



EUROPEAN COMMISSION

Brussels, 9.1.2012
COM(2011) 936 final

2011/0462 (NLE)

Proposal for a

COUNCIL REGULATION

imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China and Ukraine as extended to imports of steel ropes and cables consigned from Morocco, Moldova and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 and terminating the expiry review proceeding concerning imports of steel ropes and cables originating in South Africa pursuant to Article 11(2) of Regulation (EC) No 1225/2009

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

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

This proposal concerns the application of Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community ('the basic Regulation') in the review proceeding concerning imports of steel ropes and cables originating in the People's Republic of China, South Africa and Ukraine.

- **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation which was carried out in line with the substantive and procedural requirements laid out in the basic Regulation and in particular Articles 9 and 11(2) thereof.

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

The measures currently in force were imposed by Council Regulation (EC) No 1858/2005 on imports of steel ropes and cables originating, *inter alia*, in the People's Republic of China, India, South Africa and Ukraine and extended by Council Regulation 400/2010 to imports of steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not.

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

Not applicable.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

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

- **Collection and use of expertise**

There was no need for external expertise.

- **Impact assessment**

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

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

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

On 13 November 2010, the Commission initiated an expiry review of the anti-dumping measures applicable to imports of steel ropes and cables originating in the People's Republic of China, South Africa and Ukraine. The attached proposal for a Council Regulation is based on the findings of the lasting nature of the continuation or recurrence of dumping and injury concerning the imports of steel ropes and cables originating in the Republic of China and Ukraine. With regard to South Africa, it was found that it is not likely that injury would reoccur if the measures were allowed to lapse.

It is therefore proposed that the Council adopt the attached proposal for a regulation extending the measures currently in force on imports of steel ropes and cables originating in the People's Republic of China and Ukraine for a period of five years and terminating the proceeding concerning imports of steel ropes and cables originating in South Africa.

- **Legal basis**

Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community and in particular Article 11(2) thereof.

- **Subsidiarity principle**

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

- **Proportionality principle**

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

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

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

- **Choice of instruments**

Proposed instruments: Regulation.

Other means would not be adequate for the following reason: The above-mentioned basic Regulation does not foresee alternative options.

4. BUDGETARY IMPLICATION

The proposal has no implication for the Union budget.

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THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community¹ (the 'basic Regulation'), and in particular Articles 9(2), 9(4) and 11(2) thereof,

Having regard to the proposal submitted by the European Commission ('the Commission') after consulting the Advisory Committee,

Whereas:

A. PROCEDURE

1. Previous investigations and existing measures

- (1) By Regulation (EC) No 1796/1999² (the 'original Regulation'), the Council imposed a definitive anti-dumping duty on imports of steel ropes and cables ('SWR') originating, inter alia, in the People's Republic of China (the 'PRC'), India, South Africa and Ukraine. These measures will hereinafter be referred to as 'the original measures' and the investigation that led to the measures imposed by the original Regulation will be hereinafter referred to as 'the original investigation'.
- (2) In 2001, the Council, by Regulation (EC) No 1601/2001³, imposed a definitive anti-dumping duty ranging from 9.7% to 50.7% on imports of certain iron or steel ropes and cables originating inter alia in the Russian Federation. The same level of duties was imposed by Council Regulation (EC) 1279/2007⁴ following partial interim and

¹ OJ L 343, 22.12.2009, p. 51.

² OJ L 217, 17.8.1999, p. 1.

³ OJ L 211, 04.08.2001, p. 1.

⁴ OJ L 285, 31.10.2007, p. 1.

expiry reviews. In April 2004, by Regulation (EC) No 760/2004⁵ the Council extended the original measures to imports of SWR consigned from Moldova following an investigation on the circumvention of the anti-dumping measures imposed on SWR of Ukrainian origin via Moldova. Similarly, in October 2004, by Regulation (EC) No 1886/2004⁶ the Council extended the original measures against the PRC to imports of SWR consigned from Morocco.

- (3) By Regulation (EC) No 1858/2005⁷ the Council, following an expiry review, maintained the original measures in accordance with Article 11(2) of the basic Regulation. These measures will hereinafter be referred to as 'the measures in force' and the expiry review investigation will be hereinafter referred to as 'the last investigation'. In May 2010 by Regulation (EU) No 400/2010⁸ the Council extended the original measures to imports of SWR consigned from the Republic of Korea following an investigation on the circumvention of the anti-dumping measures on SWR of Chinese origin via the Republic of Korea

2. Request for an expiry review

- (4) On 13 November 2010, the Commission announced by a notice published in the *Official Journal of the European Union* the initiation of an expiry review ('Notice of initiation')⁹ of the anti-dumping measures applicable to imports of SWR originating in the PRC, South Africa and Ukraine pursuant to Article 11(2) of the basic Regulation
- (5) The review was initiated following a substantiated request lodged by the Liaison Committee of European Union Wire Rope Industries (EWRIS) ('the applicant') on behalf of Union producers representing a major proportion, in this case more than 60%, of the total Union production of SWR. The request was based on the grounds that the expiry of the measures would be likely to result in a continuation or recurrence of dumping and injury to the Union Industry ('UI').
- (6) In the absence of such evidence concerning imports originating in India, the applicant did not request the initiation of an expiry review concerning imports originating in India. Consequently, the measures applicable to imports originating in India expired on 17 November 2010¹⁰.

3. Investigation

- (7) The Commission officially advised the exporting producers, importers, known users and their associations, the representatives of the exporting countries, the applicant and the Union producers mentioned in the request of the initiation of the review. Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time-limit set out in the notice of initiation.

⁵ OJ L 120, 24.4.2004, p. 1.

⁶ OJ L 328, 30.10.2004, p. 1.

⁷ OJ L 299, 16.11.2005, p. 1.

⁸ OJ L 117, 11.5.2010, p. 1.

⁹ OJ C 309, 13.11.2010, p. 6.

¹⁰ OJ C 311, 16.11.2010, p.16.

- (8) In view of the large number of exporting producers in the PRC, of Union producers and of importers involved in the investigation, sampling was initially envisaged in the notice of initiation in accordance with Article 17 of the basic Regulation.. In order to enable the Commission to decide whether sampling would be indeed necessary and, if so, to select a sample, the above parties were requested, to make themselves known within two weeks of the initiation of the proceeding and to provide the Commission with the information requested in the notice of initiation.
- (9) Given that only one exporting producer in the PRC provided the information requested in the notice of initiation and expressed its willingness to further cooperate with the Commission, it was decided not to apply sampling in the case of the exporting producers in the PRC, and to send a questionnaire to the aforementioned producer.
- (10) Twenty Union producers/producer groups provided the information requested in the notice of initiation and expressed their willingness to cooperate with the Commission. On the basis of the information received from the Union producers/producer groups, the Commission selected a sample of three producers/groups of producers, which were found to be representative of the Union industry in terms of volume of production and sales of the like product in the Union.
- (11) Eight importers provided the information requested in the notice of initiation and expressed their willingness to cooperate with the Commission. However, since only two importers had actually imported the product concerned, the Commission decided not to apply sampling and to send a questionnaire to the aforementioned importers.
- (12) Questionnaires were therefore sent to the three sampled Union producers/producer groups, to two importers and to all known exporting producers in the three countries concerned.
- (13) The exporting producer in the PRC that answered to the sampling form subsequently failed to submit the questionnaire reply. It is therefore considered that no exporting producers in the PRC cooperated in the investigation.
- (14) One exporting producer in Ukraine provided a limited submission at the time of the initiation of the investigation. The producer was invited to fill in a questionnaire, however it failed to submit the questionnaire reply. It is therefore considered that no exporting producers in the Ukraine cooperated in the investigation.
- (15) One exporting producer in South Africa provided a reply to the questionnaire.
- (16) Replies to the questionnaires were further received from the three sampled Union producers/producer groups, two importers and one user.
- (17) The Commission sought and verified all information it deemed necessary for the purpose of determining the likelihood of continuation or recurrence of dumping and resulting injury and of the Union interest. Verification visits were carried out at the premises of the following companies:
 - a) Union producers:
 - CASAR Drahtseilwerk Saar GmbH, Germany,

- BRIDON Group composed of two companies: Bridon International Ltd. United Kingdom, and BRIDON International GmbH, Germany,
- REDAELLI Tecna Spa, Italy.

b) Exporting producer in South Africa:

- SCAW South Africa Ltd., South Africa.

c) Importers:

- HEKO Industrieerzeugnisse GmbH, Germany,
- SENTECH International, France.

d) User:

- ASCENSORES ORONA S coop, Spain.

- (18) The investigation regarding the continuation or recurrence of dumping and injury covered the period from 1 October 2009 to 30 September 2010 ('review investigation period' or 'RIP'). The examination of the trends relevant for the assessment of a likelihood of a continuation or recurrence of injury covered the period from 1 January 2007 up to the end of the RIP ('period considered').

B. PRODUCT CONCERNED AND LIKE PRODUCT

1. Product concerned

- (19) The product concerned is the same as that in the original investigation and the last investigation which led to the imposition of measures currently in force, i.e. steel ropes and cables, including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm (in industry terminology often referred to as 'SWR'), currently falling within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 (the 'product concerned').

2. Like product

- (20) As established in the original and last investigations, this review investigation confirmed that SWR produced in the PRC and Ukraine and exported to the Union, SWR produced and sold on the domestic market of South Africa and exported to the Union, SWR produced and sold on the domestic market of the analogue country, Turkey, and SWR produced and sold in the Union by the Union producers have the same basic physical and technical characteristics and end uses and are therefore considered to be like products within the meaning of Article 1(4) of the basic Regulation.
- (21) An importer put forward an argument that was also raised in the last investigation by the European Wire Rope Importers Association (EWRIA). It alleged that the product concerned and the products manufactured and sold in the Union differ substantially and that a distinction should be made between general and special purpose ropes. These arguments were addressed in depth in the original and last Regulations

imposing provisional and definitive measures on imports of the product concerned. Furthermore, in the court case *T-369/08 EWRIA v European Commission* the General Court held that the Commission did not commit a manifest error of assessment in not differentiating between general and special purpose ropes in the investigations on the basis of the available evidence¹¹.

- (22) As the importer did not bring any new element showing that the basis on which these original findings were made had changed, the conclusions reached in the original and last Regulations are confirmed.

C. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

- (23) In accordance with Article 11(2) of the basic Regulation, it was examined whether dumping was likely to continue or recur upon a possible expiry of the measures in force.

1. Preliminary remarks

- (24) As regards the PRC and Ukraine, none of the exporting producers cooperated fully. One exporting producer in Ukraine and one exporting producer in the PRC came forward and a questionnaire intended for exporting producers was sent to them. Their replies to the questionnaire were considered as incomplete and inconsistent and no verification visits could be held at their premises. The companies concerned have been duly informed in writing that under these circumstances use would have to be made of facts available in accordance with Article 18 of the basic Regulation. In South Africa, the sole known exporting producer submitted information on its export sales to the Union during the RIP, which represented all export sales of South Africa to the Union during the same period.

- (25) During the RIP, the total import volume, as recorded in Eurostat, of SWR from the PRC, South Africa and Ukraine amounted to 4.833 tonnes, representing 2.4% of the Union market share. During the last investigation total imports of the countries concerned amounted to 3.915 tonnes, representing 2.2% of the Union market share.

2. Dumping of imports during the RIP

- (26) In accordance with Article 11(9) of the basic Regulation, the same methodology was used as in the original investigation, whenever circumstances have not changed or whenever the information was available. In case of non-cooperation, such as in the case of the PRC and Ukraine, use had to be made of facts available in accordance with Article 18 of the basic Regulation.

2.1. The PRC

- (27) During the RIP, the total import volume, as recorded in Eurostat, of SWR from the PRC amounted to 4.530 tonnes, representing 2.2% of the Union market share.

2.1.1. Analogue country

¹¹ Case T-369/08 *European Wire Rope Importers Association (EWRIA) and Others v European Commission* [2010], paragraphs 76ff

- (28) Since the PRC is an economy in transition, normal value had to be based on information obtained in an appropriate market economy third country in accordance with Article 2(7)(a) of the basic Regulation.
- (29) In the last investigation, Turkey was used as an analogue country for the purpose of establishing normal value. For the present investigation the applicant proposed to use again Turkey. No one objected to the choice of an analogue country.
- (30) The investigation showed that Turkey had a competitive market for SWR with three domestic producers supplying around 53% of the market and competition from imports from other third countries. There are no import duties to Turkey on the product concerned and there are no other restrictions for imports of SWR into Turkey. Finally, as mentioned in recital (20), the product produced and sold on the Turkish domestic market was alike to the product exported by the Chinese exporting producer to the Union.
- (31) It is therefore concluded that Turkey constitutes an appropriate analogue country for the purpose of establishing normal value in accordance with Article 2(7)(a) of the basic Regulation

2.1.2. Normal value

- (32) Pursuant to Article 2(7)(a) of the basic Regulation, normal value was established on the basis of information received from the cooperating producer in the analogue country, i.e. on the basis of the price paid or payable on the domestic market of Turkey by unrelated customers. The information provided by the producer was analysed and these sales were found to be made in the ordinary course of trade and to be representative.
- (33) As a result, normal value was established as the weighted average domestic sales price to unrelated customers by the cooperating producer in Turkey.

2.1.3. Export price

- (34) In the absence of cooperation from Chinese producers, in accordance with Article 18 of the basic Regulation, the export price was determined on the basis of publicly available information. Information collected on the basis of Article 14(6) of the basic Regulation was found to be more appropriate for the calculation of the dumping margin than Eurostat as the relevant CN codes cover a broader scope of products than the product concerned defined in recital (19) above.

2.1.4. Comparison

- (35) For the purpose of ensuring a fair comparison on an ex-factory basis and at the same level of trade between the normal value and the export price, due allowance was made for differences which were found to affect price comparability. These adjustments were made in respect of transportation costs and insurance costs in accordance with Article 2(10) of the basic Regulation.

2.1.5. Dumping margin

- (36) In accordance with Article 2(11) of the basic Regulation, the dumping margin was established on the basis of a comparison of the weighted average normal value with the weighted average export price to the Union. This comparison showed the existence of significant dumping of around 38%.

2.2. *South Africa*

- (37) During the RIP, as recorded in Eurostat, the total import volume of SWR from South Africa amounted to 281 tonnes, representing 0,1% of the Union market share, i.e. at a de minimis level. The sole known exporting producer represented 100% of these imports.

2.2.1. *Normal value*

- (38) Pursuant to Article 2(1) of the basic Regulation, normal value was established on the basis of the price paid or payable on the domestic market of South Africa by unrelated customers, since these sales were found to be made in the ordinary course of trade and to be representative.

2.2.2. *Export price*

- (39) Since all export sales of the product concerned were made directly to independent customers in the Union, the export price was established in accordance with Article 2(8) of the basic Regulation on the basis of the prices actually paid or payable.

2.2.3. *Comparison*

- (40) For the purpose of ensuring a fair comparison at the same level of trade, on an ex-factory basis, between the normal value and the export price, due allowance was made for differences which were claimed and demonstrated to affect price comparability. These adjustments were made in respect of transportation costs, insurance costs and credit costs in accordance with Article 2(10) of the basic Regulation.

2.2.4. *Dumping margin*

- (41) In accordance with Article 2(11) of the basic Regulation, the dumping margin was established on the basis of a comparison of the weighted average normal value with the weighted average export price to the Union, by product type. This comparison showed the existence of dumping amounting to 17%, which is lower than the dumping margin of 38,6% found in the original investigation.

2.3. *Ukraine*

- (42) During the RIP, as recorded in Eurostat, the total import volume of SWR from Ukraine amounted to 22 tonnes, representing less than 0.1% of the Union market share, i.e. a de minimis market share.

2.3.1. *Normal value*

- (43) Pursuant to Article 18 of the basic Regulation, normal value was established on the basis of the information found in the applicant's review request, which correspond to price paid or payable on the domestic market of Ukraine by unrelated customers.

2.3.2. *Export price*

- (44) In the absence of cooperation from Ukrainian producers, in accordance with Article 18 of the basic Regulation, the export price was determined on the basis of publicly available information. Information collected on the basis of Article 14(6) of the basic Regulation was found to be the most appropriate for the calculation of the dumping margin as this information cover precisely the product concerned defined in recital (19).

2.3.3. *Comparison*

- (45) To ensure a fair comparison the export price was adjusted for ocean freight and insurance in the applicant's review request in accordance with Article 2(10) of the basic Regulation. As a result, a dumping margin of more than 80% was established for the RIP.

3. Likely developments of imports should measures be repealed

3.1. *Preliminary remarks*

- (46) None of the 28 known Chinese exporting producers cooperated.
- (47) The two South African exporting producers named in the request for review replied to the Commission's inquiries, but only the one with exporting interest to the Union cooperated by filling in a questionnaire. There are no other known producers in South Africa.
- (48) As far as Ukraine is concerned, the known exporting producer stopped cooperation as explained in recital (14). No other producers are known in Ukraine.

3.2. *The PRC*

3.2.1. *Preliminary remarks*

- (49) In the original investigation all Chinese companies were made subject to a single anti-dumping duty at the rate of 60,4%. Import volumes from the PRC decreased significantly, from 11 484 tonnes during the IP of the original investigation (EU-15) to 1 942 tonnes during the RIP of the last investigation (EU-25) but then increased to 4.530 tonnes in the current RIP. It is, however, noted that Chinese imports have, since 2001, an increasing trend. The current market share of the PRC is around 2,2%.
- (50) In order to establish whether dumping would be likely to continue should the measures be repealed, the pricing behaviour of the exporting producers to other export markets, export prices to the Union, production capacities and circumvention practices were examined. Information relating to the import prices from exporters was determined on the basis of Eurostat, to export volumes and prices on the basis of Chinese statistical information and information relating to capacity based on information included in the request. Eurostat data was found to be best suitable for the comparison with Chinese statistical information as the comparison was only possible for a broader product scope as explained in the next recital.

3.2.2. *Relationship between export prices to third countries and export prices to the Union*

(51) The statistical information available from the Chinese public databases covers a broader product scope than the product concerned. Therefore no meaningful analysis of quantities exported to other markets could be made on the basis of this information. The price analysis for which the Chinese database could be used is based on reasonable estimations given the similar characteristics of the other products possibly included in the analysis.

(52) On the basis of the available information as explained in the above recital, it was found that, export prices from the PRC to other export markets, were, on average, significantly below the export prices to the Union (by around 30% not taking into account anti-dumping duties paid). Since, as concluded in recital (36), export sales from the PRC to the Union were made at dumped levels, this indicated that exports to other third country markets were likely dumped at even higher levels than the export sales to the Union. It was also considered that the export price level to other third countries can be seen as an indicator as to the likely price level for export sales to the Union should measures be repealed. On this basis, and given the low price levels to third country markets, it was concluded that there is a considerable margin to reduce export prices to the Union, which as a consequence would also increase the dumping.

3.2.3. *Relationship between export prices to third countries and the price level in the Union*

(53) It was also found that the price level of sales by the Union industry in the Union was on average considerably higher than the export price level of the Chinese exporter's prices to other third country markets. The fact that the generally prevailing price level for the product concerned in the Union market makes the Union market a very attractive one, applies also for the PRC. The higher price level on the Union market is an incentive for increasing exports to the Union.

3.2.4. *Dumping margin*

(54) As concluded in recital (36), export sales from the PRC to the Union were made at significantly dumped levels based on the normal value of the analogue country. In the absence of measures, there is no reason to consider that imports would not be made at similar dumped prices and in higher quantities.

3.2.5. *Unused capacity and stocks*

(55) According to the review request and as cross-checked on the basis of publicly available information (i.e. information published by the companies on their websites), capacities of all exporting producers in the PRC were estimated at 1.355.000 tonnes. The applicant's estimation of the capacity utilization of Chinese producers is around 63% giving an unused capacity of more than 500.000 tonnes. The applicant also provided information about further production facilities that are being set up and the size of the domestic market. Chinese producers thus have significant spare capacities largely exceeding not only the export quantity to the Union during the RIP but the total Union consumption. Thus, the capacity to vastly increase export quantities to the Union exists, in particular, because there are no indications that third country markets or the domestic market could absorb any additional production in such quantities. In this regard it should be noted that it is very unlikely that the domestic market in the PRC, due to the presence of a considerable number of competing producers, would be able to absorb significant volumes of these spare capacities.

3.2.6. *Circumvention practices*

(56) The measures in force on imports of the product concerned from the PRC were found to have been circumvented by means of imports transhipped via Morocco in 2004 and via the Republic of Korea in 2010. This indicates the clear interest in the Union market of sellers of Chinese SWR and their unwillingness to compete on the Union market at non-dumped levels. This is considered as a further indication that Chinese exports would likely increase in volume and enter the Union market at dumped prices, should measures be repealed.

3.3. *South Africa*

3.3.1. *Preliminary remarks*

(57) There are two known producers in South Africa. As explained above, one exporting producer cooperated in this review investigation.

(58) The other known producer showed no interest in exporting to the Union stating its production capacities are fully utilized and sold on the domestic South African market.

(59) Imports from South Africa dropped considerably since the imposition of the original measures. The market share of imports from South Africa (0,1%) was below the de minimis threshold during the RIP, amounting in total to 281 tonnes. Moreover, most of these imports were eventually destined for offshore use, which has developed considerably since the previous investigation and were not customs cleared in the EU. Only minor quantities of the product concerned were released for free circulation in the EU.

(60) In order to establish whether dumping would continue should measures be repealed information provided by the cooperating exporter relating to export volumes and prices to the Union and to third countries, unused capacity and stocks and the situation of the South African domestic market were examined.

3.3.2. *Relationship between export prices to third countries and export prices to the Union*

(61) The cooperating exporter of the product concerned provided information regarding volumes and prices in export markets other than the Union. The exporting producer sells a considerable part of its production on exports markets even though export volumes decreased during the period under consideration. The company's export activity is focused mostly on two specific segments of the market: ropes for deep shaft mining and off-shore drilling related applications.

(62) The company's export prices to third countries compared to the export prices to the Union including the applicable anti-dumping duty were overall significantly higher in all years in the period under consideration (30% to 70%). The price advantage reached by the exporter on other third country markets in comparison to prices on the Union market suggests that the exporter would not enter the Union market with significant quantities in the future, should measures be repealed. In this regard, it was also considered that, as explained in recital (61) above, the export activities of the company are focused on products that are not primarily demanded on the Union market.

3.3.3. *Unused capacity and stocks*

- (63) Since the last investigation, the cooperating exporting producer kept stocks at a stable level. The capacity utilization (around 70-75%) was also at customary levels given the technical constraints in the production process. The maximum available spare capacity is in the range 1.500-3.500 tonnes. The exporting producer does not plan to expand its production capacities by significant amounts. The capacity to increase export quantities to the Union seems very limited in view of the fact that third country markets or the domestic market could absorb any additional production.
- (64) It is furthermore noted that production goes mainly to domestic market where high profits are achieved, therefore the company has no interest to export significant quantities to the Union.

3.4. *Ukraine*

3.4.1. *Preliminary remarks*

- (65) Given the absence of cooperation from the known Ukrainian exporting producer, as explained in recital (14) above, findings were based on facts available, in accordance with Article 18 of the basic Regulation. Since little information is known about the Ukrainian industry, the following conclusions rely on the information provided in the applicant's review request and publicly available trade statistics. It is noted that there are no other known producers in the Ukraine and that the following considerations regarding in particular production capacities, relate to the known exporting producer.
- (66) In order to establish whether dumping would be likely to continue should measures be repealed, the export prices to third countries and to the Union, unused capacities and circumvention practices were examined.

3.4.2. *Relationship between export prices to third countries and export prices to the Union*

- (67) In the absence of any other more reliable information, the information provided for in the request with regard to other export markets, based on publicly available statistics, has been taken into account. An analysis of the figures available showed that the average export prices to these countries were significantly below the average export prices to the Union. As already explained in the case of the PRC and South Africa above, export prices to other third countries were considered as an indicator for the likely price level for export sales to the Union, should measures be repealed. On this basis, it was concluded that there is a considerable margin to reduce export prices to the Union, and very likely at dumped levels.

3.4.3. *Unused capacity*

- (68) In recent years the two previously known exporting producers merged their activities. As a result, the production capacity as established in the last investigation was downsized. According to the evidence available in the request and as stated by the known exporting producer, the estimated production capacity in the Ukraine is in the range 35.000-40.000, of which around 70% is used for actual production. The spare capacity, which is in the range 10.500-12.000 tonnes, thus indicates that the capacity to significantly increase export quantities to the Union does exist. The apparent consumption in Ukraine calculated on the basis of the known production and statistical information about imports and exports indicates that the domestic market cannot

absorb any additional capacities. Ukraine thus remains the country from where the redirection of the unused capacities to the Union market is the most imminent from all countries concerned, in particular because there are no indications that third country markets or the domestic market could absorb any additional production.

3.4.4. *Circumvention practices*

- (69) Following the imposition of the existing measures on imports of SWR from the Ukraine, it was found that these measures were being circumvented by imports of SWR from Moldova. It was considered that the circumvention practice detected was an additional factor indicating the interest in entering the Union market and the inability to compete on the Union market at non-dumped levels.

3.5. *Conclusion*

- (70) Continuation of significant dumping was found for the PRC and Ukraine and of a reduced level for South Africa, albeit import volumes from South Africa and the Ukraine were at low levels.
- (71) For the examination as to whether it would be likely that dumping would continue should the anti-dumping measures be repealed, spare capacities and unused stocks as well as pricing and export strategies in different markets were analysed. This examination showed that there were important spare capacities and accumulated stocks in the PRC and to a lesser degree in Ukraine. No significant spare capacities or abnormal stocks were observed in South Africa. It was further found that export prices to other third countries were generally lower than those to the Union market in case of the PRC and Ukraine and that the Union therefore remained an attractive market for the exporting producers from these countries. South African exports to other countries were however at significantly higher levels than exports to the Union and appeared not to be at dumped prices. It was therefore concluded that exports from the PRC and Ukraine to third countries would very likely be redirected to the Union should the access to the Union market be without anti-dumping measures. The available spare production capacities would also likely lead to increased imports from these countries. An analysis of the pricing strategies revealed furthermore that these exports from Ukraine and the PRC would most likely be made at dumped prices. These conclusions were reinforced by the fact that for both the PRC and Ukraine the existing measures were found to have been circumvented by imports via other countries which indicated that exporting countries were not able to compete in the Union market at fair prices. Conversely, the South African producer was considered able to compete with other producers, including the Union producers, on other third country markets at fair prices. Considering the above, it is established for the PRC and Ukraine that dumping would likely continue in significant quantities, should measures be allowed to expire. On the contrary, taking into account the decreased level of dumping since the original investigation, the fact that exports to other countries were made at significantly higher prices than to the EU and the predictably low demand for South African products, it is considered that the continuation of dumped imports in significant quantities would not be likely with regard to imports from South Africa.
- (72) The Ukrainian Government commented on the above findings arguing that the allegation that the repeal of anti-dumping measures would lead to a switch by the Ukrainian producer to the Union market is exaggerated and unreasonable. To support

its claim the Government argued that the measures in force resulted in the loss of customer contacts in the EU and thus the end of exports to the Union and that Ukrainian exports are now focused on the CIS and Asian markets instead. The Government however failed to comment on the attractiveness of the Union market resulting from the considerable price difference on these markets as mentioned in recital (67) above, and thus missed the point that there is indeed a likelihood that Ukrainian exports would be redirected to the Union if measures were allowed to lapse.

- (73) After disclosure, the applicant argued that the decreasing volume of exports by the South African producer to other markets is predicted to lead to increased spare capacities that will not be absorbed by the domestic market and thus will lead to increasing imports to the Union. These arguments were however not substantiated by evidence. On the contrary, it was observed that the cooperating exporter's falling export sales during the period considered were mitigated by domestic sales that decreased to a lesser extent during the same period. Also, the overall sales volume of the company increased between 2009 and the IP. Thus there is no indication that the applicant's argumentation could be justified.
- (74) The applicant further criticised the Commission for not taking into account the non-cooperation of the other South African producer and that the fact that this company did not export in the past is not a reason that it will not export in the future. In this respect it is noted that over the period considered this company did not export to the Union. Anti-dumping measures do not serve as an instrument to prohibit legitimate imports to the Union. This claim thus had to be rejected.

D. UNION PRODUCTION AND UNION INDUSTRY

- (75) Within the Union, SWR are manufactured by over 25 producers/producer groups, which constitute the Union industry within the meaning of Article 4(1) and Article 5(4) of the basic Regulation.
- (76) As indicated under recital (10), a sample consisting of three producers/producer groups companies was selected out of the following 20 Union producers which submitted the required information.
- BRIDON Group composed of Bridon International Ltd (United Kingdom) and Bridon International GmbH (Germany),
 - CASAR Drahtseilwerk Saar GmbH (Germany),
 - Pfeifer Drako Drahtseilwerk GMBH (Germany),
 - Drahtseilwerk Hemer GmbH and Co. KG (Germany),
 - Westfälische Drahtindustrie GmbH (Germany),
 - Teufelberger Seil GmbH (Germany),
 - ZBD Group A.S. (Czech Republic),
 - Cables y Alambres especiales, SA (Spain),

- Manuel Rodrigues de Oliveira Sa & Filhos, SA (Portugal),
- D. Koronakis SA (Greece),
- N. Leventeris SA (Greece),
- Drumet SA (Poland),
- Metizi JSC (Bulgaria),
- Arcelor Mital Wire France (France),
- Brunton Shaw UK Limited (United Kingdom),
- Sirme Si Cabluri S.A. / CORD S.A. (Romania),
- Redaelli Tecna Spa (Italy),
- Remer SRL (Italy),
- Metal Press SRL (Italy),
- Randers Reb International A/S (Danemark).

(77) It is noted that the three sampled Union producers accounted for 40% of the total Union production during the RIP, whilst the above 20 Union producers accounted for 96% of the total Union production during the RIP which is considered to be representative of the entire Union production

E. SITUATION ON THE UNION MARKET

1. Consumption in the Union market

(78) Union consumption was established on the basis of the sales volumes of the Union industry on the Union market, and Eurostat data for all EU imports.

(79) Union consumption decreased by 21% from 255.985 tonnes to 203.331 tonnes between 2007 and the RIP. Specifically, after increasing slightly by 1% in 2008, it dropped significantly by 22 percentage points in 2009 as a consequence of the economic downturn and remained at a similar level in the RIP.

	2007	2008	2009	RIP
Union consumption (in tonnes)	255.986	257.652	201.975	203.331
<i>Index</i>	100	101	79	79

2. Imports from the countries concerned

2.1. Cumulation

(80) In the previous investigations, imports of SWR originating in the PRC, South Africa and Ukraine were assessed cumulatively in accordance with Article 3(4) of the basic Regulation. It was examined whether a cumulative assessment was also appropriate in the current investigation.

- (81) In this respect, it was found that the margin of dumping established in relation to the imports from each country was more than de minimis. As regards the quantities, a prospective analysis of the likely export volumes by each country, should measures be repealed, was performed. It revealed that imports from the PRC and Ukraine, unlike South Africa, would be likely to increase to levels significantly above those reached in the RIP and certainly exceed the negligibility threshold, if measures were repealed. As to South Africa, it was found that the capacity to increase export quantities to the Union was very limited in view of the low spare capacity and the fact that third country markets or the domestic market could absorb additional production, if any.
- (82) With regard to the conditions of competition between the imported products, it was found that imports from South Africa were not directly competing with imports from the other two countries. In this regard, the prices of the product types imported from South Africa were considerably higher, as shown in recitals (87) and (91) below, than the imports from the other two countries. Indeed, these higher prices led to the absence of price undercutting by imports from South Africa contrary to the finding of significant price undercutting by imports from the other two countries.
- (83) Regarding imports from the three countries concerned, the investigation has found that the imported SWR from these countries were alike in their basic physical and technical characteristics. Furthermore, the various types of imported SWR were interchangeable with types produced in the Union and they were marketed in the Union during the same period. In light of the above, it was considered that the imported SWR originating in the countries concerned competed with the SWR produced in the Union.
- (84) On the basis of the above, it was therefore considered that the criteria set out in Article 3(4) of the basic Regulation were met with regard to the PRC and Ukraine. Imports from these two countries were therefore examined cumulatively. Since the criteria set in Article 3(4) and in particular the conditions of competition between imported products thereof, were not met with regard to South Africa, imports originating in this country were examined individually.

2.2. Imports from the PRC and Ukraine

2.2.1. Volume, market share and prices of imports

- (85) According to Eurostat data, the volume of imports of the product concerned originating in the PRC and Ukraine decreased by 54% during the period considered. A considerable drop by 43 percentage points was observed in 2009 then followed by a further decrease by 13 percentage points in the RIP.
- (86) The market share of Chinese and Ukrainian imports decreased from 3,8% to 2,2% during the period considered.
- (87) As far as import prices are concerned, they increased by 29% over the period considered. After increasing by 11% in 2008, they increased further in 2009 and remained stable in the RIP.

	2007	2008	2009	RIP
Import (in tonnes)	9.844	10.081	5.830	4.553
<i>Index</i>	100	102	59	46
Market share%	3,8%	3,9%	2,9%	2,2%

<i>Index</i>	100	102	75	58
Price of import	1.073	1.195	1.394	1.388
<i>Index</i>	100	111	130	129

2.2.2. *Price undercutting*

- (88) In view of the absence of cooperation by the Chinese and Ukrainian exporting producers, price undercutting had to be established on import statistics by CN code using information collected on the basis of Article 14(6) of the basic Regulation. In the RIP, the undercutting margin for imports of SWR originating in the PRC and Ukraine ranged, anti-dumping duty excluded, from 47.4% to 58.2%.

2.3. *Imports from South Africa*

2.3.1. *Volume, market share and prices of imports from South Africa*

- (89) According to Eurostat data, the volume of imports of the product concerned originating in South Africa decreased by 77% during the period considered. A considerable drop by 94 percentage points was observed in 2009 then followed by a small increase of 17 percentage points in the RIP.
- (90) The market share of South African imports has decreased from 0,5% to 0,1% during the period considered.
- (91) As far as import prices are concerned, they have increased steadily by 52% over the period considered.

	2007	2008	2009	RIP
Import (in tonnes)	1.229	846	73	281
<i>index</i>	100	69	6	23
Market share%	0,5%	0,3%	0,0%	0,1%
<i>index</i>	100	68	7	29
Price of import	1.504	1.929	2.217	2.280
<i>index</i>	100	128	147	152

2.3.2. *Price undercutting*

- (92) Price undercutting was established using the export prices of the cooperating South African producer, without anti-dumping duty, and was found to be negative. In view of the absence of any other exporting producer in South Africa, this conclusion is also valid for the country as a whole.

3. **Imports from countries to which the measures were extended**

3.1. *South Korea*

- (93) As mentioned in recital (3) above, it was found that circumvention of the original measures concerning the PRC took place via the Republic of Korea (South Korea). Consequently, the anti-dumping duty imposed on imports originating in the PRC was extended to imports of the same SWR consigned from South Korea, with the exception of those produced by eleven genuine South Korean producers.
- (94) Following the anti-circumvention investigation and the extension of the anti-dumping duty to imports consigned from South Korea, imports decreased significantly and the

market share decreased from 18.7% in 2007 to 12,8% in the RIP. This percentage appears to correspond to the share of genuine Korean exporting producers which were granted each an exemption.

3.2. *Moldova*

(95) Imports originating in or consigned from Moldova were found to be close to zero during the period considered. Hence, no further analysis was deemed necessary.

3.3. *Morocco*

(96) Imports originating in or consigned from Morocco declined by 51% during the period considered. Their market share represented less than 0.5% during the period considered.

4. **Other country concerned by anti-dumping measures**

(97) According to Eurostat data, the volume of imports of certain iron or steel ropes and cables originating in the Russian Federation as defined in Article 1(1) of Regulation (EC) No 1601/2001¹² decreased by 41% during the period considered.

(98) The market share of Russian imports decreased from 1.5% in 2007 to 1.1% in the RIP.

5. **Economic Situation of the Union Industry**

(99) Pursuant to Article 3(5) of the basic Regulation, the Commission examined all relevant economic factors and indices having a bearing on the state of the Union industry.

5.1. *Preliminary remarks*

(100) In view of the fact that sampling was used with regard to the Union industry, the injury was assessed both on the basis of information collected at the level of the entire Union industry ('UI') as defined in recital (72) and on the basis of information collected at the level of the sampled Union producers.

(101) Where recourse is made to sampling, in accordance with established practice, certain injury indicators (production, capacity, productivity, stocks, sales, market share, growth and employment) are analysed for the UI as a whole, while those injury indicators relating to the performance of individual companies, i.e. prices, costs of production, profitability, wages, investments, return on investment, cash flow, ability to raise capital are examined on the basis of the information collected at the level of the sampled Union producers.

(102) One of the producers of the sampled group Bridon, Bridon International Limited, kept its accounts in GBP during the period considered. As a result, certain injury indicators were influenced by the fluctuation of the exchange rate between GBP and EUR during the period considered.

¹² OJ L 211, 04.08.2001, p. 1.

5.2. Data relating to the UI

(a) Production

- (103) The UI's production decreased by 9% between 2007 and the RIP, i.e. from 182.681 tonnes to 165.394 tonnes. Production volume remained unchanged in 2008 before dropping significantly by 13% in 2009 as a consequence of the global economic downturn. It recovered in the RIP and increased by 4 percentage points. The production volume decreased less than the consumption on the Union market as a consequence of the demand on non-EU markets.

UI	2007	2008	2009	RIP
Production volume (in tonnes)	182.681	182.691	159.266	165.394
<i>index</i>	100	100	87	91

(b) Capacity and capacity utilisation rates

- (104) Production capacity decreased by 6% during the period considered. In 2009, it decreased by 10% before increasing by 4 percentage points in the RIP. As production declined relatively more than capacity, the resulting capacity utilisation declined, from 69% in 2007 to 66% in the RIP.

UI	2007	2008	2009	RIP
Capacity	265.779	261.383	239.312	249.254
<i>index</i>	100	98	90	94
Capacity utilisation	69%	70%	67%	66%
<i>index</i>	100	102	97	97

(c) Stocks

- (105) The level of closing stocks of the UI increased in 2008 and 2009 but decreased in the RIP to the 2007 level.

UI	2007	2008	2009	RIP
Closing stock (in tonnes)	12.656	13.254	12.790	12.651
<i>index</i>	100	105	101	100

(d) Sales volume

- (106) The sales by the UI on the Union market decreased by 20% between 2007 and the RIP. After decreasing by 5% in 2008, sales volume further decreased by 24 percentage points in 2009 as a consequence of the economic downturn. This development is in line with the evolution of the Union market, which declined by 21% between 2007 and the RIP as a result of the economic downturn.

UI	2007	2008	2009	RIP
Sales to unrelated parties in the Union (in tonnes)	112.387	106.431	80.340	89.551
<i>index</i>	100	95	71	80

(e) Market share

- (107) The UI managed to keep its market share unchanged at 44% between 2007 and the RIP. The years 2008 and 2009 however showed a drop in market share down to respectively 41 and 40% of the Union consumption.

UI	2007	2008	2009	RIP
Market share	44%	41%	40%	44%
<i>index</i>	100	94	91	100

(f) Growth

- (108) Between 2007 and the RIP, when the Union consumption decreased by 21%, the sales volume of the UI decreased by only 20%. The UI thus slightly gained market share, whereas the imports from the countries concerned lost almost 2 percentage points during the same period.

(g) Employment

- (109) The level of employment of the UI declined by 12% between 2007 and the RIP. The main decrease took place in 2009 when employment decreased by 8 percentage points. This shows that the UI was able to adapt to the new market situation.

UI	2007	2008	2009	RIP
Employment	3.052	2.978	2.752	2.694
<i>index</i>	100	98	90	88

(h) Productivity

- (110) Productivity of the UI's workforce, measured as output per full time equivalent ('FTE') employed per year, was volatile over the period considered as it increased by 2 percentage points in 2008 then decreased by 5 percentage points in 2009 before increasing by 6 percentage points in the RIP.

UI	2007	2008	2009	RIP
Productivity	59,9	61,3	57,9	61,4
<i>index</i>	100	102	97	103

(i) Magnitude of dumping margin

- (111) As concerns the impact on the UI of the magnitude of the actual margins of dumping found which were high, given the overall volume of the imports from the countries concerned and the existence of anti-dumping duties, this impact cannot be considered to be significant.

5.3. *Data relating to the sampled Union producers*

(j) Sales prices and factors affecting domestic prices

- (112) Unit sales prices of the UI increased by 11% between 2007 and the RIP. Prices increased progressively by 16% until 2009 before dropping by 5 percentage points in the RIP. This price development is linked to the fact that the UI was able to spread highly priced orders taken before the economic downturn over to 2009. It is also linked to the progressive migration of the UI towards more highly priced SWR, namely larger diameter SWR.

Sampled producers	2007	2008	2009	RIP
Average unit sales price in the EU (EUR/tonne)	3.219	3.492	3.720	3.560
<i>Index</i>	100	108	116	111

(k) Wages

- (113) Between 2007 and the RIP, the average wage per FTE decreased by 12% during the period considered. No meaningful conclusion should however be drawn from the below table as wages per employee were heavily influenced by the fluctuation of the GBP – EUR exchange rate during the period considered.

Sampled producers	2007	2008	2009	RIP
Wages per FTE (EUR)	55.062	50.570	46.638	48.329
<i>index</i>	100	92	85	88

(l) Investments and ability to raise capital

- (114) Although investments in SWR decreased by 32% over the period considered, they were significant and amounted to over 35 million EUR. Investments mainly concentrated on high margin SWR. The sampled producers did not face difficulty to raise capital over the period considered as the investments could usually be paid back within a few years.

Sampled producers	2007	2008	2009	RIP
Investments (EUR 1000)	12.331	9.038	6.283	8.406
<i>index</i>	100	73	51	68

(m) Profitability on the EU market

- (115) The sampled producers managed to achieve profits over the whole period considered. The profits achieved from 2008 to the RIP were above the target profit of 5% set in the original investigation. The results achieved by the sampled producers are mainly explained by the price development between 2007 and the RIP and by the sustained global demand for the sampled producers that enabled them to dilute fix costs. The drop in profitability in the RIP is explained by a drop in prices and by a decrease in production volume which had a negative impact on cost of production.

Sampled producers	2007	2008	2009	RIP
Profitability on the EU market (%)	3,6%	5,7%	11,1%	6,5%
<i>index</i>	100	158	307	179

(n) Return on investments

- (116) The return on investments (ROI), expressed as the total profit generated by the SWR activity in percent of the net book value of assets directly and indirectly related to the production of SWR, broadly followed the above profitability trends over the whole period considered.

Sampled producers	2007	2008	2009	RIP
ROI (%)	24,5%	45%	76,4%	69,6%
<i>index</i>	100	184	312	284

(o) Cash flow

- (117) The cash-flow situation improved between 2007 and the RIP, it followed the above profitability trends over the whole period considered.

Sampled producers	2007	2008	2009	RIP
Cash Flow (EUR 1000)	20.255	38.579	60.276	45.841
<i>index</i>	100	190	298	226

(p) Recovery from the effects of past dumping

- (118) While the indicators examined above show that the UI suffered from the economic downturn as sales volume, production volume, employment and investments went down, they also indicate that the UI adapted its production equipment to better face the new economic environment and be able to seize opportunities on EU and non EU markets in segments where high margins can be achieved. The improvement in the economic and financial situation of the UI, further to the imposition of anti-dumping measures in 1999, evidence that that the measures are effective and that the UI recovered from the effects of past dumping practices.
- (119) The Ukrainian Government indicated that it failed to understand how the lifting of anti-dumping duties against Ukrainian imports could injure the Union industry when its injury indicators mostly showed positive trends in a period of economic crisis and especially between 2009 and the RIP. This analysis was however based on a limited period of time and not the whole period considered. It should be noted that this period is not representative of the overall trend, which started from a situation where the target profit was not even achieved and was eventually reached in spite of the economic crisis which affected the Union industry and its indicators at the end of the period considered. Indeed, as indicated in recitals (112) and (115), the relatively positive overall picture showed by the Union industry is explained on the one hand by the heavy order book at the end of 2008 that was spread over 2009 and by the increase in consumption on non-EU markets which contributed to overall positive trends with regard to profit-related indicators.

5.4. Conclusion

- (120) Although consumption decreased by 21%, the UI managed to maintain its market share, prices increased by 11%, stocks remained at a reasonable level while production volume decreased less than consumption. In terms of profitability, the UI was profitable throughout the period considered. Considering the above, it can be concluded that the UI did not suffer material injury over the period considered.

F. LIKELIHOOD OF RECURRENCE OF INJURY

- (121) As explained in recitals (55) and (68), the exporting producers in the PRC and Ukraine have the potential to substantially raise their exports volume to the Union by using the available spare capacities. Indeed, significant capacities are available reaching more than 500.000 tonnes which represents the entire Union consumption. It is therefore likely that substantial quantities of Chinese and Ukrainian SWR will penetrate the Union market to regain lost market share and increase it further should measures be repealed.
- (122) As highlighted in recital (88) prices of imports from PRC and Ukraine were found to be low and to undercut EU prices. These low prices would most likely continue to be charged. Indeed in the case of Ukraine, as indicated in recital (67) prices may even drop further. Such a price behaviour, coupled with the ability of the exporters in these countries to deliver significant quantities of the product concerned on the Union market, would in all likelihood have a downward effect on prices in the EU market, with an expected negative impact on the economic situation of the UI. As shown above, the financial performance of the UI is closely linked to the price level on the EU market. It is therefore likely that if the UI were exposed to increased volumes of imports from the PRC and Ukraine at dumped prices it would result in a deterioration

of its financial situation as found in the original investigation. On this basis, it is therefore concluded, that the repeal of the measures against imports originating in the PRC and Ukraine would in all likelihood result in the recurrence of injury to the UI.

- (123) As far as South Africa is concerned and as indicated in recital (63), spare capacities appear to be limited. As highlighted in recital (92), South African export prices to EU were found not to undercut the UI prices. Given the low volume exported to the EU that entered the EU market, exports prices of South African SWR to the five main non-EU markets were also compared to the UI prices on a product type basis. These prices were found not to undercut the UI prices either.
- (124) Considering the limited spare capacities and the absence of price undercutting, it is concluded that the repeal of the measures on imports originating in South Africa would in all likelihood not result in the recurrence of injury to the UI.

G. UNION INTEREST

1. Introduction

- (125) In compliance with Article 21 of the basic Regulation, it was examined whether maintenance of the existing anti-dumping measures against the PRC and Ukraine 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. It should be recalled that, in the previous investigations, the adoption of measures was considered not to be against the interest of the Union. Furthermore, the fact that the present investigation is a review, thus analysing a situation in which anti-dumping measures have already been in place, allows the assessment of any undue negative impact on the parties concerned by the current anti-dumping measures.
- (126) On this basis, it was examined whether, despite the conclusions on the likelihood of recurrence of injurious dumping, compelling reasons existed which would lead to the conclusion that it is not in the Union interest to maintain measures against imports originating in the PRC and Ukraine in this particular case.

2. Interest of the UI

- (127) The UI has proven to be a structurally viable industry. This was confirmed by the positive development of its economic situation observed during the period considered. In particular, the fact that the UI maintained its market share over the period considered contrasts sharply with the situation preceding the imposition of the measures in 1999. Also, it is noted that the UI improved its profit situation between 2007 and the RIP. It is further recalled that circumvention had been found by imports from Morocco, Moldova and South Korea. Had this development not occurred, the situation of the UI could have been even more favourable.
- (128) It can reasonably be expected that the UI will continue to benefit from the measures to be maintained. Should the measures against imports originating in the PRC and Ukraine not be maintained, it is likely that the UI will start again to suffer injury from increased imports at dumped prices from these countries and that its financial situation will deteriorate.

3. Interest of importers

- (129) It is recalled that in the previous investigations it was found that the impact of the imposition of measures would not be significant. As indicated in recital (11), two importers replied to the questionnaire and cooperated fully in this proceeding. They indicated that measures were pushing prices up. The investigation however revealed that other sources of supply existed and that import prices from other countries were at similar levels as the Chinese ones.
- (130) On the basis of the above, it was concluded that the current measures in force had no substantial negative effect on their financial situation and that the continuation of the measures would not unduly affect the importers.

4. Interest of users

- (131) SWR are used in a wide variety of applications and therefore a large number of user industries might be concerned, such as fishing, maritime/shipping, oil and gas industries, mining, forestry, aerial transport, civil engineering, construction, elevator. The above list of user industries is only indicative.
- (132) The Commission sent questionnaires to all known users. As mentioned in recital (16), only one user cooperated in this proceeding. It indicated that it did not suffer from the existence of the measures as other sources were available and that SWR did not represent a significant share of its cost of production. In this context, it was concluded that given the negligible incidence of the cost of SWR on the user industries and the existence of other available sources of supply, the measures in force do not have a significant effect on the user industry.

5. Conclusion on Union interest

- (133) Given the above, it is concluded that there are no compelling reasons against the maintenance of the current anti-dumping measures.

H. ANTI-DUMPING MEASURES

- (134) All parties were informed of the essential facts and considerations on the basis of which it is intended to recommend that the existing measures be maintained on imports of the product concerned originating in the PRC and Ukraine and be terminated with regard to imports originating in South Africa. They were also granted a period to make representations subsequent to this disclosure. No comments were received which were of a nature to change the above conclusions.
- (135) It follows from the above that, as provided for by Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of SWR, originating in the PRC and Ukraine should be maintained. In opposition, the measures applicable to imports from South Africa should be allowed to lapse.
- (136) As outlined under recitals (2) and (3) above, the anti-dumping duties in force on imports of the product concerned from Ukraine and the PRC were extended to cover, in addition, imports of SWR consigned from Moldova, Morocco and the Republic of Korea respectively, whether declared as originating in Moldova, Morocco or the Republic of Korea or not. The anti-dumping duty to be maintained on imports of the product concerned, as set out in recital (2), should continue to be extended to imports of SWR consigned from Moldova, Morocco and the Republic of Korea, whether

declared as originating in Moldova, Morocco and the Republic of Korea or not. The exporting producer in Morocco who was exempted from the measures as extended by Regulation (EC) No 1886/2004 should also be exempted from the measures as imposed by this Regulation. The eleven exporting producers in South Korea who were exempted from the measures as extended by Regulation (EC) No 400/2010 should also be exempted from the measures as imposed by this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, currently falling within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 (TARIC codes 7312 10 81 11, 7312 10 81 12, 7312 10 81 13, 7312 10 81 19, 7312 10 83 11, 7312 10 83 12, 7312 10 83 13, 7312 10 83 19, 7312 10 85 11, 7312 10 85 12, 7312 10 85 13, 7312 10 85 19, 7312 10 89 11, 7312 10 89 12, 7312 10 89 13, 7312 10 89 19, 7312 10 98 11, 7312 10 98 12, 7312 10 98 13 and 7312 10 98 19) and originating in the People's Republic of China and Ukraine.
2. The rate of the definitive anti-dumping duty applicable to the CIF net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and originating in the People's Republic of China shall be 60,4 %.
3. The rate of the definitive anti-dumping duty applicable to the CIF net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and originating in Ukraine shall be 51,8 %.
4. The definitive anti-dumping duty applicable to imports originating in the People's Republic of China, as set out in paragraph 2, is hereby extended to imports of the same steel ropes and cables consigned from Morocco, whether declared as originating in Morocco or not (TARIC codes 7312 10 81 12, 7312 10 83 12, 7312 10 85 12, 7312 10 89 12 and 7312 10 98 12) with the exception of those produced by Remer Maroc SARL, Zone Industrielle, Tranche 2, Lot 10, Settat, Morocco (TARIC additional code A567) and to imports of the same steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not (TARIC codes 7312 10 81 13, 7312 10 83 13, 7312 10 85 13, 7312 10 89 13 and 7312 10 98 13), with the exception of those produced by the companies listed below:

Country	Company	TARIC additional code
The Republic of Korea	Bosung Wire Rope Co, Ltd., 568, Yongdeok-ri, Hallim-myeon, Gimhae-si, Gyeongsangnam-do, 621-87	A969
	Chung Woo Rope Co., Ltd. 1682-4, Songjung-Dong, Gangseo-Gu, Busan	A969
	CS Co., Ltd, 287-6 Soju-Dong Yangsan-City, Kyoungnam	A969

Cosmo Wire Ltd., 4-10, Koyeon-Ri, Woong Chon-Myon Ulju-Kun, Ulsan	A969
Dae Heung Industrial Co., Ltd., 185 Pyunglim - Ri, Daesan-Myun, Haman – Gun, Gyungnam	A969
DSR Wire Corp., 291, Seonpyong-Ri, Seo-Myon, Suncheon-City, Jeonnam	A969
Kiswire Ltd., 20t h Fl. Jangkyo Bldg., 1, Jangkyo-Dong Chung-Ku, Seoul	A969
Manho Rope & Wire Ltd., Dongho Bldg, 85-2, 4 Street Joongang-Dong, Jong-gu, Busan	A969
Shin Han Rope CO.,LTD, 715-8, Gojan-dong, Namdon gu, Incheon	A969
Ssang Yong Cable Mfg. Co., Ltd, 1559-4 Song-Jeong Dong, Gang-Seo Gu, Busan	A969
Young Heung Iron & Steel Co., Ltd, 71-1 Sin-Chon Do Changwon City, Gyungnam	A969

5. The definitive anti-dumping duty applicable to imports originating in Ukraine, as set out in paragraph 3, is hereby extended to imports of the same steel ropes and cables consigned from Moldova, whether declared as originating in Moldova or not (TARIC codes 7312 10 81 11, 7312 10 83 11, 7312 10 85 11, 7312 10 89 11 and 7312 10 98 11).
6. Unless otherwise specified, the provisions in force concerning customs duties shall apply.
7. The review proceeding concerning imports of steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, originating in South Africa and currently falling within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 is hereby terminated.

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,

*For the Council
The President*