramic Co., Ltd
- (343) Tangshan Longchang Ceramics Co., Ltd
- (344) Tangshan Masterwell Ceramic Co., Ltd
- (345) Tangshan Redrose Porcelain Products Co., Ltd
- (346) Tangshan Shiyu Commerce Co., Ltd
- (347) Tangshan Xueyan Industrial Co., Ltd
- (348) Tangshan Yida Industrial Corp.
- (349) Tao Yuan Porcelain Factory

- (350) Teammann Co., Ltd
 - (351) The China & Hong Kong Resources Co., Ltd
 - (352) The Great Wall Group Holding Co., Ltd
 - (353) Tienshan (Handan) Tableware Co., Ltd (Tienshan)
 - (354) Topking Industry (China) Ltd
 - (355) Tschinawares Co., Ltd
 - (356) Weijian Ceramic Industrial Co., Ltd
 - (357) Weiye Ceramics Co., Ltd
 - (358) Winpat Industrial Co., Ltd
 - (359) Xiamen Acrobat Splendor Ceramics Co., Ltd
 - (360) Xiamen Johnchina Fine Polishing Tech Co., Ltd
 - (361) Xiangqiang Ceramic Manufacturing Co., Ltd
 - (362) Xin Fu Yuan Co. Ltd
 - (363) Xin Xing Xian Xinjiang Pottery Co., Ltd
 - (364) Xinhua County Huayang Porcelain Co., Ltd
 - (365) Xuchang Jianxing Porcelain Products Co., Ltd
 - (366) Yangjiang Shi Ba Zi Kitchen Ware Manufacturing Co., Ltd
 - (367) Yanling Hongyi Import N Export Trade Co., Ltd
 - (368) Ying-Hai (Shenzhen) Industry Dev. Co., Ltd
 - (369) Yiyang Red Star Ceramics Ltd
 - (370) Yong Feng Yuan Industry Co., Ltd (Yong Feng Yuan Industry)
 - (371) Yongchun Dahui Crafts Co., Ltd
 - (372) Youzhou City Kongjia Porcelain Co., Ltd
 - (373) Yu Yuan Ceramics Co., Ltd
 - (374) Yuzhou Huixiang Ceramics Co., Ltd
 - (375) Yuzhou Ruilong Ceramics Co., Ltd
 - (376) Zhangjiakou Xuanhua Yici Ceramics Co., Ltd (Xuanhua Yici)
 - (377) Zhejiang Nansong Ceramics Co., Ltd
 - (378) Zhuhai Luckyman Electronic Co., Ltd
 - (379) Zibo Boshan Shantou Ceramic Factory
 - (380) Zibo CAC Chinaware Co., Ltd
 - (381) Zibo Fortune Light Industrial Products Co., Ltd
 - (382) Zibo Fuxin Porcelain Co., Ltd
 - (383) Zibo GaoDe Ceramic Technology & Development Co., Ltd
 - (384) Zibo Hongda Ceramics Co., Ltd
 - (385) Zibo Jinxin Light Industrial Products Co., Ltd
 - (386) Zibo Kunyang Ceramic Corporation Limited
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ANNEX II

A declaration signed by an official of the entity issuing the commercial invoice, in the following format, must appear on the valid commercial invoice referred to in Article 1(3):

- (1) The name and function of the official of the entity issuing the commercial invoice.
- (2) The following declaration: 'I, the undersigned, certify that the (volume) of ceramic tableware and kitchenware sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in (country concerned). I declare that the information provided in this invoice is complete and correct.'
- (3) Date and signature.

COMMISSION IMPLEMENTING REGULATION (EU) No 1073/2012**of 14 November 2012****establishing the standard import values for determining the entry price of certain fruit and vegetables**

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1234/2007 of 22 October 2007 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products (Single CMO Regulation) ⁽¹⁾,

Having regard to Commission Implementing Regulation (EU) No 543/2011 of 7 June 2011 laying down detailed rules for the application of Council Regulation (EC) No 1234/2007 in respect of the fruit and vegetables and processed fruit and vegetables sectors ⁽²⁾, and in particular Article 136(1) thereof,

Whereas:

- (1) Implementing Regulation (EU) No 543/2011 lays down, pursuant to the outcome of the Uruguay Round multi-lateral trade negotiations, the criteria whereby the

Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in Annex XVI, Part A thereto.

- (2) The standard import value is calculated each working day, in accordance with Article 136(1) of Implementing Regulation (EU) No 543/2011, taking into account variable daily data. Therefore this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 136 of Implementing Regulation (EU) No 543/2011 are fixed in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the day 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, 14 November 2012.

*For the Commission,
On behalf of the President,
José Manuel SILVA RODRÍGUEZ
Director-General for Agriculture and
Rural Development*

⁽¹⁾ OJ L 299, 16.11.2007, p. 1.

⁽²⁾ OJ L 157, 15.6.2011, p. 1.

ANNEX

Standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)		
CN code	Third country code ⁽¹⁾	Standard import value
0702 00 00	AL	40,0
	MA	46,0
	TR	50,7
	ZZ	45,6
0707 00 05	AL	46,1
	EG	140,2
	MK	42,0
	TR	130,3
	ZZ	89,7
0709 93 10	MA	106,9
	TR	123,4
	ZZ	115,2
0805 20 10	ZA	144,8
	ZZ	144,8
0805 20 30, 0805 20 50, 0805 20 70, 0805 20 90	HR	41,4
	TR	78,6
	ZA	181,8
	ZZ	100,6
0805 50 10	AR	57,4
	TR	85,0
	ZA	97,7
	ZZ	80,0
0806 10 10	BR	271,8
	LB	256,9
	PE	260,4
	TR	164,8
	US	281,2
	ZZ	247,0
0808 10 80	CA	157,0
	CL	151,2
	CN	83,7
	MK	38,5
	NZ	162,5
	US	189,1
	ZA	143,6
	ZZ	132,2
0808 30 90	CN	55,5
	TR	115,8
	ZZ	85,7

⁽¹⁾ Nomenclature of countries laid down by Commission Regulation (EC) No 1833/2006 (OJ L 354, 14.12.2006, p. 19). Code 'ZZ' stands for 'of other origin'.

DECISIONS

COMMISSION IMPLEMENTING DECISION

of 13 November 2012

amending Decision 2008/185/EC as regards the inclusion of Ireland, Northern Ireland and the province of Bolzano in Italy in the list of Member States or regions thereof free of Aujeszky's disease

(notified under document C(2012) 7976)

(Text with EEA relevance)

(2012/701/EU)

THE EUROPEAN COMMISSION,

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

Having regard to Council Directive 64/432/EEC of 26 June 1964 on animal health problems affecting intra-Community trade in bovine animals and swine ⁽¹⁾, and in particular Articles 9(2) and 10(2) thereof,

Whereas:

- (1) Directive 64/432/EEC lays down rules applicable to trade in the Union in bovine animals and swine. Article 9 of that Directive lays down criteria for the approval of compulsory national control programmes for certain contagious diseases, including Aujeszky's disease. In addition, Article 10 of that Directive provides that where a Member State considers its territory or part thereof to be free of such diseases, including Aujeszky's disease, it is to present appropriate supporting documentation to the Commission.
- (2) Commission Decision 2008/185/EC of 21 February 2008 on additional guarantees in intra-Community trade of pigs relating to Aujeszky's disease and criteria to provide information on this disease ⁽²⁾ lays down the additional guarantees for movements of pigs between Member States. Those guarantees are linked to the classification of Member States according to their Aujeszky's disease status.
- (3) Annex I to Decision 2008/185/EC lists Member States or regions thereof which are free of Aujeszky's disease and where vaccination is prohibited. Annex II to that

Decision lists Member States or regions thereof where approved national control programmes for the eradication of Aujeszky's disease are in place.

- (4) Ireland, Northern Ireland and the Italian province of Bolzano are currently listed in Annex II to Decision 2008/185/EC, as a Member State or region thereof where approved national control programmes for the eradication of Aujeszky's disease have been implemented.
- (5) Ireland, the United Kingdom as regards Northern Ireland and Italy as regards the province of Bolzano have now submitted documentation in support of their application to declare those Member States and the province of Bolzano free from Aujeszky's disease.
- (6) Following the evaluation of the supporting documentation submitted by Ireland, by the United Kingdom and by Italy, it is appropriate that Ireland, Northern Ireland and the province of Bolzano are no longer listed in Annex II to Decision 2008/185/EC, but instead be listed in Annex I thereto.
- (7) Decision 2008/185/EC should therefore be amended accordingly.
- (8) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS DECISION:

Article 1

Annexes I and II to Decision 2008/185/EC are replaced by the text in the Annex to this Decision.

⁽¹⁾ OJ L 121, 29.7.1964, p. 1977/64.

⁽²⁾ OJ L 59, 4.3.2008, p. 19.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 13 November 2012.

For the Commission
Maroš ŠEFČOVIČ
Vice-President

ANNEX

ANNEX I

Member States or regions thereof free of Aujeszky's disease and where vaccination is prohibited

ISO code	Member State	Regions
BE	Belgium	All regions
CZ	Czech Republic	All regions
DK	Denmark	All regions
DE	Germany	All regions
IE	Ireland	All regions
FR	France	The departments of Ain, Aisne, Allier, Alpes-de-Haute-Provence, Alpes-Maritimes, Ardèche, Ardennes, Ariège, Aube, Aude, Aveyron, Bas-Rhin, Bouches-du-Rhône, Calvados, Cantal, Charente, Charente-Maritime, Cher, Corrèze, Côte-d'Or, Côtes-d'Armor, Creuse, Deux-Sèvres, Dordogne, Doubs, Drôme, Essonne, Eure, Eure-et-Loir, Finistère, Gard, Gers, Gironde, Hautes-Alpes, Hauts-de-Seine, Haute Garonne, Haute-Loire, Haute-Marne, Hautes-Pyrénées, Haut-Rhin, Haute-Saône, Haute-Savoie, Haute-Vienne, Hérault, Indre, Ile-et-Vilaine, Indre-et-Loire, Isère, Jura, Landes, Loire, Loire-Atlantique, Loir-et-Cher, Loiret, Lot, Lot-et-Garonne, Lozère, Maine-et-Loire, Manche, Marne, Mayenne, Meurthe-et-Moselle, Meuse, Morbihan, Moselle, Nièvre, Nord, Oise, Orne, Paris, Pas-de-Calais, Pyrénées-Atlantiques, Pyrénées-Orientales, Puy-de-Dôme, Réunion, Rhône, Sarthe, Saône-et-Loire, Savoie, Seine-et-Marne, Seine-Maritime, Seine-Saint-Denis, Somme, Tarn, Tarn-et-Garonne, Territoire de Belfort, Val-de-Marne, Val-d'Oise, Var, Vaucluse, Vendée, Vienne, Vosges, Yonne, Yvelines
IT	Italy	The province of Bolzano
CY	Cyprus	All regions
LU	Luxembourg	All regions
NL	Netherlands	All regions
AT	Austria	All regions
SI	Slovenia	All regions
SK	Slovakia	All regions
FI	Finland	All regions
SE	Sweden	All regions
UK	United Kingdom	All regions

ANNEX II

Member States or regions thereof where approved national control programmes for the eradication of Aujeszky's disease are in place

ISO code	Member State	Regions
ES	Spain	All regions
HU	Hungary	All regions
PL	Poland	All regions'

COMMISSION IMPLEMENTING DECISION

of 13 November 2012

amending Decision 2008/855/EC as regards the dispatch to other Member States of certain meat and meat products from Member States concerned with areas listed in Part III of the Annex thereto

(notified under document C(2012) 7977)

(Text with EEA relevance)

(2012/702/EU)

THE EUROPEAN COMMISSION,

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

Having regard to Council Directive 89/662/EEC of 11 December 1989 concerning veterinary checks in intra-Community trade with a view to the completion of the internal market ⁽¹⁾, and in particular Article 9(4) thereof,

Having regard to Council Directive 90/425/EEC of 26 June 1990 concerning veterinary and zootechnical checks applicable in intra-Community trade in certain live animals and products with a view to the completion of the internal market ⁽²⁾, and in particular Article 10(4) thereof,

Whereas:

(1) Commission Decision 2008/855/EC of 3 November 2008 concerning animal health control measures relating to classical swine fever in certain Member States ⁽³⁾ lays down certain control measures concerning classical swine fever in the Member States or regions thereof set out in the Annex thereto.

(2) Article 7(1) of Decision 2008/855/EC provides that Member States concerned with areas listed in Part III of the Annex thereto are to ensure that no consignments of fresh pigmeat from holdings located in the areas listed in that Part of that Annex, and meat preparations and meat products consisting of, or containing such meat are dispatched from those areas to other Member States.

(3) Article 8a of Decision 2008/855/EC provides that Member States concerned with areas listed in Part III of the Annex thereto may authorise the dispatch to other Member States of fresh pigmeat and meat preparations and meat products consisting of or containing meat derived from pigs from holdings located outside the areas listed in that Part of the Annex to that Decision under certain conditions.

(4) Article 8c of Decision 2008/855/EC provides that, by way of derogation from Article 7(1) of that Decision, Member States concerned with areas listed in Part III of the Annex thereto may authorise the dispatch to other Member States of fresh pigmeat and meat preparations and meat products consisting of or containing such meat, under certain conditions.

(5) Articles 8a and 8c of Decision 2008/855/EC provide for two channelling systems for fresh pigmeat, meat preparations and meat products consisting of or containing such meat that fulfil certain conditions to ensure that they do not pose a risk as regards the classical swine fever agent. Slaughterhouses, cutting plants and meat processing establishments could therefore work under both systems at the same time without introducing additional risks provided that some further requirements related to the notification of the lists of holdings and establishments are in place. The two provisions governing the two systems can thus be merged and the complying holdings, slaughterhouses, cutting plants and meat processing establishments may be approved accordingly.

(6) In order to ensure a proper monitoring and transparency of the functioning of the channelling system for fresh pigmeat, certain meat preparations and meat products consisting of or containing such meat, it is appropriate that the Member States applying the system keep an updated list of the holdings, slaughterhouses, cutting plants and meat processing establishments approved for the channel system and that this list is timely made available to the Commission and the other Member States.

(7) Decision 2008/855/EC should therefore be amended accordingly.

(8) The measures provided for in this Decision are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS DECISION:

Article 1

Decision 2008/855/EC is amended as follows:

⁽¹⁾ OJ L 395, 30.12.1989, p. 13.

⁽²⁾ OJ L 224, 18.8.1990, p. 29.

⁽³⁾ OJ L 302, 13.11.2008, p. 19.

(1) Article 8a is replaced by the following:

Article 8a

Dispatch of fresh pigmeat and meat preparations and meat products consisting of or containing such meat from Member States concerned with areas listed in Part III of the Annex to other Member States

1. The Member States concerned with areas listed in Part III of the Annex may authorise the dispatch to other Member States of fresh pigmeat derived from pigs which have been kept since birth in holdings located outside the areas listed in Part III of the Annex, and meat preparations and meat products consisting of, or containing such meat, if the meat, the meat preparations and meat products are produced, stored and processed in establishments approved pursuant to paragraph 4.

2. By way of derogation from Article 7(1), Member States with areas listed in Part III of the Annex may authorise the dispatch to other Member States of fresh pigmeat, meat preparations and meat products consisting of or containing such meat provided that:

- (a) the meat derives from pigs which have been kept in holdings located inside the areas listed in Part III of the Annex and which are approved in accordance with paragraph 3;
- (b) they were produced in slaughterhouses, cutting plants and meat processing establishments which are approved in accordance with paragraph 4.

3. The competent authority of the Member State shall only approve holdings for the purpose of paragraph 2(a) provided that those holdings:

- (a) implement a bio-security plan approved by the competent authority;
- (b) have only introduced pigs from holdings which are:
 - (i) approved in accordance with this Decision; or
 - (ii) located in areas not listed in the Annex and not subject to any restrictions for classical swine fever in accordance with national or Union legislation during a period of six months prior to the introduction of the pigs; the period preceding the date of approval of the holding in accordance with this Decision is included in that six-month period;
- (c) are regularly inspected by the competent authority at intervals of not more than three months; during such inspections the competent authority must at least:
 - (i) follow the guidelines laid down in Chapter III of the Annex to Decision 2002/106/EC;

- (ii) carry out a clinical examination in accordance with the checking and sampling procedures laid down in Part A of Chapter IV of the Annex to Decision 2002/106/EC;

- (iii) verify the effective application of the provisions laid down in the second indent and in the fourth to seventh indents of Article 15(2)(b) of Directive 2001/89/EC;

- (iv) immediately suspend or withdraw the approval in case of non-compliance with the above conditions;

- (d) are regularly subjected to a laboratory surveillance scheme where the animals have been subjected to laboratory testing for classical swine fever carried out with negative results on samples taken in accordance with the sampling procedures as laid down in the classical swine fever surveillance plan implemented by the competent authority for a period of at least six months prior to movement to the slaughterhouse;

- (e) are located in the centre of an area of at least 3 km radius in which animals in the pig holdings have been subjected to laboratory testing for classical swine fever carried out with negative results on samples taken in accordance with the sampling procedures as laid down in the classical swine fever surveillance plan implemented quarterly by the competent authorities;

- (f) are located in a county in which:

- a programme for the control and monitoring of classical swine fever approved by the Commission is implemented,

- the incidence and prevalence of classical swine fever in domestic and feral pigs has significantly decreased,

- no evidence of classical swine fever virus circulation in pigs has been detected in the last 12 months.

4. The competent authority of the Member States shall only approve slaughterhouses, cutting plants and meat processing establishments for the purpose of paragraph 1 and of point (b) of paragraph 2 in which the production, storage and processing of the fresh meat and meat preparations and meat products consisting of or containing such meat eligible for dispatch to other Member States is carried out separately from the production, storage and processing of other products consisting of or containing fresh meat and meat preparations and meat products consisting of or containing meat derived from pigs originating in or coming from holdings located in areas listed in Part III of the Annex other than those approved pursuant to paragraph 3.

5. Pigmeat, meat preparations and meat products referred to in paragraphs 1 and 2 shall be marked as follows:

(a) fresh pigmeat shall be marked as provided for in Chapter III of Section I of Annex I to Regulation (EC) No 854/2004;

(b) meat preparations and meat products shall be marked as provided for in Section I of Annex II to Regulation (EC) No 853/2004.

6. Member States applying the provisions of paragraph 1 or the derogation provided for in paragraph 2 shall keep an updated list of the holdings, slaughterhouses, cutting plants and meat processing establishments approved according to paragraphs 3 and 4. That list shall at least indicate the name, address, official registration number, type of establishment and date of approval. That list, and any update of it, shall be notified to the Commission and the other

Member States within 24 hours of the approval of the first holding or establishment or of any subsequent amendment to it.;

(2) Article 8c is deleted.

Article 2

This Decision is addressed to the Member States.

Done at Brussels, 13 November 2012.

For the Commission
Maroš ŠEFČOVIČ
Vice-President

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