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Proposal for a

COUNCIL IMPLEMENTING REGULATION

imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand and terminating the proceeding with regard to Indonesia

EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

This proposal concerns the application of Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community¹ ('the basic Regulation') in the proceeding concerning imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China, Thailand and Indonesia.

- **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation that was carried out in line with the substantive and procedural requirements laid out in the basic Regulation.

- **Existing provisions in the area of the proposal**

By Regulation (EU) No 1071/2012 the Commission imposed 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.

- **Consistency with other policies and objectives of the Union**

Not applicable.

2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Interested parties concerned by the proceeding have had the possibility to defend their interests during the investigation, in line with the provisions of the basic Regulation.

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

This proposal is the result of the implementation of the basic Regulation.

The basic Regulation does not provide for a general impact assessment but contains an exhaustive list of conditions that have to be assessed.

3) LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

On 16 February 2012, the Commission announced by a notice ('notice of initiation'), published in the *Official Journal of the European Union*, the initiation of an anti-dumping proceeding concerning imports into the Union of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China, Thailand

¹ OJ L 343, 22.12.2009, p. 51.

and Indonesia.

The anti-dumping proceeding was initiated following 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 containing evidence of dumping and of material injury resulting therefrom.

On 15 November 2012, the Commission imposed, by Regulation (EU) No 1071/2012, a provisional anti-dumping duty on imports into the Union of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand ranging from 15,9 % to 67,8 %. No provisional anti-dumping duty was imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron originating in Indonesia.

The attached proposal for a Council Regulation is based on the definitive findings which have confirmed the existence of dumping causing injury, and the fact that the imposition of measures is not against the Union interest. The provisional findings were in general confirmed, but the product scope has been narrowed and changes to the calculation of dumping and injury margins have resulted in a reduction of the duty levels that now range from 14,9 % to 57,8 %.

It is proposed that the Council adopt the attached proposal for a Regulation which should be published in the *Official Journal of the European Union* by 15 May 2013 at the latest.

- **Legal basis**

Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community.

- **Subsidiarity principle**

The proposal falls under the exclusive competence of the Union. The subsidiarity principle therefore does not apply.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

The form of action is described in the above-mentioned basic Regulation and leaves no scope for national decision.

Indication of how financial and administrative burden falling upon the Union, national governments, regional and local authorities, economic operators and citizens is minimized and proportionate to the objective of the proposal is not applicable.

- **Choice of instruments**

Proposed instruments: regulation.

Other means would not be adequate for the following reason:

The above-mentioned basic Regulation does not provide for alternative options.

4) BUDGETARY IMPLICATION

The proposal has no implication for the Union budget.

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imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand and terminating the proceeding with regard to Indonesia

THE COUNCIL OF THE EUROPEAN UNION,

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 Community² ('the basic Regulation'), and in particular Article 9 thereof,

Having regard to the proposal submitted by the European Commission after having consulted the Advisory Committee,

Whereas:

A. PROCEDURE

1. Provisional measures

- (1) On 15 November 2012, the European Commission ('the Commission'), by Regulation (EU) No 1071/2012³ ('the provisional Regulation') imposed 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 ('the PRC') and Thailand.
- (2) The proceeding was initiated by a notice of initiation⁴ published on 16 February 2012, following 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').
- (3) As set out in recital (15) to the provisional Regulation, the investigation of dumping and injury covered the period from 1 January 2011 to 31 December 2011 ('investigation period' or 'IP'). The examination of trends relevant for the assessment of injury covered the period from 1 January 2008 to the end of the IP ('period considered').

2. Subsequent procedure

- (4) Subsequent to the disclosure of the essential facts and considerations on the basis of which it was decided to impose provisional anti-dumping measures ('provisional disclosure'), several interested parties made written submissions making their views on

² OJ L 343, 22.12.2009, p. 51.

³ OJ L 318, 15.11.2012, p. 10.

⁴ OJ C 44, 16.2.2012, p. 33.

the provisional findings known. The parties who so requested were also granted the opportunity to be heard.

- (5) The Commission continued to seek and analyse all the information it deemed necessary for its definitive findings.

B. PRODUCT CONCERNED AND LIKE PRODUCT

- (6) One interested party claimed that the product they import should not be part of the product concerned, since its product had certain technical peculiarities. These malleable fittings use tapered threads, contrary to the parallel threads of the other imported malleable fittings.
- (7) However, the investigation has shown that, apart from these technical specifications, these malleable fittings have the same physical and technical characteristics of the other imported malleable fittings. Furthermore, as concerns the use, the investigation has shown that the taper threaded fittings are used in a similar way to the other imported malleable fittings. Indeed, in one Member State where both types are used, they have been found to be interchangeable. The claim was therefore rejected
- (8) One interested party claimed that white-heart malleable threaded fittings can be sold throughout the Union, while black-heart malleable threaded fittings can only be sold in the UK, the Republic of Ireland, Malta and Cyprus. Therefore, black-heart and white-heart malleable threaded fittings do allegedly not compete fully on the Union market.
- (9) However, the investigation has shown that the majority of imports of black-heart malleable threaded fittings originating in the countries concerned go to continental European countries such as Germany, Italy, Poland or Spain. It is therefore concluded that black-heart and white heart malleable threaded fittings fully compete on the Union market, and not only in a limited number of Member States.
- (10) An importer reiterated its claim that bodies of compression fittings should not fall under the definition of the product concerned. That importer argued that bodies of compression fittings have different use and provided supporting evidence that the thread on the body of compression fittings can be easily distinguished from the thread on a standard fitting, because it is done according to a different ISO standard⁵. After considering the evidence that was submitted, it was concluded that the product scope should be limited accordingly.
- (11) Two other interested parties argued for exclusion from the product scope of malleable iron electrical conduit fittings and, in particular, malleable iron threaded circular junction boxes that are a key component of all electrical conduit tube and conduit fittings installations. They claimed that such junction boxes serve different purposes (i.e. containment and protection of electrical wiring systems as opposite to ensuring leak-less flow of gas or water as in the case of standard fittings investigated in this proceeding). They are also easily distinguishable from other fittings (rather than having to be absolutely gas or liquid tight they have light lids when assembled into a system after importation to allow easy access to cables). After careful consideration of those arguments, it was concluded that malleable iron threaded circular junction boxes without having a lid should be excluded from the product scope.
- (12) In view of the above, it was deemed appropriate to revise the product scope definition determined in the provisional Regulation. Therefore, the product concerned is

⁵ Compression fittings use ISO DIN 13 metric threads, while standard threaded fittings usually use ISO 7/1 and ISO 228/1 threads.

definitively defined as threaded tube or pipe cast fittings, of malleable cast iron, currently falling within CN code ex 7307 19 10, excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid.

- (13) In the absence of any other comments concerning the product concerned and the like product, the findings in recitals (17) to (21) and (23) to (28) to the provisional Regulation are hereby confirmed.

C. SAMPLING

- (14) Following provisional disclosure, no comments concerning sampling of Union producers, exporting producers in the PRC and unrelated importers were received. Consequently, the findings set out in recitals (29) to (31) to the provisional Regulation are hereby confirmed.

D. DUMPING

1. People's Republic of China

1.1. Market economy treatment and individual treatment

- (15) In the absence of any comments concerning market economy treatment and individual treatment, the provisional findings in recitals (32) to (46) to the provisional Regulation are hereby confirmed.

1.2. Analogue country

- (16) In the absence of any comments concerning the analogue country, the findings in recitals (47) to (53) to the provisional Regulation are hereby confirmed.

1.3. Normal value, export price, comparison

- (17) One Chinese exporting producer claimed that the normal value should be calculated on the basis of the domestic sales by the sole cooperating analogue country producer, even if they are not made in representative quantities as set out in Article 2(2) of the basic Regulation. The claim can be accepted in the case of an analogue country. Accordingly, domestic sales in the ordinary course of trade by the sole cooperating analogue country producer were used to establish the normal value.

- (18) The same Chinese exporting producer claimed that the dumping margin should be established using all export sales, and not only for the product types directly comparable with the types sold by the analogue country producer on its domestic market. This claim was accepted. For these not directly comparable product types, the normal value was based on the arithmetical average normal value for the matching product types, adjusted by the market value of the differences in the physical characteristics pursuant to Article 2(10)(a) of the basic Regulation.

- (19) In the absence of any other comments concerning the normal value, export price and comparison, the findings in recitals (54), (59) to (61) and (64) to (67) to the provisional Regulation are hereby confirmed.

1.4. Dumping margins

- (20) 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.

- (21) On this basis the definitive dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Dumping Margin
Hebei Jianzhi	57,8 %
Jinan Meide	40,8 %
Qingdao Madison	24,6 %

- (22) 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. Accordingly, this margin was established on the basis of the margins established for the sampled exporting producers.
- (23) On this basis, the dumping margin for the cooperating companies not included in the sample was established at 41,1 %.
- (24) 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 volume of Chinese exports, as established in recital (51) below.
- (25) 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. Therefore, the residual dumping margin was set at the level of the sampled company with the highest dumping margin.
- (26) On this basis the definitive dumping margins expressed as a percentage of the CIF Union frontier price, duty unpaid, are as follows:

Company	Dumping Margin
Hebei Jianzhi	57,8 %
Jinan Meide	40,8 %
Qingdao Madison	24,6 %
Other cooperating companies	41,1 %
All other companies	57,8 %

2. Indonesia

2.1. Normal value, export price and comparison

- (27) In the absence of any comments concerning normal value, export price and comparison, the findings in recitals (75) to (87) and (91) to the provisional Regulation with regard to Indonesia are hereby confirmed.

2.2. Dumping margins

- (28) Given that the level of cooperation was considered 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.
- (29) On this basis the definitive dumping margins for the Indonesian companies 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%

3. Thailand

3.1. Normal value, export price and comparison

- (30) No comments were received that would lead to any change in the methodology applied or the actual dumping calculation performed with regard to Thailand.
- (31) Consequently, the findings in recitals (75) to (88) of the provisional Regulation concerning normal value, export price and comparison with regard to Thailand are hereby confirmed.

3.2. Dumping margins

- (32) A review and fine-tuning of the dumping calculation resulted in a slightly lower dumping margin of 15,5 % for one of the Thai exporting producers. The dumping margin for the other cooperating exporting producer is definitively confirmed at the provisional level.
- (33) Given that the level of cooperation was considered 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.
- (34) On this basis the definitive dumping margins for the 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	15,5 %
Siam Fittings Co., Ltd	50,7 %
All other companies	50,7 %

E. INJURY

1. Union production

- (35) In the absence of any comments with regard to Union production, recital (94) to the provisional Regulation is hereby confirmed. It is added that during the period considered the like product was manufactured by three more producers in the Union

that ceased production between 2008 and 2009, and another producer which ceased production around the end of the period considered.

2. Definition of the Union industry

- (36) Interested parties claimed that both sampled groups of Union producers are importing the product concerned, and should therefore pursuant to Article 4(1)(a) not be considered part of the Union industry.
- (37) In this respect, it was established that both sampled groups of Union producers do indeed import the product concerned. However, first, it should be noted that the finding that a Union producer is also an importer of the product concerned does not lead automatically to the exclusion of this Union producer from the Union industry, and second, for each of the Union producers, these imports were minor compared to the total production and sales of the groups of companies. It is therefore confirmed that both groups of companies are considered part of the Union industry.
- (38) In addition, one interested party claimed that one Union producer should not be considered part of the Union industry, since the Union producer is allegedly related to an importer of the product concerned. However, first, it should be noted that the finding of a relation between a Union producer and an exporter does not lead automatically to the exclusion of this Union producer from the Union industry, and second, no evidence was provided that the relation between the Union producer and the importer, if any, would meet the criteria of Article 4(2) of the basic Regulation. Furthermore, the quantities imported by the allegedly related importer are only a small fraction of the quantities produced and sold by the allegedly related Union producer. Therefore, even if the Union producer and the importer were found related, the Union producer would still be considered part of the Union industry.
- (39) With regard to the definition of the Union industry for the purposes of the injury assessment, all Union producers manufacturing the like product during the period considered are considered to constitute the Union industry and they will therefore be hereafter referred to as the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

3. Union consumption

- (40) One interested party commented on the fact that during the whole period considered, the production of the Union industry exceeds its sales. At the same time, a decrease in stocks was reported, which is implausible as production exceeding sales should lead to an increase in stocks.
- (41) It is noted in this respect that indeed, while at the provisional stage production and stocks were found to have been reported correctly, an error occurred in reporting the Union sales of the Union industry and some sales volumes of the non-sampled Union producers were not completely taken account of. This was corrected and as a consequence, the Union consumption and market shares on the Union market also had to be revised accordingly. Due to the shut-down of three Union producers during the period considered mentioned in recital (113) to the provisional Regulation, the revision with regard to the Union consumption has a more significant impact at the beginning of the period considered.
- (42) Union consumption significantly decreased by 28 % between 2008 and 2009, subsequently increasing by 7 percentage points to a level of 21 % below the consumption at the beginning of the period considered.

Union consumption (tonnes)				
	2008	2009	2010	IP
Union consumption	84 270	60 807	60 640	66 493
<i>Index</i>	<i>100</i>	<i>72</i>	<i>72</i>	<i>79</i>
<i>Source: Complaint data, Eurostat and questionnaire replies</i>				

4. Imports from the countries concerned
- 4.1. Cumulative assessment of the effects of the imports concerned
- (43) With regard to the volumes of the dumped imports from Indonesia, it is definitively confirmed 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.
- (44) In the light of the above, it is definitively decided not to cumulate those imports with the dumped imports from the PRC and Thailand.
- (45) Regarding the cumulative assessment of imports from the PRC and Thailand for the purpose of the injury and causation analysis, interested parties claimed that Thai imports should not be cumulatively assessed with Chinese imports for a number of reasons.
- (46) Firstly, it was argued that the sales quantity of Thai imports is much lower than that of Chinese imports, and that the sales quantity of Thai imports is decreasing in absolute terms. However, the quantity of Thai imports is not negligible, and therefore sufficient to allow cumulation. In addition, even though the Thai imports are decreasing in absolute terms as demonstrated in the table in recital (51) below, they were gaining 19 % of market share during the period considered, as demonstrated in the table in recital (51) below.
- (47) In terms of prices, it was argued that Thai imports are sold, on average, at higher prices than Chinese imports. While this is correct, Thai imports are nevertheless significantly undercutting Union industry prices. Furthermore, the price difference between Thai imports and Chinese imports was constantly decreasing during the period considered from 698 EUR/tonne in 2008 to 472 EUR/tonne during the IP, as shown in the table of recital (108) to the provisional Regulation.
- (48) In the absence of any other claim or comments, the content of recitals (98) to (105) to the provisional Regulation is hereby confirmed.
- 4.2. Volume, market share of the dumped imports concerned, their import prices and undercutting
- (49) Some interested parties claimed that the import volumes for the PRC stated in recital (106) of the provisional Regulation are too high, as the relevant CN code includes all types of malleable cast iron fittings, not only threaded fittings.
- (50) In this respect, it is noted that not the full quantities reported in the CN code were presumed to be threaded fittings. The volumes reported in the provisional Regulation

were already corrected downwards, based on information provided by national customs authorities. These volumes were in line with the information contained in the complaint. Interested parties had sufficient time to comment on this. However, no information in this regard was submitted by any interested party either before the publication of the provisional Regulation, nor within the time limit granted for submitting comments to the provisional Regulation. The Chinese Chamber of Commerce provided some quantified information concerning the allegedly correct level of Chinese imports very late in the procedure, almost two months after the deadline for submitting comments to the provisional Regulation, which means it was provided only almost one year after the initiation of the investigation, when the import figures were disclosed for the first time in the non-limited version of the complaint. The submission of this information outside the deadline does not allow for its verification through an objective process of examination without unduly extending the period of the investigation beyond the overriding 15-month deadline as laid down in Article 6(9) of the basic Regulation. In any case, this information appears to substantially understate the Chinese import quantities, since it is based on estimates concerning exports of cooperating companies only and could not therefore be regarded as accurate. This claim therefore was rejected.

- (51) However, a number of importers provided information concerning their imports of products other than the product concerned imported under the same CN code during the period considered. This information could be taken into account, and the import volumes from the countries concerned were revised downwards accordingly.

Union import volume (tonnes)				
	2008	2009	2010	IP
PRC	24 180	20 876	20 416	28 894
<i>Index</i>	<i>100</i>	<i>86</i>	<i>84</i>	<i>119</i>
Thailand	3 723	2 681	3 331	3 485
<i>Index</i>	<i>100</i>	<i>72</i>	<i>89</i>	<i>94</i>
Two countries concerned	27 903	23 558	23 747	32 379
<i>Index</i>	<i>100</i>	<i>84</i>	<i>85</i>	<i>116</i>
<i>Source: Complaint data, Eurostat and questionnaire replies</i>				

- (52) As a consequence of the issue concerning the Union sales of the Union industry mentioned in recital (41) above, the market share of the dumped imports from the two countries concerned had to be revised as well. The market share of dumped imports from the two countries concerned has increased by 15,6 percentage points from 33,1 % to 48,7 % during the period considered. This market share growth took place to a large extent between 2010 and the IP, during a period of recovering demand.

Union market share				
	2008	2009	2010	IP
PRC	28,7 %	34,3 %	33,7 %	43,5 %
<i>Index</i>	<i>100</i>	<i>120</i>	<i>117</i>	<i>151</i>
Thailand	4,4 %	4,4 %	5,5 %	5,2 %
<i>Index</i>	<i>100</i>	<i>100</i>	<i>124</i>	<i>119</i>
Two countries concerned	33,1 %	38,7 %	39,2 %	48,7 %
<i>Index</i>	<i>100</i>	<i>117</i>	<i>118</i>	<i>147</i>
<i>Source: Complaint data, Eurostat and questionnaire replies</i>				

- (53) One interested party requested the aggregated sales price information by product type for the Union industry should be disclosed. However, since the sample of Union producers was comprised of only two groups of producers, as indicated in recital (111) of the provisional Regulation, for confidentiality reasons the actual aggregated information could not be disclosed. This reason also applies to the disclosure of the aggregated sales price by product type.
- (54) Interested parties claimed that the imports from the countries concerned enter the Union at a different level of trade than the goods sold by the Union producers. Indeed, it was confirmed that this is the case, and the Union industry and the importers typically share a substantial number of customers. The claim could therefore be accepted and an allowance in the form of an adjustment for level of trade was applied.
- (55) As a result the undercutting margins given in recital (110) to the provisional Regulation were revised downwards. Nevertheless, the undercutting margins found typically remain substantial at 25 % to 45 %, with the sole exception of one Thai exporter where the undercutting margin found was around 10 %.
- (56) In the absence of any other claim or comments, the content of recitals (108) to (109) to the provisional Regulation is hereby confirmed.

5. Situation of the Union industry

- (57) In the absence of any claim or comments, recital (111) to the provisional Regulation is hereby confirmed.

5.1. Production, production capacity and capacity utilisation

- (58) In the absence of any comments with regard to production, production capacity and capacity utilisation, recitals (112) to (114) to the provisional Regulation are hereby confirmed.

5.2. Stocks

- (59) In the absence of any comments with regard to stocks, recital (115) to the provisional Regulation is hereby confirmed.

5.3. Sales volume and market share

- (60) As a consequence of the issue mentioned in recital (41) above, the sales volume and market share of the Union industry had to be revised as well. The sales volume of all Union producers on the Union market significantly decreased by 36 % between 2008 and 2009 due to a decreasing demand. After 2009, however, the demand in the Union increased by around 6 000 tonnes, as mentioned in recital (42) above, but the Union sales further decreased by another 5 percentage points or 2 440 tonnes until the end of the period considered.

Union sales volume (tonnes)				
<i>All producers</i>	2008	2009	2010	IP
Union sales	48 823	31 069	30 466	28 629
<i>Index</i>	100	64	62	59
<i>Source: Questionnaire replies sampled Union producers, complaint</i>				

- (61) The market share of the Union industry continuously decreased by 26 % or 14,8 percentage points during the period considered, while the dumped imports gained 15,6 percentage points of market share during the same period, as indicated in recital (52) above.

Union market share				
<i>All producers</i>	2008	2009	2010	IP
Market share	57,9 %	51,1 %	50,2 %	43,1 %
<i>Index</i>	100	88	87	74
<i>Source: Complaint data, Eurostat and questionnaire replies</i>				

- (62) One interested party claimed that the market shares in the non-domestic market segment in the United Kingdom would show different market shares, with the Union industry holding a larger market share, while the market share of Chinese imports would be smaller on this particular segment of the Union market.
- (63) It may very well be the case that the Union industry holds a higher market share in a particular market segment in a single Member State. It is indeed normal that the various economic operators do not have the same market shares in all market segments of all Member States. However, the present injury analysis covers the Union market as a whole. In this respect, it was indeed confirmed that the market share of the Union industry significantly decreased, as explained above.

6. Conclusion on injury

- (64) In the absence of any other claim or comments, the content of recitals (118) to (133) to the provisional Regulation including the conclusion that Union industry has suffered material injury within the meaning of Article 3(5) of the basic Regulation is hereby confirmed.

F. CAUSATION

1. Effect of other factors

1.1. Imports from other third countries

- (65) As a consequence of the issue concerning the Union sales of the Union industry mentioned in recital (41) above, the market share of the other third countries had to be revised as well. 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 during the period considered by 0,8 percentage points, from 9,0 % to 8,2 %.
- (66) The next largest sources of imports during the IP were Brazil, Indonesia and Turkey, which held market shares between 1,3 % and 1,5 %, and all of these countries had stable or decreasing market shares during the period considered.

Import market share				
	2008	2009	2010	IP
Brazil	3,1 %	3,6 %	3,9 %	1,5 %
Indonesia	1,5 %	2,4 %	1,9 %	1,5 %
Turkey	1,3 %	1,9 %	1,8 %	1,3 %
Other Countries	3,0 %	2,3 %	3,1 %	3,9 %
Total	9,0 %	10,2 %	10,6 %	8,2 %
<i>Index</i>	<i>100</i>	<i>114</i>	<i>118</i>	<i>92</i>
<i>Source: Eurostat</i>				

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

1.2. Development of Union consumption

- (68) Interested parties argued that the Union consumption developed negatively due to the emergence of substitute products manufactured with different materials other than malleable cast iron, such as plastic, stainless steel, carbon steel and copper, as well as new connection technologies. As a consequence, some Union producers have broadened their product range, which now also includes some of these substitute products.
- (69) In this respect, it is noted that the substitution effects were addressed in recital (146) to the provisional Regulation. These substitution effects had a negative impact on the Union consumption, which as a consequence had an effect on production and sales volume of the Union producers.
- (70) However, as already indicated in the provisional Regulation, the injurious effect of the shrinking Union consumption was aggravated by the steady increase of dumped imports which gained 15,6 percentage points of market share in a shrinking market. As indicated in recital (60) above, the demand in the Union increased by around 6 000 tonnes between 2009 and the IP, but the Union industry's sales further decreased by another 2 440 tonnes until the end of the period considered in a recovering market.

(71) On the basis of the above, it is concluded that the negative development of Union consumption does not break the causal link between the dumped imports and the injury suffered by the Union industry.

1.3. Decrease in production capacity not due to dumped imports

(72) Interested parties claimed that the decrease in the Union production capacity mentioned in recital (113) to the provisional Regulation is due to the shutdown of three Union producers between 2008 and 2009 due to the economic crisis. This decrease can therefore allegedly not be attributed to imports from the countries concerned.

(73) In this respect, it is pointed out that it was already mentioned in recital (113) to the provisional Regulation that the main reason for the reduction of the production capacity was the shutdown of three Union producers.

(74) However, the shutdown of the three Union producers cannot only be seen as an effect of decreasing demand. During the period considered, the shrinking Union market referred to in recital (42) above has been subject to continuously increasing imports from the countries concerned, which gained 15,6 percentage points of market share, as explained in recital (52) above. It is therefore clear that not only the decreasing demand has contributed to the shutdown of three Union producers and thereby to the decrease of the production capacity of the Union industry. There is also a clear link between the decrease in the Union production capacity and the increasing market share of dumped imports.

1.4. Imports of the product concerned by Union producers

(75) Interested parties claimed that the injury suffered by Union producers was self-inflicted, as they allegedly imported significant quantities of the product concerned. This claim was not supported by the findings of the investigation. Information supplied by both the Union producers and the cooperating exporters showed that, for each of the sampled groups of Union producers, these imports were minor compared to their total production and sales of own-produced goods as already indicated in recital (37) above. Given the insignificance of the volumes of imports of the product concerned by the Union industry, it was concluded that those imports did not contribute to the injury suffered by the Union industry. Consequently, the claim was rejected.

1.5. Use of 2008 as a starting year

(76) Interested parties claimed that the deteriorating trend of the EU industry is largely based on the use of 2008 as a reference point for the period considered. Allegedly, 2008 was an exceptionally good year for the Union industry. However, information included in the complaint suggests that the situation of the EU industry in 2007 was similar or better than the situation in 2008. It is therefore concluded that the finding of injury does not depend on the use of 2008 as a starting year.

2. Conclusion on causation

(77) Account taken of the above and in the absence of any other claim or comments, the content of recitals (134) to (153) to the provisional Regulation is hereby confirmed.

(78) In conclusion, it is confirmed that the material injury of the Union industry, which is characterised by decreasing profitability, production volumes, capacity utilisation, sales volumes and market share was caused by the dumped imports concerned. Indeed,

the effect of decreasing demand on the Union industry's negative developments in terms of production capacity, production and sales was limited.

- (79) Given the above analysis, which has properly distinguished and separated the effects of all the known factors on the situation of the Union Industry from the injurious effects of the dumped imports, it is hereby confirmed that these other factors as such do not reverse the fact that the assessed injury must be attributed to the dumped imports.

G. UNION INTEREST

- (80) In the absence of any comments, recitals (154) to (164) to the provisional Regulation, including the conclusion that no compelling reasons exist against the imposition of measures on the dumped imports from the countries concerned are hereby confirmed.

H. DEFINITIVE MEASURES

1. Injury elimination level

- (81) The injury elimination levels were adjusted to take into account the level of trade adjustment made in the calculation of undercutting as set out in recitals (54) and (55) above. In the absence of any other specific comments, recitals (165) to (170) to the provisional Regulation are hereby confirmed.

2. Definitive measures

- (82) In view of the conclusions reached with regard to dumping, injury, causation and Union interest, and in accordance with Article 9 of the basic Regulation, it is considered that a definitive anti-dumping duty should be imposed on imports of the product concerned originating in the People's Republic of China and Thailand at the level of the lowest of the dumping and injury margins found, in accordance with the lesser duty rule, which is in all, but one, cases the dumping margin.
- (83) Given the high level of cooperation of the 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 respective country. The 'all other companies' duty will be applied to those companies that had not cooperated in the investigation and to companies that have not had exports of the product concerned to the Union during the IP.
- (84) For the cooperating non-sampled Chinese companies listed in the Annex to this Regulation, the definitive duty rate is set at the weighted average of the rates of the sampled companies.

(85) The rates of the definitive anti-dumping duties are as follows:

People's Republic of China

Company	Dumping margin	Injury margin	Duty Rate
Hebei Jianzhi Casting Group Ltd.	57,8 %	96,1 %	57,8 %
Jinan Meide Casting Co., Ltd.	40,8 %	84,4 %	40,8 %
Qingdao Madison Industrial Co., Ltd.	24,6 %	89,4 %	24,6 %
Other cooperating companies	41,1 %	86,3 %	41,1 %
All other companies			57,8 %

Thailand

Company	Dumping margin	Injury margin	Duty Rate
BIS Pipe Fitting Industry Co., Ltd	15,5 %	43,1 %	15,5 %
Siam Fittings Co., Ltd	50,7 %	14,9 %	14,9 %
All other companies			15,5 %

(86) 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 this 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 product concerned originating in the PRC and Thailand and produced by the companies and thus by the specific legal entities mentioned. Imported product concerned produced by any other company not specifically mentioned in the operative part of this Regulation with its name and address, 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’.

(87) Any claim requesting the application of an individual company anti-dumping duty rate (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 Commission⁶ 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

⁶ European Commission, Directorate-General for Trade, Directorate H, Office N105, 1049 Brussels, BELGIUM.

Regulation will then be amended accordingly by updating the list of companies benefiting from individual duty rates.

- (88) With regard to the PRC, in order to ensure equal treatment between any new exporters and the cooperating companies not included in the sample, provision should be made for the weighted average duty imposed on the latter companies to be applied to any new exporters which would otherwise be entitled to a review pursuant to Article 11(4) of the basic Regulation as that Article does not apply where sampling has been used.
- (89) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of a definitive 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, and the definitive collection of the amounts secured by way of the provisional duty ('final disclosure'). They were also granted a period within which they could make representations subsequent to this disclosure.
- (90) Given that following the final disclosure no new arguments that would influence the outcome of the assessment of the case were brought forward, no modification of the findings as detailed above is warranted.

I. UNDERTAKING

- (91) One cooperating Thai exporting producer offered a price undertaking in accordance with Article 8(1) of the basic Regulation. However, the product concerned exists in a multitude of product types (the exporting producer reported over 900 product types sold to the EU), for which prices vary significantly (by up to 200 % within the most sold types but some less sold product types may be even 10 times as expensive as others), thus posing a very high risk of cross-compensation. In addition, the product types may evolve in design and finishing. It was therefore considered that the product is not suitable for a price undertaking. Also, it has been the Commissions consistent practice during the last years not to accept undertakings in cases where the product exists in such a multitude of types. Consequently, the undertaking offer was rejected.

J. DEFINITIVE COLLECTION OF THE PROVISIONAL DUTY

- (92) In view of the magnitude of the dumping margin found and given the level of the injury caused to the Union industry, it is considered necessary that the amounts secured by way of a provisional anti-dumping duty imposed by the provisional Regulation should be definitively collected. Where the definitive duties are higher than the provisional duties, only the amounts secured at the level of provisional duties should be definitively collected, while the amounts secured in excess of the definitive rate of anti-dumping duties should be released.
- (93) As bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid are now excluded from the product scope (see recitals (8) and (11) above), the amounts provisionally secured on imports of bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid should be released.

K. TERMINATION OF THE PROCEEDING WITH REGARD TO INDONESIA

- (94) As explained in recital (43) above, the volumes of the dumped imports from Indonesia can be considered as not constituting a cause of material injury to the Union industry.

Consequently, it is considered that protective measures are not necessary and that the proceeding with regard to Indonesia should be terminated.

(95) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the termination and no objections were raised,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid, 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 definitive anti-dumping duty applicable to the net free-at-Union-frontier price, before duty, of the product described in paragraph 1 and manufactured by the companies listed below, shall be as follows:

Country	Company	Duty Rate	TARIC additional code
People's Republic of China	Hebei Jianzhi Casting Group Ltd. - Yutian County	57,8 %	B335
	Jinan Meide Casting Co., Ltd. - Jinan	40,8 %	B336
	Qingdao Madison Industrial Co., Ltd. - Qingdao	24,6 %	B337
	Hebei XinJia Casting Co., Ltd. - XuShui County	41,1 %	B338
	Shijiazhuang Donghuan Malleable Iron Castings Co., Ltd. – Xizhaotong Town	41,1 %	B339
	Linyi Oriental Pipe Fittings Co., Ltd. - Linyi City	41,1 %	B340
	China Shanxi Taigu County Jingu Cast Co., Ltd. - Taigu County	41,1 %	B341
	Yutian Yongli Casting Factory Co., Ltd. – Yutian County	41,1 %	B342
	Langfang Pannext Pipe Fitting Co., Ltd. - LangFang, Hebei	41,1 %	B343
	Tangshan Daocheng Casting Co., Ltd. - Hongqiao Town, Yutian County	41,1 %	B344
	Tangshan Fangyuan Malleable Steel Co., Ltd. – Tangshan	41,1 %	B345
	Taigu Tongde Casting Co., Ltd. – Nanyang Village, Taigu	41,1 %	B346

	All other companies	57,8 %	B999
Thailand	BIS Pipe Fitting Industry Co., Ltd - Samutsakorn	15,5 %	B347
	Siam Fittings Co., Ltd - Samutsakorn	14,9 %	B348
	All other companies	15,5 %	B999

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

Article 2

1. Amounts secured by way of provisional anti-dumping duties pursuant to Commission Regulation (EU) No 1071/2012 on imports of threaded tube or pipe cast fittings, of malleable cast iron, excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid, 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, shall be definitively collected. The amounts secured in excess of the rates of the definitive anti-dumping duties shall be released.
2. The amounts secured by way of provisional anti-dumping duties pursuant to Commission Regulation (EU) No 1071/2012 on imports of bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without having a lid and originating in the People's Republic of China and Thailand, shall be released.

Article 3

Where any new exporting producer in the People's Republic of China provides sufficient evidence to the Commission that:

- it did not export to the Union the product described in Article 1(1) during the investigation period (1 January 2011 – 31 December 2011),
- it is not related to any of the exporters or producers in the People's Republic of China which are subject to the measures imposed by this Regulation,
- it has actually exported to the Union the product concerned after the investigation period on which the measures are based, or it has entered into an irrevocable contractual obligation to export a significant quantity to the Union,

Article 1(2) may be amended by adding the new exporting producer to the cooperating companies not included in the sample and thus subject to the weighted average duty rate of 41,1 %.

Article 4

The anti-dumping proceeding concerning imports of threaded tube or pipe cast fittings, of malleable cast iron, currently falling within CN code ex 7307 19 10 and originating in Indonesia is hereby terminated.

Article 5

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

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

Done at Brussels,

For the Council
The President