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⁽¹⁾ Text with EEA relevance.

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.

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II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2021/1429

of 31 May 2021

amending Regulation (EU) 2018/956 of the European Parliament and of the Council as regards the data on new heavy-duty vehicles to be monitored and reported by Member States*(Text with EEA relevance)*

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2018/956 of the European Parliament and of the Council of 28 June 2018 on the monitoring and reporting of CO₂ emissions from and fuel consumption of new heavy-duty vehicles ⁽¹⁾, and in particular Article 11(1)(a) thereof,

Whereas:

- (1) In order to provide for a thorough analysis in accordance with Article 10 of Regulation (EU) 2018/956 data is necessary that allow to identify heavy-duty vehicles registered as 'special purpose vehicles' as defined in Annex I, Part A, point 2.2. to Regulation (EU) 2018/858 of the European Parliament and of the Council ⁽²⁾ and to determine the average specific CO₂ emissions of a manufacturer for the purposes of Regulation (EU) 2019/1242 of the European Parliament and of the Council ⁽³⁾. Such data is recorded in position 51 of the certificate of conformity of a newly registered heavy-duty vehicle. It is therefore necessary to adjust the data requirements specified in Annex I, Part A to Regulation (EU) 2018/956 on data to be monitored and reported by Member States.
- (2) Regulation (EU) 2018/956 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Amendment to Regulation (EU) 2018/956

In Annex I, Part A to Regulation (EU) 2018/956 the following point (o) is added:

'(o) for special purpose vehicles registered until 30 June 2021, where available, and for special purpose vehicles registered from 1 July 2021, in all cases, their designation as specified in entry 51 of the certificate of conformity.'

⁽¹⁾ OJ L 173, 9.7.2018, p. 1.

⁽²⁾ Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (OJ L 151, 14.6.2018, p. 1).

⁽³⁾ Regulation (EU) 2019/1242 of the European Parliament and of the Council of 20 June 2019 setting CO₂ emission performance standards for new heavy-duty vehicles and amending Regulations (EC) No 595/2009 and (EU) 2018/956 of the European Parliament and of the Council and Council Directive 96/53/EC (OJ L 198, 25.7.2019, p. 202).

*Article 2***Entry into force**

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 May 2021.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION DELEGATED REGULATION (EU) 2021/1430**of 31 May 2021****supplementing Regulation (EU) 2018/956 of the European Parliament and of the Council by specifying the data to be reported by the Member States for the purposes of verifying the CO₂ emissions and fuel consumption of new heavy-duty vehicles****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2018/956 of the European Parliament and of the Council of 28 June 2018 on the monitoring and reporting of CO₂ emissions from and fuel consumption of new heavy-duty vehicles ⁽¹⁾, and in particular Article 7(2) thereof,

Whereas:

- (1) Regulation (EC) No 595/2009 of the European Parliament and of the Council ⁽²⁾ lays down rules for in-service conformity of vehicles and engines, the durability of pollution control devices, vehicle on-board diagnostic systems and the measurement of fuel consumption and CO₂ emissions.
- (2) In accordance with Article 7(1) of Regulation (EU) 2018/956 the Commission is to monitor, where available, the results of on-road tests performed within the framework of Regulation (EC) No 595/2009 to verify the CO₂ emissions and fuel consumption of new heavy-duty vehicles.
- (3) Commission Regulation (EU) 2017/2400 ⁽³⁾ complements the legal framework for the type-approval of motor vehicles and engines with regard to emissions and vehicle repair and maintenance information established by Commission Regulation (EU) No 582/2011 ⁽⁴⁾. In particular, Regulation (EU) 2017/2400 lays down the rules for issuing licences to operate a simulation tool with a view to determining CO₂ emissions and fuel consumption of new vehicles to be sold, registered or put into service in the Union and for operating that simulation tool and declaring the CO₂ emissions and fuel consumption values thus determined.
- (4) The comprehensive understanding of road tests to verify the CO₂ emissions and fuel consumption of new heavy-duty vehicles requires an analysis of the test reports.
- (5) In case of a failure of an on-road verification testing procedure, further information is needed on the causes of such failure, the follow-up of such failure and on the results of investigations to determine the cause of such failure.
- (6) Information is also necessary on how different test reports are linked to the same vehicle family under investigation.
- (7) In order to allow the Commission to receive in a timely manner the data necessary for monitoring the results of on-road tests in accordance with Article 7(1) of Regulation (EU) 2018/956 and for preparing the annual report in accordance with Article 10 of that Regulation, it is appropriate to specify by when the competent authorities of Member States should report that data,

⁽¹⁾ OJ L 173, 9.7.2018, p. 1.

⁽²⁾ Regulation (EC) No 595/2009 of the European Parliament and of the Council of 18 June 2009 on type-approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and amending Regulation (EC) No 715/2007 and Directive 2007/46/EC and repealing Directives 80/1269/EEC, 2005/55/EC and 2005/78/EC (OJ L 188, 18.7.2009, p. 1).

⁽³⁾ Commission Regulation (EU) 2017/2400 of 12 December 2017 implementing Regulation (EC) No 595/2009 of the European Parliament and of the Council as regards the determination of the CO₂ emissions and fuel consumption of heavy-duty vehicles and amending Directive 2007/46/EC of the European Parliament and of the Council and Commission Regulation (EU) No 582/2011 (OJ L 349, 29.12.2017, p. 1).

⁽⁴⁾ Commission Regulation (EU) No 582/2011 of 25 May 2011 implementing and amending Regulation (EC) No 595/2009 of the European Parliament and of the Council with respect to emissions from heavy duty vehicles (Euro VI) and amending Annexes I and III to Directive 2007/46/EC of the European Parliament and of the Council (OJ L 167, 25.6.2011, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

Data to be reported

For the purposes of Article 7(1) of Regulation (EU) 2018/956, the competent authorities of the Member States shall report the following data:

- (a) test reports referred to in Article 20(1), second subparagraph of Regulation (EU) 2017/2400, at the latest one month after the vehicle manufacturer has provided those reports to the approval authority;
- (b) information on an investigation to determine the cause of failure of a verification testing procedure as referred to in Article 20(2), second subparagraph of Regulation (EU) 2017/2400, at the latest one month after the start of the investigation;
- (c) results of an investigation referred to in Article 20(2), second subparagraph of Regulation (EU) 2017/2400, including information on the causes of failures determined according to the second subparagraph of that Article linked to the certification of components, separate technical units or systems or to the operation of the simulation tool, at the latest one month after the approval authority has determined the cause of the failure;
- (d) testing reports referred to in Article 22(2) of Regulation (EU) 2017/2400 bearing the number of the certificate on CO₂ emissions and fuel consumption related properties of an air drag family for which they have been established, at the latest one month after the manufacturer has provided those reports to the approval authority;
- (e) for each certificate on CO₂ emissions and fuel consumption related properties of an air drag family, which is granted, extended, refused or withdrawn, the documents described in Annex VIII, Appendix 1 and 2, to Regulation (EU) 2017/2400, including the attachments, at the latest one month after those documents have been established or received by the approval authority.

Article 2

Entry into force

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 May 2021.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2021/1431**of 1 September 2021****concerning the authorisation of muramidase produced by *Trichoderma reesei* DSM 32338 as a feed additive for weaned piglets (holder of the authorisation DSM Nutritional Products Ltd, represented in the Union by DSM Nutritional Products Sp. z o.o.)****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 1831/2003 of the European Parliament and of the Council of 22 September 2003 on additives for use in animal nutrition ⁽¹⁾, and in particular Article 9(2) thereof,

Whereas:

- (1) Regulation (EC) No 1831/2003 provides for the authorisation of additives for use in animal nutrition and for the grounds and procedures for granting such authorisation.
- (2) In accordance with Article 7 of Regulation (EC) No 1831/2003, an application was submitted for the authorisation of muramidase produced by *Trichoderma reesei* DSM 32338. The application was accompanied by the particulars and documents required under Article 7(3) of Regulation (EC) No 1831/2003.
- (3) That application concerns the authorisation of muramidase produced by *Trichoderma reesei* DSM 32338 as a feed additive for weaned piglets, to be classified in the additive category 'zootechnical additives' and in the functional group 'other zootechnical additives'.
- (4) The European Food Safety Authority ('the Authority') concluded in its opinion of 27 January 2021 ⁽²⁾ that, under the proposed conditions of use, muramidase produced by *Trichoderma reesei* DSM 32338 does not have an adverse effect on animal health, consumer safety or the environment. The Authority concluded that the additive should be considered a potential respiratory and skin sensitiser and a potential skin and eye irritant. Therefore, the Commission considers that appropriate protective measures should be taken to prevent adverse effects on human health, in particular as regards the users of that additive. The Authority concluded that the additive has the potential to be efficacious as a zootechnical additive in weaned piglets. The Authority does not consider that there is a need for specific requirements of post-market monitoring. It also verified the report on the method of analysis of the feed additive in feed submitted by the Reference Laboratory set up by Regulation (EC) No 1831/2003.
- (5) The assessment of muramidase produced by *Trichoderma reesei* DSM 32338 shows that the conditions for authorisation, as provided for in Article 5 of Regulation (EC) No 1831/2003, are satisfied. Accordingly, the use of that preparation should be authorised as specified in the Annex to this Regulation.
- (6) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

Article 1

The preparation specified in the Annex, belonging to the additive category 'zootechnical additives' and to the functional group 'other zootechnical additives', is authorised as an additive in animal nutrition, subject to the conditions laid down in that Annex.

⁽¹⁾ OJ L 268, 18.10.2003, p. 29.

⁽²⁾ EFSA Journal 2021;19(3):6452.

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, 1 September 2021.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Identification number of the additive	Name of the holder of authorisation	Additive	Composition, chemical formula, description, analytical method	Species or category of animal	Maximum age	Minimum content	Maximum content	Other provisions	End of period of authorisation
						Unit of activity/kg of complete feed with a moisture content of 12 %			
Category of zootechnical additives. Functional group: other zootechnical additives (improvement of the feed to gain ratio).									
4d16	DSM Nutritional Products Ltd. represented in the Union by DSM Nutritional Products Sp. z o.o.	Muramidase (EC 3.2.1.17)	Additive composition Preparation of muramidase (EC 3.2.1.17) (lysozyme) produced by <i>Trichoderma reesei</i> (DSM 32338) having a minimum activity of 60 000 LSU(F) ⁽¹⁾ /g. Solid and liquid forms.	Piglets (weaned)	-	50 000 LSU(F)	65 000 LSU(F)	1. In the directions for use of the additive and premixtures, the storage conditions and stability to heat treatment shall be indicated. 2. For users of the additive and premixtures, feed business operators shall establish operational procedures and organisational measures to address potential risks resulting from its use. Where those risks cannot be eliminated or reduced to a minimum by such procedures and measures, the additive and premixtures shall be used with personal protective equipment, including eyes, skin and breathing protections.	22.9.2031
			Characterisation of the active substance: Muramidase (EC 3.2.1.17) (lysozyme) produced by <i>Trichoderma reesei</i> (DSM 32338).						
			Analytical method ⁽²⁾ For the quantification of muramidase: fluorescence-based enzyme assay method that determines the enzyme-catalyzed depolymerisation of a fluorescein-labelled peptidoglycan preparation at pH 6,0 and 30 °C.						

⁽¹⁾ 1 LSU(F) is defined as the amount of enzyme that increases the fluorescence of 12,5 µg/ml fluorescein-labelled peptidoglycan per minute at pH 6,0 and 30 °C by a value that corresponds to the fluorescence of approximately 0,06 nmol fluorescein isothiocyanate isomer.

⁽²⁾ Details of the analytical methods are available at the following address of the Reference Laboratory: <https://ec.europa.eu/jrc/en/eurl/feed-additives/evaluation-reports>.

COMMISSION IMPLEMENTING REGULATION (EU) 2021/1432**of 1 September 2021**

imposing a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of the Regulation (EU) 2016/1036 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽¹⁾ ('basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

1. PROCEDURE**1.1. Previous investigations and measures in force**

- (1) Following an anti-dumping investigation ('the original investigation'), the Council imposed by means of Council Regulation (EC) No 383/2009 ⁽²⁾ as amended by Implementing Regulation (EU) No 986/2012 ⁽³⁾, a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel ('PSC wires and strands') originating in the People's Republic of China ('China').
- (2) The measures took the form of an ad valorem duty rate of 46,2 %, with the exception of Kiswire Qingdao, Ltd (0 %) as well as Ossen Innovation Materials Co. Joint Stock Company Ltd and Ossen Jiujiang Steel Wire Cable Co. Ltd (both 31,1 %).
- (3) Following a first expiry review pursuant to Article 11(2) of the basic Regulation, the Commission, by Commission Implementing Regulation (EU) 2015/865 ⁽⁴⁾, as last amended by Commission Implementing Regulation (EU) 2019/1382 ⁽⁵⁾ maintained the measures in force.

1.2. Request for an expiry review

- (4) Following the publication of a notice of impending expiry ⁽⁶⁾ of the anti-dumping measures in force on the imports of pre- and post-stressing ('PSC') wires and strands originating in the People's Republic of China ('the PRC' or 'China'), the Commission received a request for review pursuant to Article 11(2) of the basic Regulation.
- (5) The request was submitted on 28 February 2020 by the European Stress Information Service ('ESIS' or 'the applicant'), representing more than 25 % of the total Union production of PSC.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Council Regulation (EC) No 383/2009 of 5 May 2009 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China (OJ L 118, 13.5.2009, p. 1).

⁽³⁾ Council Implementing Regulation (EU) No 986/2012 of 22 October 2012 clarifying the scope of the definitive anti-dumping duties imposed by Regulation (EC) No 383/2009 on imports of certain PSC wires and strands originating in the People's Republic of China (OJ L 297, 26.10.2012, p. 1).

⁽⁴⁾ Commission Implementing Regulation (EU) 2015/865 of 4 June 2015 imposing a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009 (OJ L 139, 5.6.2015, p. 12).

⁽⁵⁾ Commission Implementing Regulation (EU) 2019/1382 of 2 September 2019 amending certain Regulations imposing anti-dumping or anti-subsidy measures on certain steel products subject to safeguard measures (OJ L 227, 3.9.2019, p. 1).

⁽⁶⁾ Notice of the impending expiry of the anti-dumping measures (OJ C 322, 26.9.2019, p. 5).

- (6) The request was based on the grounds that the expiry of the measures would be likely to result in continuation or recurrence of dumping and continuation or recurrence of injury to the Union industry.
- (7) Having determined, after consulting the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, on 4 June 2020 the Commission initiated an expiry review with regard to imports of PSC wires and strands originating in PRC on the basis of Article 11(2) of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union* ⁽⁷⁾ ('the Notice of Initiation').

1.3. Interested parties

- (8) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicant, other known Union producers, exporting producers, importers and users in the Union known to be concerned, and the Chinese authorities of the initiation of the expiry review and invited them to participate.
- (9) All interested parties had the opportunity to comment on the initiation of the review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

1.4. Sampling

- (10) In the Notice of Initiation, the Commission stated that it might sample interested parties, in accordance with Article 17 of the basic Regulation.

1.4.1. Sampling of Union producers

- (11) In its Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. In accordance with Article 17(1) of the basic Regulation, the Commission selected the sample on the basis of the largest representative volume of sales and production in the Union which could reasonably be investigated within the time available, ensuring also geographical representativeness. This sample consisted of three Union producers. The sampled Union producers accounted for 46 % of the estimated total production in the Union in the review investigation period. The Commission invited interested parties to comment on the provisional sample, but did not receive any comments. The provisional sample was therefore confirmed and is considered representative of the Union industry.

1.4.2. Sampling of exporting producers and unrelated importers

- (12) In order to enable the Commission to decide whether sampling would be necessary in respect of the exporting producers in China and of the unrelated importers in the Union, those parties were requested to make themselves known and to provide the Commission with the information requested in the Notice of Initiation. In addition, the Commission requested the Mission of China to the Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation. However, as none of these parties came forward, sampling was not necessary neither for the exporting producers nor the unrelated importers. Since there was no cooperation from the Chinese producers, the findings with regard to the imports from the PRC were made on the basis of the facts available pursuant to Article 18 of the basic Regulation.

⁽⁷⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China (OJ C 185, 4.6.2020, p. 5).

1.5. Questionnaires and verification visits

- (13) The Commission sent questionnaires to the sampled Union producers, as well as to the Government of China ("GOC"). The same questionnaires as well as questionnaires for importers, users and exporting producers had also been made available online ⁽⁸⁾ on the day of the initiation.
- (14) The Commission received questionnaire replies from the three sampled Union producers as well as from the Union producers' association (ESIS).
- (15) In view of the outbreak of COVID-19 and the confinement measures put in place by various Member States, the Commission could not carry out verification visits pursuant to Article 16 of the basic Regulation. The Commission instead cross-checked remotely all the information deemed necessary for its determinations in line with its Notice on the consequences of the COVID-19 outbreak on anti-dumping and anti-subsidy investigations ⁽⁹⁾. The Commission carried out remote crosschecks ("RCC") of the following sampled Union producers:
- D&D Drótáru Ipari és Kereskedelmi, Miskolc, Hungary;
 - Nedri Spanstaal BV, Venlo, Netherlands;
 - Global Special Steel Products SAU, Santander, Spain.

1.6. Subsequent procedure

- (16) On 5 July 2021, the Commission disclosed the essential facts and considerations on the basis of which it intended to maintain the anti-dumping duties in force. All parties were granted a period within which they could make comments on the disclosure.
- (17) Comments were submitted by the applicant. The comments were duly considered and taken into account by the Commission.

1.7. Review investigation period and period considered

- (18) The investigation of a continuation or recurrence of dumping covered the period from 1 January 2019 to 31 December 2019 ('the review investigation period'). The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2016 to the end of the review investigation period ('the period considered').

1.8. Withdrawal of the United Kingdom from the Union

- (19) This case was initiated on 4 June 2020, i.e. during the transition period agreed between the United Kingdom ('UK') and the EU in which the UK remained subject to the Union law. This period ended on 31 December 2020. Consequently, as of 1 January 2021, companies and associations from the UK no longer qualified as interested parties in this proceeding.
- (20) By a note to the case file on 18 January 2021, the Commission invited UK operators that considered that they still qualified as interested party to contact it. No company came forward.
- (21) In order to align the data set collected from interested parties with the fact that the transition period had ended and that the UK was no longer subject to Union law, interested parties concerned were invited to provide a revised questionnaire reply on EU-27 basis.

⁽⁸⁾ https://trade.ec.europa.eu/tdi/case_details.cfm?id=2457

⁽⁹⁾ Notice on the consequences of the COVID-19 outbreak on anti-dumping and anti-subsidy investigations (OJ C 86, 16.3.2020, p. 6).

2. PRODUCT UNDER REVIEW AND LIKE PRODUCT

2.1. Product under review

- (22) The product subject to this review is not plated or not coated wire of non-alloy steel, wire of non-alloy steel plated or coated with zinc and stranded wire of non-alloy steel whether or not plated or coated with not more than 18 wires, containing by weight 0,6 % or more of carbon, with a maximum cross-sectional dimension exceeding 3 mm, currently falling under CN codes ex 7217 10 90, ex 7217 20 90, ex 7312 10 61, ex 7312 10 65 and ex 7312 10 69 (TARIC codes 7217 10 90 10, 7217 20 90 10, 7312 10 61 91, 7312 10 65 91 and 7312 10 69 91) ('the product under review'). Galvanised (but not with any further coating material) seven wire strands in which the diameter of the central wire is identical to or less than 3 % greater than the diameter of any of the 6 other wires are not covered by the measures in force and are not subject to this review ⁽¹⁰⁾.
- (23) The product under review is mostly used as a concrete reinforcement by the construction industry but can also be found in suspension elements and in stay cable bridges. It is produced from high carbon steel wire rods which are cleaned, drawn, heated and – in case of strands – wound together helicoidally to achieve specific characteristics of diameter, resistance and stability.

2.2. Like product

- (24) The investigation showed that the following products have the same basic physical and technical characteristics as well as the same basic uses:
- the product under review originating in China;
 - the product produced and sold on the domestic market of China;
 - the product produced and sold in the Union by the Union industry.
- (25) The Commission concluded that these products are like products within the meaning of Article 1(4) of the basic Regulation.

3. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING

3.1. Preliminary remarks

- (26) During the review investigation period, imports of the product under review from the PRC continued, albeit at much lower levels than in the investigation period of the original investigation (i.e. from January 2007 to December 2007). According to Comext (Eurostat) statistics, imports of PSC from the PRC accounted for less than 0,1 % of the Union market in the review investigation period, compared to a market share of 8,2 % during the original investigation. A similarly low level of market share (less than 0,1 %) was noted during the previous expiry review. In absolute terms, imports from the PRC dropped drastically from almost 86 918 tonnes during the original investigation to 99 tonnes in the previous expiry review and 86 tonnes in the current expiry review.
- (27) As mentioned in recital (12), none of the exporters/producers from the PRC cooperated in the investigation. Thus, the exporting producers failed to submit questionnaire replies, including any data on export prices and costs, domestic prices and costs, consumption of inputs in the production process, manufacturing overheads, capacity, production, investments, etc. Likewise, the GOC and the exporting producers failed to address the evidence on the case file, including the 'Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defense Investigations' ⁽¹¹⁾ ('the Report').

⁽¹⁰⁾ Council Implementing Regulation (EU) No 986/2012 of 22 October 2012 clarifying the scope of the definitive anti-dumping duties imposed by Regulation (EC) No 383/2009 on imports of certain PSC wires and strands originating in the People's Republic of China (OJ L 297, 26.10.2012, p. 1).

⁽¹¹⁾ Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the purposes of Trade Defence Investigations, 20 December 2017, SWD(2017) 483 final/2.

- (28) Therefore, the Commission informed the authorities of the PRC that due to the absence of cooperation, the Commission might apply Article 18 of the basic Regulation concerning the findings with regard to the PRC. The Commission did not receive any comments.
- (29) Consequently, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the likelihood of continuation or recurrence of dumping with regard to the PRC were based on facts available, in particular the information contained in the request for the expiry review and in the submissions by the interested parties, combined with other sources of information, such as trade statistics on imports and exports (Eurostat and GTA), and OECD ⁽¹²⁾, and independent providers of pricing intelligence, news, data, analysis and conferences for the iron and steel industry such as Global Financials published by Dun & Bradstreet ⁽¹³⁾ and Global Trade Alert ⁽¹⁴⁾.

3.2. Continuation of dumping of imports during the review investigation period

3.2.1. Procedure for the determination of the normal value under Article 2(6a) of the basic Regulation

- (30) Given the sufficient evidence available at the initiation of the investigation tending to show, with regard to the PRC, the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission initiated the investigation with regard to this country on the basis of Article 2(6a) of the basic Regulation.
- (31) In order to obtain information it deemed necessary for its investigation with regard to the alleged significant distortions, the Commission sent a questionnaire to the 'GOC'. In addition, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation, within 37 days of the date of publication of the Notice of Initiation in the *Official Journal of the European Union*. No questionnaire reply was received from the GOC and no submission on the application of Article 2(6a) of the basic Regulation was received within the deadline.
- (32) In point 5.3.2 of the Notice of Initiation, the Commission also specified that, according to the information available to the Commission, a possible representative third country for the PRC in this case is India. Pursuant to Article 2(6a)(a) of the basic Regulation the representative country is selected for the purpose of determining the normal value based on undistorted prices or benchmarks. The Commission further stated that it would examine other possibly appropriate representative countries in accordance with the criteria set out in 2(6a)(a) first indent of the basic Regulation.
- (33) On 18 September 2020, the Commission informed interested parties by a note ('the First Note') of the relevant sources it intended to use for the determination of the normal value. In that note, the Commission provided a list of all factors of production such as raw materials, labour and energy that might be used in the production of the product under review. In addition, based on the criteria guiding the choice of undistorted prices or benchmarks, the Commission identified possible representative countries (namely Brazil, Malaysia and Turkey). The Commission received comments on the First Note by the applicant, arguing that Brazil would be significantly less developed than the PRC and therefore be less similar in this criterion than Turkey and Malaysia. Also, relevant and undistorted government data for Brazil for electricity, natural gas and water appears not to be readily available. Further the applicant noted that data extracted for wire rod from GTA referred to code 7213 10, whereas code 7213 91 was more appropriate. The Commission confirmed HS code 7213 91 to correspond to the factor of production wire rod and extracted the data for HS code 7213 91 from GTA. According to this new extract of import data, the Commission's initial selection of potential representative country was still valid. The applicant maintained its position from the request of India being a suitable representative country, however, did not put forward new arguments. No other countries were suggested as suitable candidates.

⁽¹²⁾ https://stats.oecd.org/Index.aspx?DataSetCode=CIF_FOB_ITIC

⁽¹³⁾ <https://globalfinancials.com/index-admin.html>

⁽¹⁴⁾ <https://www.globaltradealert.org/>

- (34) On 21 December 2020, the Commission informed the interested parties by a second note ('the Second Note') of the relevant sources it intended to use for the determination of the normal value, with Turkey as the representative country. It also informed interested parties that it would establish selling, general and administrative costs ('SG&A') and profit based on available information from one producer in the representative country – Celik Halat Vetel Sanayii A.S. No comments on the Second Note were received.

3.2.2. Normal value

- (35) In recent investigations concerning the steel sector in the PRC ⁽¹⁵⁾, the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present. The Commission concluded in this investigation that, based on the evidence available, the application of Article 2(6a) of the basic Regulation was also appropriate.
- (36) In those investigations, the Commission found that there is substantial government intervention in the PRC resulting in a distortion of the effective allocation of resources in line with market principles ⁽¹⁶⁾. In particular, the Commission concluded that in the steel sector, which is the main raw material to produce the product under review, not only does a substantial degree of ownership by the GOC persist in the sense of Article 2(6a)(b), first indent of the basic Regulation ⁽¹⁷⁾, but the GOC is also in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation ⁽¹⁸⁾. The Commission further found that the State's presence and intervention in the financial markets, as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Indeed, overall, the system of planning in the PRC results in resources being concentrated in sectors designated as strategic or otherwise politically important by the GOC, rather than being allocated in line with market forces ⁽¹⁹⁾. Moreover, the Commission concluded that the Chinese bankruptcy and property laws do not work properly in the sense of Article 2(6a)(b), fourth indent of the basic Regulation, thus generating distortions in particular when maintaining insolvent firms afloat and when allocating land use rights in the PRC ⁽²⁰⁾. In the same vein, the Commission found distortions of wage costs in the steel sector in the sense of Article 2(6a)(b), fifth indent of the basic Regulation ⁽²¹⁾, as well as distortions in the financial markets in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, in particular concerning access to capital for corporate actors in the PRC ⁽²²⁾.

⁽¹⁵⁾ Commission Implementing Regulation (EU) 2021/635 of 16 April 2021 imposing a definitive anti-dumping duty on imports of certain welded pipes and tubes of iron or non-alloyed steel originating in Belarus, the People's Republic of China and Russia following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council and Commission Implementing Regulation (EU) 2020/508 of 7 April 2020 imposing a provisional anti-dumping duty on imports of certain hot rolled stainless steel sheets and coils originating in Indonesia, the People's Republic of China and Taiwan.

⁽¹⁶⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 149-150 and Commission Implementing Regulation (EU) 2020/508 recitals 158-159.

⁽¹⁷⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 115-118 and Commission Implementing Regulation (EU) 2020/508 recitals 122-127.

⁽¹⁸⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 119-122 and Commission Implementing Regulation (EU) 2020/508 recitals 128-132: While the right to appoint and to remove key management personnel in SOEs by the relevant State authorities, as provided for in the Chinese legislation, can be considered to reflect the corresponding ownership rights, CCP cells in enterprises, state owned and private alike, represent another important channel through which the State can interfere with business decisions. According to the PRC's company law, a CCP organisation is to be established in every company (with at least three CCP members as specified in the CCP Constitution) and the company shall provide the necessary conditions for the activities of the party organisation. In the past, this requirement appears not to have always been followed or strictly enforced. However, since at least 2016 the CCP has reinforced its claims to control business decisions in SOEs as a matter of political principle. The CCP is also reported to exercise pressure on private companies to put 'patriotism' first and to follow party discipline. In 2017, it was reported that party cells existed in 70 % of some 1,86 million privately owned companies, with growing pressure for the CCP organisations to have a final say over the business decisions within their respective companies. These rules are of general application throughout the Chinese economy, across all sectors, including the stainless steel cold-rolled coils producers and the suppliers of their inputs.

⁽¹⁹⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 123-129 and Commission Implementing Regulation (EU) 2020/508 recitals 133-138.

⁽²⁰⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 130-133 and Commission Implementing Regulation (EU) 2020/508 recitals 139-142.

⁽²¹⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 134-135 and Commission Implementing Regulation (EU) 2020/508 recitals 143-144.

⁽²²⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 136-145 and Commission Implementing Regulation (EU) 2020/508 recitals 145-154.

- (37) In addition to the Report, the request referred to practices affecting the costs and prices in the PSC sector and steel sector steel wire rods are the main input in the production of the PSC):
- from five Chinese largest steel producers, four are State-owned enterprises ('SOE') and as such those companies operate under the ownership, control, and policy supervision of the GOC;
 - there are significant distortions on the steel market, including guidance documents such as the 13th Five Year Steel Plan, the Decision No 40 of the State Council on Promulgation and Implementing the 'Temporary Provisions on Promoting the Industrial Structure Adjustment' ('Decision No 40') and the implementing Guidance Catalogue for the Industrial Structure Adjustment;
 - A number of independent studies confirm existence of distortions in the steel sector: the IMF Country Report No 17/248, People's Republic of China, Selected issues, two publications by the European Chamber of Commerce in China: China Manufacturing 2025 and the European Business in China Position Paper 2016/2017;
 - the costs of raw-materials and energy in the PRC are not the result of free market forces as they are affected by substantial government interventions;
 - the producers of wire rod, which is the main raw material to produce PSC, benefit from preferential lending, since even producers with significant outstanding and long term debt can rely on central or local government to provide financial support when needed.
- (38) As indicated in recital (28), the GOC did not comment or provide evidence supporting or rebutting the existing evidence on the case file, including the Report and the additional evidence provided by the complainant, on the existence of significant distortions and/or on the appropriateness of the application of Article 2(6a) of the basic Regulation in the case at hand.
- (39) Like in previous investigations concerning the steel sector in the PRC, the Commission examined whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file, including the evidence contained in the Report, which relies on publicly available sources. That analysis covered the examination of the substantial government interventions in the PRC's economy in general, but also the specific market situation in the relevant sector including the product under review. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in the PRC as also found by its previous investigations in this respect.
- (40) Specifically in the steel sector, which is the main raw material to produce PSC, a substantial degree of ownership by the GOC persists. Many of the largest producers are owned by the State. Some are specifically referred to in the 'Steel Industry Adjustment and Upgrading plan for 2016-2020'. For instance, the Chinese State-owned Shanxi Taiyuan Iron & Steel Co. Ltd. ('TISCO') mentions on its website that it is 'a super iron and steel giant', which 'developed into an extraordinary large-scale iron and steel complex, which is integrated with business of iron mining, iron and steel production, processing, delivery and trading ⁽²³⁾'. Baosteel is another major Chinese State-owned enterprise that engages in steel manufacturing and is part of the recently consolidated China Baowu Steel Group Co. Ltd. (formerly Baosteel Group and Wuhan Iron & Steel) ⁽²⁴⁾. While the nominal split between the number of SOEs and privately owned companies is estimated to be almost even, from the five Chinese steel producers ranked in the top 10 of the world's largest steel producers, four are SOEs ⁽²⁵⁾. At the same time, while the top ten producers only took up some 36 % of total industry output in 2016, the GOC set the target in the same year to consolidate 60 % to 70 % of steel production to around ten large-scale enterprises by 2025 ⁽²⁶⁾. This intention has been repeated

⁽²³⁾ TISCO, 'Company profile', <http://en.tisco.com.cn/CompanyProfile/20151027095855836705.html> (last viewed 2 March 2020).

⁽²⁴⁾ Baowu, 'Company profile', <http://www.baowugroup.com/en/contents/5273/102759.html> (last viewed 6 May 2021).

⁽²⁵⁾ Report – Chapter 14, p. 358: 51 % private and 49 % SOEs in terms of production and 44 % SOEs and 56 % private companies in terms of capacity.

⁽²⁶⁾ Available at: www.gov.cn/zhengce/content/2016-02/04/content_5039353.htm (last viewed 6 May 2021); https://policy.cn/policy_ticker/higher-expectations-for-large-scale-steel-enterprise/?iframe=1&secret=c8uthafuthefra4e (last viewed 6 May 2021), and www.xinhuanet.com/english/2019-04/23/c_138001574.htm (last viewed 6 May 2021).

by the GOC in April 2019, announcing a release of guidelines on steel industry consolidation⁽²⁷⁾. Such consolidation may entail forced mergers of profitable private companies with underperforming SOEs⁽²⁸⁾. Since there was no cooperation from Chinese exporters of PSC, the exact ratio of the private and state owned PSC producers could not be determined.

- (41) As to the GOC being in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation, due to the lack of cooperation from the side of the PSC producers, it was impossible to establish existence of personal connections between producers of the product under review and the CCP. However, a number of producers of the main raw material to produce PSC, the wire rod, have close connection with the CCP, such as CCP members among the senior management or members of the board of directors. For example, HBIS Group, Jiangsu Shagang, Anshan Iron and Steel Group, Baoshan (Baosteel) and Shougang.
- (42) Both public and privately owned enterprises in the wire rod sector, the main raw material to produce PSC, are subject to policy supervision and guidance. The following examples illustrate the above trend of an increasing level of intervention by the GOC in the wire rod sector. Many wire rod producers explicitly emphasise party building activities on their websites, have party members in the company management and underline their affiliation to the CCP. The investigation revealed party building activities in a number of wire rod producers, including HBIS Group (Hesteel), Jiangsu Shagang, Anshan Iron and Steel Group, Baoshan (Baosteel) and Shougang.
- (43) Further, policies discriminating in favour of domestic producers or otherwise influencing the market in the sense of Article 2(6a)(b), third indent of the basic Regulation are in place in the PSC sector.
- (44) Even though PSC is a specialised industry and no specific policy documents guiding specifically the development of the PSC industry as such could be identified during the investigation, the PSC industry benefits from governmental guidance and intervention concerning the main raw material to manufacture PSC, namely steel.
- (45) The steel industry is regarded as a key industry by the GOC⁽²⁹⁾. This is confirmed in the numerous plans, directives and other documents focused on steel, which are issued at national, regional and municipal level such as the 'Steel Industry Adjustment and Upgrading plan for 2016-2020', valid during the IP period. This Plan stated that the steel industry is 'an important, fundamental sector of the Chinese economy, a national cornerstone⁽³⁰⁾'. The main tasks and objectives set out in this Plan cover all aspects of the development of the industry⁽³¹⁾. The 13th Five-Year Plan on Economic and Social Development⁽³²⁾, applicable during the IP, envisaged support to enterprises producing high-end steel product types⁽³³⁾. It also focuses on achieving product quality, durability and reliability by supporting companies using technologies related to clean steel production, precision rolling and quality improvement⁽³⁴⁾. The 'Catalogue for Guiding Industry Restructuring (2011 Version) (2013 Amendment)'⁽³⁵⁾ ('the Catalogue') lists steel as an encouraged industry.

⁽²⁷⁾ Available at http://www.xinhuanet.com/english/2019-04/23/c_138001574.htm (last viewed 6 May 2021) and http://www.jjckb.cn/2019-04/23/c_137999653.htm (last viewed 6 May 2021).

⁽²⁸⁾ As was the case of the merger between the private company Rizhao and the SOE Shandong Iron and Steel in 2009. See Beijing steel report, p. 58, and the acquired majority stake of China Baowu Steel Group in Magang Steel in June 2019, see <https://www.ft.com/content/a7c93fae-85bc-11e9-a028-86cea8523dc2> (last viewed 6 May 2021).

⁽²⁹⁾ Report, Part III, Chapter 14, p. 346 ff.

⁽³⁰⁾ Introduction to The Plan for Adjusting and Upgrading the Steel Industry.

⁽³¹⁾ Report, Chapter 14, p. 347.

⁽³²⁾ The 13th Five-Year Plan for Economic and Social Development of the People's Republic of China (2016-2020), available at https://en.ndrc.gov.cn/newsrelease_8232/201612/P020191101481868235378.pdf (last viewed 6 May 2021).

⁽³³⁾ Report – Chapter 14, p. 349.

⁽³⁴⁾ Report – Chapter 14, p. 352.

⁽³⁵⁾ Catalogue for Guiding Industry Restructuring (2011 Version) (2013 Amendment) issued by Order No 9 of the National Development and Reform Commission on 27 March 2011, and amended in accordance with the Decision of the National Development and Reform Commission on Amending the Relevant Clauses of the Catalogue for Guiding Industry Restructuring (2011 Version) issued by Order No 21 of the National Development and Reform Commission on 16 February 2013.

- (46) As can be seen from the above examples concerning steel, which is an important raw material to produce PSC, the GOC further guides the development of the PSC sector in accordance with a broad range of policy tools and directives and controls virtually every aspect in the development and functioning of the sector. Thus, the PSC industry benefits from governmental guidance and intervention concerning the main raw materials to manufacture PSC, namely steel.
- (47) In sum, the GOC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of steel, iron and ferroalloys as the main raw materials used in the manufacturing of PSC. Such measures impede market forces from operating freely.
- (48) The present investigation has not revealed any evidence that the discriminatory application or inadequate enforcement of bankruptcy and property laws according to Article 2(6a)(b), fourth indent of the basic Regulation in the PSC sector referred to above in recital (36) would not affect the manufacturers of the product under review.
- (49) The PSC sector is also affected by the distortions of wage costs in the sense of Article 2(6a)(b), fifth indent of the basic Regulation, as also referred to above in recital (36). Those distortion affect the sector both directly (when producing the product under review or the main inputs), as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in the PRC) ⁽³⁶⁾.
- (50) Moreover, no evidence was submitted in the present investigation demonstrating that the PSC sector is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, as also referred to above in recital (36). Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.
- (51) Finally, the Commission recalls that in order to produce PSC, a number of inputs is needed. When the producers of PSC purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.
- (52) As a consequence, not only the domestic sales prices of PSC are not appropriate for use within the meaning of Article 2(6a)(a) of the basic Regulation, but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention, as described in Parts A and B of the Report. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that in itself was produced in the PRC by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.
- (53) No evidence or argument to the contrary has been adduced by the GOC or the exporting producers in the present investigation.
- (54) In sum, the evidence available showed that prices or costs of the product under review, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case. Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as discussed in the following section.

⁽³⁶⁾ See Commission Implementing Regulation (EU) 2021/635 recitals 134-135 and Commission Implementing Regulation (EU) 2020/508 recitals 143-144.

(a) Representative country

(1) *General remarks*

- (55) The choice of the representative country was based on the following criteria pursuant to Article 2(6a) of the basic Regulation:
- A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to the PRC on the basis of the database of the World Bank ⁽³⁷⁾;
 - Production of the product under review in that country ⁽³⁸⁾;
 - Availability of relevant public data in the representative country;
 - Where there is more than one possible representative country, preference was given, where appropriate, to the country with an adequate level of social and environmental protection.
- (56) As explained in recitals (33) and (34), the Commission issued on 18 September and 21 December 2020 two notes to the file on the sources for the determination of the normal value and production factors (the 'First Note' and the 'Second Note'). In the Second Note, the Commission informed interested parties of its conclusion that Turkey was considered as an appropriate representative country at this stage of the investigation.

(2) *A level of economic development similar to the PRC*

- (57) In the First Note, the Commission identified Brazil, Malaysia and Turkey as countries with a similar level of economic development as the PRC according to the World Bank, i.e. they are all classified by the World Bank as 'upper-middle income' countries on a gross national income basis.
- (58) No comments were received concerning the level of economic development following that note.

(3) *Production of the product under review in the representative country*

- (59) In the First Note, the Commission indicated that production of the product under review was identified in Brazil, Malaysia and Turkey. However, Malaysia was excluded as a potential representative country, since only one producer of the product under review was identified, and this producer's last available financial data for 2018 only showed a minimal profit close to break even.

(4) *Availability of relevant public data in the representative country*

- (60) For the countries considered and mentioned above, the Commission further verified the availability of the public data, and in particular public financial data from the producers of the product under review.
- (61) The Commission looked for PSC producers with publicly available financial data that could be used to establish undistorted and reasonable amounts for SG&A expenses and profit. The Commission restricted the search to companies with publicly available profit and loss statements for the RIP and that were profitable in this period. Therefore, the Second Note included only one company in Brazil and one company in Turkey.
- (62) Based on the quality and detail of the publicly available financial data in Brazil and Turkey, and also considering the availability of the benchmarks for factors of production, the Commission considered that Turkey was an appropriate representative country. The Turkish company Celik Halat Vetel Sanayii AS has published its audited accounts, which show the manufacturing overhead cost. In addition, it is also visible from the accounts that the company has an important share of its turnover from sales of the product under review. This level of detail is not available for the Brazilian company.

⁽³⁷⁾ World Bank Open Data – Upper Middle Income, <https://data.worldbank.org/income-level/upper-middle-income>

⁽³⁸⁾ If there is no production of the product under review in any country with a similar level of development, production of a product in the same general category and/or sector of the product under review may be considered.

- (63) The Commission carefully analysed all relevant data available in the file for the factors of production in Turkey and noted the following:
- The Commission analysed the import statistics of wire rod listed in the First Note, as updated by the Second Note, and concluded that there were sufficient imports of wire rod necessary for the production of the product under review in the RIP;
 - Energy statistics (prices for electricity and natural gas) for the RIP were readily available from the Statistical Institute of Turkey ⁽³⁹⁾;
 - Statistics for labour cost were available on the website of the Statistical Institute of Turkey ⁽⁴⁰⁾.
- (64) According to Article 2(6a)(a) of the basic Regulation, the constructed normal value shall include an undistorted and reasonable amount for SG&A and for profits. As stated in recital (34), the Commission held that the selected Turkish company (Celik Halat Vetel Sanayii AS) had publicly available financial statements that could be used as a proxy to determine an undistorted and reasonable amount for SG&A and profits.

(5) Level of social and environmental protection

- (65) Having established that Turkey was an appropriate representative country on the basis of these elements, there was no need to carry out an assessment of the level of social and environmental protection in accordance with the last sentence of Article 2(6a)(a) first indent of the basic Regulation.

(6) Conclusion on representative country

- (66) In view of the above analysis, Turkey met all the criteria laid down in Article 2(6a)(a), first indent, of the basic Regulation, in order to be considered as an appropriate representative country. In particular, Turkey had a sufficient production of the product under review and a complete set of data available for all factors of production, SG&A and profit.

(b) Sources used to establish undistorted costs

- (67) In the Second Note, the Commission stated that, in order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA to establish the undistorted cost of wire rod in the representative country.
- (68) The Commission further stated that the statistics of the ILO would be used to establish the undistorted costs of labour in the representative country; while national statistics, as referred to in recital (63), would be used to establish undistorted energy costs. However, in the end, for its calculation the Commission used the national labour cost statistics of Turkey as they turned out to be more detailed.
- (69) The Commission included in the calculation a value for manufacturing overhead costs in order to cover costs not included in the factors of production referred to above. To establish this amount, it made use of the financial data provided by the cooperating Union producers mentioned in recital (15) above. The methodology is duly explained in Section 3.2.2(e).
- (70) Finally, as stated in the Second Note, the Commission used the financial data from the selected Turkish company, listed in recital (64) to establish SG&A costs and profits.

(c) Undistorted costs and benchmarks

- (71) In the absence of cooperation by Chinese exporting producers in the review procedure, the Commission had to rely on the Union industry in order to establish the factors of production used in the production of PSC. Based on data collected from the Chinese companies during the original investigation and information available on the websites of Chinese PSC producers, their production process and the materials used appear to be similar to the ones provided by the union industry.

⁽³⁹⁾ <https://data.tuik.gov.tr/Kategori/GetKategori?p=cevre-ve-enerji-103&dil=2>

⁽⁴⁰⁾ Report on 'Actual weekly working hours and monthly average labour costs by economic activity, 2012, 2016' published on <https://data.tuik.gov.tr/Search/Search?text=labour>

- (72) In the absence of cooperation, the Commission based the benchmark on the most detailed tariff codes for the factor of production of wire rod within the Turkish tariff codes according to GTA.
- (73) Considering all the information submitted by the Union industry and the absence of comments from the exporting producers on the two notes on the sources for the determination of the normal value concerning the factors of production, the following factors of production and tariff codes, where applicable, have been identified:

Table 1

Factors of production of PSC

Factor of Production	Turkish Tariff Code	Source of data	Unit undistorted value
Raw Material			
Wire rod	7213.91.410013, 7213.91.490013, 7213.91.701013, 7213.917090, 7213.9190	GTA	519,585 EUR/tonne
Labour			
Labour wages in manufacturing sector, NACE C.25	[N/A]	TÜİK – Veri Portalı (tuik.gov.tr)	5,713 EUR/hour
Energy			
Electricity consumer band 2 000 – 20 000 MWh/year)	[N/A]	Turkish statistical institute	0,073 EUR/kWh

(1) *Raw materials*

- (74) In order to establish undistorted prices of materials as delivered at the gate of the producer's factory as provided by Article 2(6a)(a), first indent and considering that there were no cooperating producers in the PRC, the Commission used the import prices into the representative country for each material used in the production of PSC.
- (75) For all raw materials, the Commission relied on import prices in the representative country. The import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC. The Commission decided to exclude imports from the PRC into the representative country as it concluded in recital (54) that it is not appropriate to use domestic prices and costs in the PRC due to the existence of significant distortions in accordance with Article 2(6a)(b) of the basic Regulation. Given that there is no evidence showing that the same distortions do not equally affect products intended for export, the Commission considered that the same distortions affected export prices.
- (76) Import volumes in the representative country from non-WTO members listed in Annex 1 of Regulation (EU) 2015/755 of the European Parliament and of the Council ⁽⁴¹⁾ were also excluded. Article 2(7) of the basic Regulation considers that domestic prices in those countries cannot be used for the purpose of determining normal value. This exclusion did not have a significant impact, as the remaining imports still represented more than 95 % of total import volumes into the representative country.
- (77) In order to establish the undistorted price of raw materials, delivered at the gate of the exporting producer's factory as provided by Article 2(6a)(a), first indent of the basic Regulation, the Commission applied the import duty of the representative country, at the respective levels, depending on the country of origin of the imported materials.

⁽⁴¹⁾ Regulation (EU) 2015/755 of the European Parliament and of the Council of 29 April 2015 on common rules for imports from certain third countries (OJ L 123, 19.5.2015, p. 33).

(2) *Labour*

- (78) To establish the benchmark for labour costs, the Commission used publicly available Turkish national statistics, which includes employer's taxes and levies.

(3) *Electricity*

- (79) To establish the benchmark for electricity, the Commission used the industry's electricity prices by consumption bands published on the website of the Turkish National Statistical Office.

(d) *Manufacturing overhead costs, SG&A and profits*

- (80) Further to the factors of production summarised under recital (73) above, manufacturing overhead costs were calculated, i.e. other direct production costs and utilities, depreciation and other manufacturing overheads. In view of the lack of cooperation from Chinese producers, the calculation of these manufacturing overhead costs was based on the ratio of manufacturing overhead divided by direct production costs reported by the Union industry, 7,87 %. This percentage was applied to the undistorted costs of manufacturing.
- (81) For SG&A and profit, the Commission used the financial data of the Turkish producer Celik Halat Vetel Sanayii AS as published in Global Financials published by Dun & Bradstreet. Publicly available audited accounts of this company was made available to the interested parties as an attachment to the Second Note.

(e) *Calculation of normal value*

- (82) On the basis of the above, the Commission constructed the normal value on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.
- (83) First, the Commission established the undistorted manufacturing costs. In the absence of cooperation by the exporting producers, the Commission relied on the information provided by the Union industry on the consumption of each factor of production (raw materials, labour and energy) for the production of the product under review. These consumption volumes were multiplied by the undistorted costs per unit established in Turkey, as described in Section (d) above.
- (84) Second, to arrive at the undistorted costs of production, the Commission added the percentage of the manufacturing overheads determined as described in recital (80) to the undistorted costs of manufacturing.
- (85) Finally, in addition to the cost of production established as described in recital (84), the Commission applied the SG&A and profit in the representative country established as explained in recital (81). The SG&A and profit expressed as a percentage of direct costs and applied to the undistorted costs of production amounted to 11,62 % and 9,39 % respectively.
- (86) On that basis, the Commission constructed the normal value on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation. Due to the fact that no exporting producers cooperated, the normal value was established on a countrywide basis.

(f) *Export price*

- (87) As the volume of imports in question was very limited, amounting to 86 tonnes in the RIP, and accounting only for 0,34 % of the Union imports in total and 0,02 % of the share in the Union market, and in the absence of cooperation by exporting producers, export prices to the Union were considered unrepresentative. Therefore, the Commission could not make any meaningful conclusion as to whether dumping continued during the RIP.

3.3. Likelihood of recurrence of dumping should the measures be allowed to lapse

- (88) The Commission further investigated the likelihood of recurrence of dumping should the measures be allowed to lapse, in accordance with Article 11(2) of the basic Regulation. The following additional elements were analysed: the relationship between Chinese export prices to third countries and normal value constructed for China, the production capacity and spare capacity in the PRC, availability of other markets and the attractiveness of the Union market.

(a) Exports to third countries

- (89) Based on GTA imports statistics, the Commission identified the two biggest importers of PSC from the PRC during the review investigation period: the Philippines and South Korea. The exported volume to these two markets represent 39 % of the EU consumption. As the Commission concluded that it is not appropriate to use domestic prices and costs in China to establish normal value in this case, the constructed normal value for China, as determined in Section 3.2.2 above, was used as a proxy for comparison with Chinese export prices of PSC to these main markets. This comparison showed that PSC was exported to third countries at prices on average 35 % lower than the normal value constructed for China, which was established at 756 EUR/tonne.

(b) Production capacity and spare capacity in the PRC

- (90) Given the non-cooperation of the GOC and Chinese producers, the production capacity and spare capacity in the PRC were established on the basis of facts available and in particular the information provided by the applicant, in accordance with Article 18 of the basic Regulation.
- (91) According to the applicant, the production capacity in the PRC substantially exceeds the current production volumes and internal demand on the Chinese market. The figures provided in recitals (92) and (93) below relate to the total production of PSC wires.
- (92) According to the data provided in the request, the production of PSC within the PRC amounted to 3,6 million tonnes in the RIP. Chinese demand growth has slowed substantially in recent years showing an average growth of about 2 % with high fluctuations, with 2015 and 2018 showing negative growth. This average growth is lower than the increase in production over the same period. In the RIP the Chinese demand amounted to [3,3-3,4 million tonnes].
- (93) According to the applicant, the spare production capacity of the product under review in the PRC amounts to around 2 million tonnes. The applicant calculated the spare production capacity based on the production development and the capacity calculated on the basis of the last expiry review in the same proceeding ⁽⁴²⁾. The applicant further elaborated that in the period considered Chinese PSC producers have considerably expanded and continue to expand their production capacity, based on a Chinese production index provided in a confidential study.
- (94) Based on the above, the Commission concluded that the Chinese exporting producers have significant spare capacities, which they could use to produce PSC to export to the Union if the measures were allowed to lapse.

(c) Availability of other markets

- (95) There is a wide range of trade defence measures and other import restrictions in force against exports of PSC originating in the PRC. According to Global Trade Alert, e.g. anti-dumping measures are applied in Brazil, Canada, Chinese Taipei, Colombia, Mexico, South Africa, Turkey, Ukraine, UK and USA, anti-subsidy measures are applied in Chinese Taipei and USA and safeguard measures are applied in Chile and UK. Those measures not only limit the access of Chinese producers to the above listed markets but also confirm the continued unfair trade practices of the Chinese PSC producers.

⁽⁴²⁾ Commission Implementing Regulation (EU) 2015/865 of 4 June 2015 imposing a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009 (OJ L 139, 5.6.2015, p. 12).

- (96) Therefore, the Commission concluded that, should the current measures be repealed, it is likely that the Chinese exporting producers would redirect exports towards the Union at dumped prices.

(d) Attractiveness of the Union market

- (97) According to the GTA data, the Chinese exporting producers exported to their main third markets, South Korea and Philippines, at prices 20 % lower as compared to the average sales prices of the Union producers on the Union market (see recital (116). Taking into account this difference in price levels indicated in recital (158), as well as the fact that access to various other markets is limited by trade defence measures as stated in recital (95), exporting to the Union remains very attractive for the Chinese exporters.
- (98) The Union market is also attractive to the Chinese producers in view of its size, with a total consumption of 538 344 tonnes.

(e) Conclusion on the likelihood of recurrence of dumping

- (99) In view of the above, the Commission concluded that, regardless of whether there was dumping during the review investigation period, it is likely that there would be recurrence of dumping from Chinese imports towards the Union should the measures lapse.

3.4. Overall conclusion on the likelihood of continuation or recurrence of dumping

- (100) Although the investigation did not conclude on whether Chinese imports continued to enter the Union market at dumped prices during the RIP, this does not allow for the conclusion that the unfair pricing practices of the Chinese producers of PSC would not recur if measures would lapse.
- (101) Taking into account the substantial export volumes to South Korea and Philippines (211 000 tonnes as compared with a mere 86 tonnes exported to the Union), the prices of those exports to third countries are considered representative to establish potential dumping practices. Continuous unfair pricing practices are also confirmed by the several trade defence measures in force against the Chinese exports of the PSC in other countries.
- (102) Furthermore, the Commission found other indicators that dumping will likely recur should the measures lapse.
- (103) The unused spare capacity in the PRC is very significant and exceeds more than three times the total Union consumption during the review investigation period.
- (104) Finally, the attractiveness of the Union market in terms of size and prices, and the fact that other markets remain closed due to trade defence measures, indicates that it is likely that Chinese exports would be (re)directed towards the Union, should the measures be allowed to lapse.
- (105) Consequently, the Commission concluded that there was a likelihood of recurrence of dumping, if the measures would not be extended.

4. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF INJURY

4.1. Definition of the Union industry and Union production

- (106) During the review investigation period, the like product was manufactured by eighteen producers in the Union. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

4.2. Union consumption

- (107) The Commission established the Union consumption by adding the Union industry's sales on the Union market to the imports from China and other third countries using Eurostat data at TARIC (integrated tariff of the European Union) code level.

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

Table 2

Union consumption

	2016	2017	2018	RIP
Union consumption (tonnes)	532 996	560 601	568 200	538 344
Index (2016 = 100 %)	100	105	107	101

Source: Verified data of the sampled Union producers and industry data, Eurostat (TARIC)

(109) The demand for PSC is driven primarily by the activity in the construction sector (main product application of the product under review). Therefore, the evolution of demand for the product under review reflects a general trend across the construction sector.

(110) Following some recuperation in the construction sector in Europe, the Union consumption rose by around 7 % in 2018 compared to 2016 ⁽⁴³⁾. This consumption increase was followed by a drop of 6 percentage points ⁽⁴⁴⁾ in the RIP (also due to drop in demand linked to wind tower construction in Germany ⁽⁴⁵⁾, which represents large portion of Union PSC consumption) resulting in a minor, 1 % increase in Union consumption over the period considered.

(111) It is noted that the construction activity in the Union further declined by 7,8 % in 2020 compared to the RIP and recovery of the sector to the RIP levels is only foreseen for 2022 (with projected growth of 4,1 % in 2021 and 3,4 % in 2022) ⁽⁴⁶⁾.

4.3. Imports from China

4.3.1. Volume and market share of imports from China

Table 3

Import volume and market share from China

	2016	2017	2018	Review investigation period
Import volume (tonnes)	111	109	78	86
Indexed import volume (2016 = 100)	100	99	71	78
Market share	0,02 %	0,02 %	0,01 %	0,02 %

Source: Eurostat (TARIC level)

⁽⁴³⁾ [https://ec.europa.eu/eurostat/statistics-explained/index.php/Construction_production_\(volume\)_index_overview](https://ec.europa.eu/eurostat/statistics-explained/index.php/Construction_production_(volume)_index_overview)

⁽⁴⁴⁾ It is noted that the construction activity in the Union further declined by 7,8 % in 2020 compared to RIP and recovery of the sector to the RIP levels is only foreseen for 2022 (with projected growth of 4,1 % in 2021 and 3,4 % in 2022) – see Press Release 90th EUROCONSTRUCT Conference Munich, 24 November 2020 available at https://euroconstruct.org/jart/prj3/wifo/data/uploads/euroconstruct/press/2020_90%20-%20EC%20Press%20Release%20Munich.pdf accessed on 5 February 2021.

⁽⁴⁵⁾ See <https://www.cleanenergywire.org/factsheets/german-onshore-wind-power-output-business-and-perspectives>

⁽⁴⁶⁾ Press Release 90th EUROCONSTRUCT Conference Munich, 24 November 2020 (see https://euroconstruct.org/jart/prj3/wifo/data/uploads/euroconstruct/press/2020_90%20-%20EC%20Press%20Release%20Munich.pdf accessed on 5 February 2021).

- (112) The imposition of the measures and their subsequent renewal essentially stopped the flow of Chinese imports of PSC wires and strands. Over the period considered, import volumes from China were low, fluctuating between 78 and 111 tonnes, which represents 0,01-0,02 % market share in the Union. For comparison, the Chinese imports reached 86 918 tonnes (8 % of the Union market) in the investigation period of the original investigation (2007) and in 2010 were already down to 1 % of the Union market.

4.3.2. Prices of imports from China

- (113) The very few sales of the product under review from China to the Union during the review investigation period could not be used to draw any meaningful conclusion.
- (114) The likely export price was therefore established on the basis of exports of PSC from China to certain third countries (see recital (97) above).
- (115) More specifically, a comparison was made between the prices of the like product produced and sold by the Union industry and the prices of PSC produced in China sold to certain third countries (South Korea and Philippines), adjusted to CIF at Union frontier level.
- (116) The price comparison showed a significant likely undercutting margin of 20,3 %.

4.4. Imports from other third countries

- (117) The volume, market share and prices of imports from other third countries developed as follows:

Table 4

Import volume and market share from other third countries

Country		2016	2017	2018	Review investigation period
Total third countries excl. China	Imports (tonnes)	30 460	25 937	31 064	25 500
	Index	100	85	102	84
	Market share	5,7 %	4,6 %	5,5 %	4,7 %
	Price (EUR/tonne)	649	770	872	836
	Index (2016 = 100)	100	119	134	129
Thailand	Imports (tonnes)	3 965	5 174	9 972	11 337
	Market share	0,7 %	0,9 %	1,8 %	2,1 %
	Price (EUR/tonne)	607	700	859	759
Russia	Imports (tonnes)	11 292	13 875	8 861	4 875
	Market share	2,1 %	2,5 %	1,6 %	0,9 %
	Price (EUR/tonne)	589	717	814	746
South Korea	Imports (tonnes)	12 600	2 457	3 942	3 968
	Market share	2,4 %	0,4 %	0,7 %	0,7 %
	Price (EUR/tonne)	608	835	896	905

Other third countries (excl. China, Thailand, South Korea and Russia)	Imports (tonnes)	2 602	4 431	8 290	5 320
	Market share	0,5 %	0,8 %	1,5 %	1,0 %
	Price (EUR/tonne)	1 171	985	939	1 030

Source: Eurostat (TARIC level)

- (118) Based on data reported in Eurostat at the TARIC level, imports from other third countries totalled 25 500 tonnes in RIP. Over the period considered, the third country imports (excluding PRC) had relatively stable market share of 4,6–5,7 %. Throughout the entire period considered, imports from Thailand and Russia accounted for more than 50 % of the overall imports. Other exporting countries with non-negligible Union import quantities included Ukraine, Turkey and South Korea.
- (119) Over the period considered, the weighted average price of imports from third countries was on average 5,2 % higher than the average price of the sampled Union producers (see Table 8), which is likely to explain the stability of the market share of imports.

4.5. Economic situation of the Union industry

4.5.1. General remarks

- (120) 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 indicators having a bearing on the state of the Union industry during the period considered.
- (121) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of the data provided by the Union industry association (ESIS) and verified questionnaire replies of the sampled Union producers. The data related to all Union producers. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaire replies from the sampled Union producers. The data related to the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.
- (122) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the dumping margin, and recovery from past dumping.
- (123) The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments and ability to raise capital.

4.5.2. Macroeconomic indicators

4.5.2.1. Production, production capacity and capacity utilisation

- (124) The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 5

Production, production capacity and capacity utilisation of Union producers

	2016	2017	2018	Review investigation period
Production volume (tonnes)	640 180	687 215	678 242	658 922

Index (2016 = 100)	100	107	106	103
Production capacity (tonnes)	838 776	850 085	866 952	946 481
Index (2016 = 100)	100	101	103	113
Capacity utilisation	76 %	81 %	78 %	70 %

Source: Data provided by the Union industry and verified questionnaire replies of the sampled Union producers.

- (125) The Union production increased by 3 % over the period considered and followed largely the evolution of the consumption (i.e. increase of 5-7 % in 2017-2018, followed by a drop in RIP) of the product under review in the Union market.
- (126) The production capacity increased in RIP by 10 % compared to 2018 (overall by 13 % during the period considered) due to investments made by several Union producers (including into new production lines), based on demand trends 2017-2018, when the construction sector has been growing.
- (127) Changes in the above indicators (i.e. production capacity increase outpacing the actual production) led to a drop in capacity utilisation levels. While remaining viable, the utilisation levels decreased from 76 % to 70 % over the period considered.

4.5.2.2. Sales volume and market share

- (128) The Union industry's sales volume and market share developed over the period considered as follows:

Table 6

Sales volume and market share of Union producers

	2016	2017	2018	Review investigation period
Sales volume in the Union (tonnes)	500 026	532 455	534 957	510 857
Index (2016 = 100)	100	106	107	102
Market share	94 %	95 %	94 %	95 %

Source: Data provided by the Union industry and verified questionnaire replies of the sampled Union producers.

- (129) Sales volume of the like product by the Union industry increased by 2 % over the period considered in line with the evolution of the Union consumption.
- (130) Market share of the Union industry remained stable during the period considered.

4.5.2.3. Growth

- (131) Between 2016 and the RIP, the Union consumption increased by 1 %. The sales volume of the Union industry increased by 2 %, which translated into a slightly increased market share (95 %) in the RIP, up by 1 % compared to 2016.

4.5.2.4. Employment and productivity

(132) Employment and productivity developed over the period considered as follows:

Table 7

Employment and productivity of Union producers

	2016	2017	2018	Review investigation period
Number of employees	957	983	1 040	1 053
Index (2016 = 100)	100	103	109	110
Productivity (tonnes/employee)	669	699	652	626
Index (2016 = 100)	100	104	98	94

Source: Data provided by the Union industry and verified questionnaire replies of the sampled Union producers.

(133) Employment of the Union industry increased by 10 % during the period considered. Due to the slower increase in production over that period, the productivity decreased by 6 % over the same period.

4.5.2.5. Magnitude of the dumping margin and recovery from past dumping

(134) As concluded in the recital (87), the Chinese export sales to the Union were not considered representative of the price and the quantities. Therefore no dumping could be established during this period in the Union market.

(135) Relieved from the pressure of dumped imports from China, the Union industry managed to overcome the challenges posed by demand fluctuations and rising prices of wire rod, the main raw material of PSC. However, the industry is still vulnerable, as evidenced by the profit levels around break-even and the high volatility of demand.

4.5.3. Microeconomic indicators

4.5.3.1. Prices and factors affecting prices

(136) The average sales prices of the Union industry to unrelated customers in the Union and unit cost developed over the period considered as follows:

Table 8

Average sales prices in the Union and unit cost

	2016	2017	2018	Review investigation period
Average unit selling price in the Union (EUR/tonne)	639	715	868	752
Index (2016 = 100)	100	112	136	118
Unit cost of production (EUR/tonne)	676	746	860	803
Index (2016 = 100)	100	110	127	119

Source: verified questionnaire replies of the sampled Union producers.

- (137) The Union industry's average unit selling price to unrelated customers in the Union increased by 18 % over the period considered, with a temporary price increase of 36 % in 2018 compared to 2016.
- (138) The evolution of sales prices essentially reflected the increase in the cost of production, principally in the cost of wire rod, main raw material used in producing PSC wires and strands. Slight reversal in this trend in 2019 mirrors the price pressure resulting from the combined effect of the depression of the Union consumption.

4.5.3.2. Labour costs

- (139) The average labour costs developed over the period considered as follows:

Table 9

Average labour costs per employee

	2016	2017	2018	Review investigation period
Average labour costs per employee (EUR/employee)	39 592	40 377	41 721	42 371
Index (2016 = 100)	100	102	105	107

Source: verified questionnaire replies of the sampled Union producers.

- (140) The average labour costs per employee increased by 7 % over the period considered.

4.5.3.3. Stocks

- (141) Stock levels developed over the period considered as follows:

Table 10

Stocks

	2016	2017	2018	Review investigation period
Closing stocks (tonnes)	8 871	10 597	9 827	9 096
Index (2016 = 100)	100	119	111	103
Closing stocks as a percentage of production	3,0 %	3,7 %	3,5 %	3,1 %

Source: verified questionnaire replies of the sampled Union producers.

- (142) The level of closing stocks of the sampled Union producers remained stable over the period considered, with a modest increase of 3 %. In the RIP, the level of stocks represented around 3 % of their production. The aforesaid is indicative of very balanced ratio between sales and production of the sampled Union producers.

4.5.3.4. Profitability, cash flow, investments, return on investments and ability to raise capital

- (143) Profitability, cash flow, investments and return on investments developed over the period considered as follows:

Table 11
Profitability, cash flow, investments and return on investments

	2016	2017	2018	Review investigation period
Profitability of sales in the Union to unrelated customers (% of sales turnover)	2 %	1 %	6 %	-1 %
Cash flow (EUR)	8 026 311	2 095 475	14 174 734	6 744 880
Index (2016 = 100)	100	26	177	84
Investments (EUR)	1 070 047	3 374 137	3 419 199	4 322 493
Index (2016 = 100)	100	315	320	404
Return on investments	9 %	6 %	37 %	-9 %

Source: verified questionnaire replies of the sampled Union producers.

- (144) The Commission established the profitability of the Union industry by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. Overall, profitability was low, fluctuating around break-even point during the period considered, except for 2018. More specifically, the profitability of the sampled Union producers improved during the period considered up to 2018 from 2 % to reach 6 %, when high demand resulting from the market growth in the Union construction sector was coupled with the ability of the Union PSC producers to pass on the wire rod cost increases. Profitability then dropped slightly below a break-even point in the RIP. The negative profitability and decline in sales prices in 2019 resulted from weaker than expected demand and high prices of wire rod in the said year.
- (145) The net cash flow is the Union industry's ability to finance its activities. The net cash flow remained positive over the entire period considered and in the second half of the period showed the same trend as profitability, i.e. a marked improvement in the 2018, followed by a drop of 16 % in the review investigation period compared to the beginning of the period considered.
- (146) The fourfold increase in investments over the period considered is indicative of the Union industry's continued efforts to increase efficiency, penetrate new markets and remain competitive on the Union market as well as globally. The investments mainly concerned upgrade and replacement of the production facilities and equipment.
- (147) The return on investment from the production and sale of the like product showed the same trend as profitability, being positive for the first three years of the period considered, sharply increasing in 2018 to then turning negative (- 9 %) in the review investigation period.
- 4.5.4. Conclusion on the situation of the Union industry*
- (148) The investigation showed that the situation of the industry on a macro level was stable, in line with the overall modestly increasing trend in consumption (+ 1 % over the period considered), which influenced the modest increase in the Union industry's production and sales volume.
- (149) The investigation has also shown that the situation of the industry on a micro level was rather positive, although still vulnerable. Profitability and cash flow have been positive over the period considered, with the profitability only turning negative (yet, very close to break-even) in the review investigation period due to lower than projected demand in the construction sector. However, with a recovery in the Union construction market, the situation of the Union industry is expected to improve.
- (150) The economic situation of the Union industry was thus non-injurious and the existence of anti-dumping measures on the imports of the product under review from China was the main reason for the relatively positive situation.

- (151) On the basis of the above, the Commission concluded that the Union industry did not suffer material injury during the review investigation period within the meaning of Article 3(5) of the basic Regulation.

5. LIKELIHOOD OF A RECURRENCE OF INJURY

- (152) The Commission concluded in recital (151) that the Union industry did not suffer material injury during the review investigation period. Thus, the Commission further examined the likelihood of recurrence of injury originally caused by dumped imports from China if measures were allowed to lapse.
- (153) To establish the likelihood of recurrence of injury should the measures lapse, the following elements were analysed: (a) production capacity and spare capacity in China; (b) likely price levels of imports from China in the absence of anti-dumping measures; and (c) attractiveness of the Union market.

5.1. Production capacity and spare capacity in China

- (154) Despite the significant Chinese consumption, the pace of production (in excess of 233 000 tonnes) exceeded the domestic consumption, hence increasing pressure on exports to third countries.
- (155) Moreover, China's over-capacity is also apparent – according to the information provided by the applicant, China had an annual output of around 3,6 million tonnes for PSC wires and strands in 2019 and an estimated capacity of between 4,5 and 5,6 million tonnes ⁽⁴⁷⁾. Unused spare production capacity in China (that is around 2 million tonnes) is at least three times the size of the Union market.

5.2. Likely price levels of imports from China in the absence of anti-dumping measures and impact on the Union industry

- (156) In recital (96) it was concluded that it is likely that the Chinese exporting producers would export large quantities of PSC wires and strands to the Union should measures be allowed to lapse and that these exports would likely be made at dumped prices.
- (157) Imposition of measures in 2009 appears to have dissuaded Chinese exporters from continuing dumping their product on the Union market in large volumes and at low prices. As a result, there are only insignificant volumes of imports from China into the Union.
- (158) As regards, Chinese export prices to their main export destinations (South Korea and Philippines, accounting for approximately 40 % of the Union consumption) undercut the Union industry's sales price by 20,3 %. This shows that Chinese exporters have been redirecting major proportion of their exports to other markets at price levels much lower than Union industry's sales price on the Union market.

5.3. Attractiveness of the Union market

- (159) As mentioned in recitals (97) and (98), the Union market is attractive in terms of size and price level.
- (160) The large size of the Union market, current relative strength of its currency and higher Union prices compared to other major third country markets for Chinese producers, make the Union a highly attractive market. Indeed, the high likely undercutting margin based on a comparison of Chinese export prices to third countries and Union industry prices, makes the Union market more attractive than other major export markets to Chinese producers. If measures are allowed to lapse, the Chinese exporting producers could export to the Union at prices above those to third countries whilst still undercutting the Union industry's prices.

⁽⁴⁷⁾ In accordance with the figures set out in the Commission Implementing Regulation (EU) 2015/865 of 4 June 2015 imposing a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009, recital 46 and based on the fact that the production capacity grew at the same rate as production in China.

- (161) Moreover, as mentioned in recital (95), also other big markets, such as US, Brazil, Canada and Turkey have measures against imports of PSC from China. Therefore, should the Union measures lapse, the Union would naturally be a very attractive market for Chinese exports.

5.4. Conclusion

- (162) In view of the findings of the investigation, namely the estimated Chinese spare capacity and the expected price levels of Chinese exports to the EU, it is considered that the non-extension of the measures would in all likelihood lead to a recurrence of injury and would deteriorate the still vulnerable situation of the Union industry due to the likely increase of Chinese imports at dumped prices undercutting the Union industry's sales prices.

6. UNION INTEREST

- (163) In accordance with Article 21 of the basic Regulation, the Commission examined whether maintaining the existing anti-dumping measures against China would be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers and users.
- (164) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.
- (165) On this basis, the Commission examined whether, despite the conclusions on the likelihood of a recurrence of dumping and recurrence of injury, compelling reasons existed which would lead to the conclusion that it was not in the Union interest to maintain the existing measures. It is recalled that, in the original investigation, the adoption of measures was considered not to be against the interest of the Union.

6.1. Interest of the Union industry

- (166) As explained in recital (150), the measures enabled the Union industry to create and uphold its relatively positive microeconomic situation. Union industry is recovering and has taken measures to improve efficiency and invested to remain competitive. However, the industry is still vulnerable, as evidenced by the profit levels around break-even resulting from a limited ability to pass on the raw material price increases and a decline in activity in the construction sector (which has high volatility of demand). Termination of the measures would therefore likely result in recurrence of material injury by the low-priced dumped imports that would enter the Union market, leading to a further deterioration of the vulnerable state of the Union industry.
- (167) Should the measures be maintained, it is expected that the Union industry will be able to realise its operating investments, eventually improve its profitability and preserve the sizeable workforce.
- (168) Therefore, the continuation of the measures against China would benefit the Union industry.

6.2. Interest of importers/traders

- (169) As mentioned in recital (12), no importers came forward following the publication of the notice of initiation and during the investigation (situation similar to the previous expiry review). Although it cannot be ruled out that the imposition of the measures had a negative impact on their activity, importers are not dependent on China and can source the product under review from other supplying countries such as Thailand and Russia. Therefore, it is concluded (similar to the conclusion reached in the previous expiry review investigation) that from the importers' perspective, there are no compelling reasons not to extend the existing measures.

6.3. Interest of users

- (170) No user came forward following the publication of the notice of initiation and during the investigation. Therefore, there were no indications that the conclusions reached in the last expiry review investigation ⁽⁴⁸⁾ are no longer valid and that the maintenance of the measures would have a negative impact on the users outweighing the positive impact of the measures.

6.4. Conclusion on Union interest

- (171) In view of the above, the Commission concluded that there were no compelling reasons of Union interest against the extension of the current anti-dumping measures on imports from China.

7. ANTI-DUMPING MEASURES

- (172) It follows from the above considerations that, under Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China, applicable under Regulation (EU) 2015/865, as amended by Regulation (EU) 2019/1382 should be maintained.
- (173) The individual company anti-dumping duty rates specified in this Regulation are exclusively applicable to imports of the product under review produced by the named legal entities. Imports of the product under review 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 should be subject to the duty rate applicable to 'all other companies'. They should not be subject to any of the individual anti-dumping duty rates.
- (174) A company may request the application of these individual anti-dumping duty rates if it changes subsequently the name of its entity. The request must be addressed to the Commission ⁽⁴⁹⁾. The request must contain all the relevant information enabling to demonstrate that the change does not affect the right of the company to benefit from the duty rate which applies to it. If the change of name of the company does not affect its right to benefit from the duty rate which applies to it, a regulation about the change of name will be published in the *Official Journal of the European Union*.
- (175) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to recommend that the existing measures be maintained. They were also granted a period to make representations subsequent to this disclosure. Comments were received from the applicant on the scope of the safeguard measures described in recitals (177)-(178) below.
- (176) In view of Article 109 of Regulation (EU, Euratom) 2018/1046 ⁽⁵⁰⁾, when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.

⁽⁴⁸⁾ Commission Implementing Regulation (EU) 2015/865 of 4 June 2015 imposing a definitive anti-dumping duty on imports of certain pre- and post-stressing wires and wire strands of non-alloy steel (PSC wires and strands) originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009 (OJ L 139, 5.6.2015, p. 12), recitals 121-123.

⁽⁴⁹⁾ European Commission, Directorate-General for Trade, Directorate H, Rue de la Loi 170, 1040 Brussels, Belgium.

⁽⁵⁰⁾ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

- (177) By Commission Implementing Regulation (EU) 2019/159 ⁽³¹⁾, the Commission imposed a safeguard measure with respect to certain steel products for a period of three years. By Commission Implementing Regulation (EU) 2021/1029 ⁽³²⁾, the safeguard measure was prolonged until 30 June 2024. The product under review (more specifically the product currently falling under CN codes ex 7217 10 90, ex 7217 20 90) is one of the product categories covered by the safeguard measure. Consequently, once the tariff quotas established under the safeguard measure are exceeded, both the above-quota tariff duty and the anti-dumping duty would become payable on the same imports. As such cumulation of anti-dumping measures with safeguard measures may lead to an effect on trade greater than desirable, the Commission decided to prevent the concurrent application of the anti-dumping duty with the above-quota tariff duty for the product under review for the duration of the imposition of the safeguard duty.
- (178) This means that where the above-quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 becomes applicable to the product under review and exceeds the level of the anti-dumping duties pursuant to this Regulation, only the above-quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 shall be collected. During the period of concurrent application of the safeguard and anti-dumping duties, the collection of the duties imposed pursuant to this Regulation shall be suspended. Where the above-quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 becomes applicable to the product under review and is set at a level lower than the level of the anti-dumping duties in this Regulation, the above-quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 shall be collected in addition to the difference between that duty and the level of the anti-dumping duties imposed pursuant to this Regulation. The part of the amount of anti-dumping duties not collected shall be suspended.
- (179) The measures provided for in this Regulation are in accordance with the opinion of the Committee established by Article 15(1) of the basic Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

(1) A definitive anti-dumping duty is hereby imposed on imports of not plated or not coated wire of non-alloy steel, wire of non-alloy steel plated or coated with zinc and stranded wire of non-alloy steel whether or not plated or coated with not more than 18 wires, containing by weight 0,6 % or more of carbon, with a maximum cross-sectional dimension exceeding 3 mm, currently falling under CN codes ex 7217 10 90, ex 7217 20 90, ex 7312 10 61, ex 7312 10 65 and ex 7312 10 69 (TARIC codes 7217 10 90 10, 7217 20 90 10, 7312 10 61 91, 7312 10 65 91 and 7312 10 69 91) and originating in the People's Republic of China. Galvanised (but not with any further coating material) seven wire strands in which the diameter of the central wire is identical to or less than 3 % greater than the diameter of any of the 6 other wires shall not be covered by the definitive anti-dumping duty.

(2) The rate of the definitive anti-dumping duty applicable to the net, free-at-Union-frontier price, before duty, of the products described in paragraph 1 and produced by the companies listed below, shall be as follows:

Company	TARIC additional code	Anti-dumping duty
Kiswire Qingdao, Ltd, Qingdao	A899	0 %
Ossen Innovation Materials Co. Joint Stock Company Ltd, Maanshan, and Ossen Jiujiang Steel Wire Cable Co. Ltd, Jiujiang	A952	31,1 %
All other companies	A999	46,20 %

⁽³¹⁾ Commission Implementing Regulation (EU) 2019/159 of 31 January 2019 imposing definitive safeguard measures against imports of certain steel products (OJ L 31, 1.2.2019, p. 27).

⁽³²⁾ Commission Implementing Regulation (EU) 2021/1029 of 24 June 2021 amending Commission Implementing Regulation (EU) 2019/159 to prolong the safeguard measure on imports of certain steel products (OJ L 225 I, 25.6.2021, p. 1).

(3) The application of the individual duty rate 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 conform to the requirements set out in the Annex. If no such invoice is presented, the duty rate applicable to all other companies shall apply.

(4) To prevent the concurrent application of the anti-dumping duty with the safeguard measure imposed by Implementing Regulation (EU) 2019/159, where the quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 becomes applicable to the product under review and exceeds the level of the anti-dumping duties pursuant to this Regulation, only the quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 shall be collected. During the period of concurrent application of the safeguard and anti-dumping duties, the collection of the duties imposed pursuant to this Regulation shall be suspended. Where the above-quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 becomes applicable to the product under review and is set at a level lower than the level of the anti-dumping duties in this Regulation, the above-quota tariff duty referred to in Article 1(6) of Implementing Regulation (EU) 2019/159 shall be collected in addition to the difference between that duty and the level of the anti-dumping duties imposed pursuant to this Regulation. The part of the amount of anti-dumping duties not collected shall be suspended.

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

Article 2

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

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

Done at Brussels, 1 September 2021.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

A declaration dated and signed by an official of the company, 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 company which has issued the commercial invoice.
2. The following declaration:

'I, the undersigned, certify that the [volume] of PSC wires and strands sold for export to the European Union covered by this invoice was manufactured by (company name and registered seat) (TARIC additional code) in (country concerned). I declare that the information provided in this invoice is complete and correct.'

Date and signature

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