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COUNCIL REGULATION (EC) No 1279/2007

of 30 October 2007

imposing a definitive anti-dumping duty on certain iron or steel ropes and cables originating in the Russian Federation, and repealing the anti-dumping measures on imports of certain iron or steel ropes and cables originating in Thailand and Turkey

(OJ L 285, 31.10.2007, p. 1)

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imposing a definitive anti-dumping duty on certain iron or steel ropes and cables originating in the Russian Federation, and repealing the anti-dumping measures on imports of certain iron or steel ropes and cables originating in Thailand and Turkey

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 384/96 of 22 December 1995 on protection against dumped imports from countries not members of the European Community ([1]) (the basic Regulation), and in particular Articles 11(2) and 11(3) thereof,

Having regard to the proposal submitted by the Commission after consulting the advisory committee,

Whereas:

A. PROCEDURE

1. Measures in force

(1) On 2 February 2001, the Council imposed, by Regulation (EC) No 230/2001 ([2]) (the provisional Regulation) provisional anti-dumping measures on imports of certain iron or steel ropes and cables (SWR) originating in the Czech Republic, Russia, Thailand and Turkey (the three last countries will be referred to as the countries concerned). On 2 August 2001, the Council imposed, by Regulation (EC) No 1601/2001 ([3]) (the original Regulation), definitive anti-dumping measures. The measures imposed on imports of SWR originating in the Czech Republic lapsed after the enlargement of the European Union on 1 May 2004.

(2) On 26 July 2001, the Commission accepted, by Decision 2001/602/EC ([4]), undertakings offered by one Russian and one Thai exporter in connection with the anti-dumping measures referred to in recital 1.

(3) On 8 November 2005, the Council imposed, by Regulation (EC) No 1858/2005 ([5]) definitive anti-dumping measures on imports of certain steel ropes and cables originating in the People's Republic of China, India, South Africa and Ukraine (the parallel proceeding).

([1]) OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Regulation (EC) No 2117/2005 (OJ L 340, 23.12.2005, p. 17).
([2]) OJ L 34, 3.2.2001, p. 4. Regulation as last amended by Regulation (EC) No 1274/2003 (OJ L 180, 18.7.2003, p. 34).
([3]) OJ L 211, 4.8.2001, p. 1. Regulation as last amended by Regulation (EC) No 564/2005 (OJ L 97, 15.4.2005, p. 1).
([4]) OJ L 211, 4.8.2001, p. 47.
([5]) OJ L 299, 16.11.2005, p. 1. Regulation as amended by Regulation (EC) No 121/2006 (OJ L 22, 26.1.2006, p. 1).

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2. **Request for reviews**

(a) *Partial Interim reviews of the anti-dumping measures in force against exporting producers in Russia*

(4) In 2004, the Commission received two requests for partial interim reviews pursuant to Article 11(3) of the basic Regulation (interim reviews). The requests, limited in scope to dumping, were lodged by Open Joint Stock Company Cherepovetsky Staleprokatny Zavod (ChSPZ) and Joint Stock Company Beloretsk Iron & Steel Works (BMK) respectively, both exporting producers of SWR in Russia.

(5) As explained in a notice published in the *Official Journal of the European Union* ([1]), ChSPZ's name was changed to Closed Joint Stock Company Severstal-Metiz (SSM) as a result of a merger with Open Joint Stock Company Orlovsky Staleprokatny Zavod (OSPAZ) and Closed Joint Stock Company Severstal-Metiz. This name change applied as of 1 January 2006.

(6) According to the applicants, the circumstances on the basis of which measures had been established had changed and these changes were of a lasting nature. Moreover, both exporting producers alleged that the existing levels of anti-dumping measures were no longer necessary to offset dumping.

(7) Having determined, after consulting the advisory committee, that sufficient evidence existed for the initiation of two interim reviews, the Commission initiated these reviews on 10 August 2004 ([2]).

(b) *Partial interim review of the anti-dumping measures in force against one exporting producer in Turkey*

(8) Following the publication of a notice of impending expiry ([3]), the Commission received a request on 28 April 2006 for an interim review pursuant to Article 11(3) of the basic Regulation (received jointly with a request for a review pursuant to Article 11(2) (expiry review) referred to in recitals 12 to 15 below).

(9) The request was lodged by the Liaison Committee of EU Wire Ropes Industries (EWRIS or the applicant), on behalf of producers representing a major proportion, in this case more than 50 %, of the total Community production of certain iron and steel ropes and cables.

(10) The scope of the interim review requested by the applicant was limited to the level of dumping by one single exporting producer in Turkey (which at present has a zero duty). According to the applicant, the level of the measures is no longer sufficient to counteract the injurious dumping.

([1]) OJ C 51, 1.3.2006, p. 2.
([2]) OJ C 202, 10.8.2004, p. 12.
([3]) OJ C 270, 29.10.2005, p. 38.

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(11) Having determined, after consulting the advisory committee, that sufficient evidence existed for the initiation of an interim review, the Commission initiated this review on 3 August 2006 ([1]).

(c) *Expiry review of the anti-dumping measures in force against Russia, Thailand and Turkey*

(12) Following the publication of a notice of impending expiry, the Commission received a request on 28 April 2006 for an expiry review (received jointly with the request for an interim review referred to in recitals 8 to 11 above).

(13) The request was lodged by the Liaison Committee of EU Wire Ropes Industries (EWRIS or the applicant), on behalf of producers representing a major proportion, in this case more than 50 %, of the total Community production of certain iron and steel ropes and cables.

(14) The request for the expiry review related to all countries currently covered by the original Regulation, and 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 Community industry.

(15) Having determined, after consulting the advisory committee, that sufficient evidence existed for the initiation of the expiry review, the Commission initiated this review on 3 August 2006.

(d) *Partial Interim review of the anti-dumping measures in force against one exporting producer in Thailand*

(16) The Commission received a request for a partial interim review pursuant to Article 11(3) of the basic Regulation. The request, limited in scope to dumping, was lodged by Usha Siam Steel Industries Public Company Ltd, an exporting producer of SWR in Thailand.

(17) According to the applicant, the circumstances on the basis of which measures had been established had changed and these changes were of lasting nature. Moreover, the exporting producer alleged that the existing level of anti-dumping measures was no longer necessary to offset dumping.

(18) Having determined, after consulting the advisory committee, that sufficient evidence existed for the initiation of the interim review, the Commission initiated this review on 22 March 2007 ([2]).

([1]) OJ C 181, 3.8.2006, p. 15.
([2]) OJ C 66, 22.3.2007, p. 14.

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3. **Parties concerned by the investigations**

(19) The Commission officially advised the exporting producers, the representatives of the exporting countries, importers, Community producers, users and the applicant of the initiation of the expiry review and the partial interim reviews. 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. All interested parties, who so requested and showed that there were particular reasons why they should be heard, were granted a hearing.

3.1. *Sampling of Community producers*

(20) In view of the apparent large number of Community producers, it was considered appropriate to examine whether sampling should be used in the expiry review in conformity with Article 17 of the basic Regulation. In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, the Community producers were requested, pursuant to Article 17(2) of the basic Regulation, to make themselves known within 15 days of the initiation of the relevant reviews and to provide the Commission with the information requested in the notice of initiation.

(21) After examination of the information submitted by 17 Community producers, it was considered that five companies should be selected for a sample on the basis, in particular, of the volume of their production and sales during the IP. The sample consists of the following companies:

— Bridon GmbH, Gelsenkirchen, Germany,

— Casar Drahtseilwerk Saar GmbH (Casar), Saarbrücken, Germany,

— Wire and Rope Factory Drumet SA (Drumet), Wloclawek, Poland,

— Manuel Rodrigues de Oliveria SA & Filhos SA (Oliveira), Gemunde, Portugal,

— Tréfileurope SA, Bourg-en-Bresse, France.

3.2. *Sampling of Community importers*

(22) In view of the apparent large number of Community importers (32 importers listed in the application), it was considered appropriate to examine whether sampling should be used in the expiry review in conformity with Article 17 of the basic Regulation. In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, the Community importers were requested, pursuant to Article 17(2) of the basic Regulation, to make themselves known within 15 days of the initiation of the relevant reviews and to provide the Commission with the information requested in the notice of initiation.

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(23) However, since only a single importer made itself known by replying to the sample questionnaire, it was decided that sampling was not warranted in this case.

4. **Questionnaires and verification**

(24) Questionnaires were therefore sent to all known exporting producers in the countries concerned, the single importer referred to in recital 23 above, the Community producers in the sample and users.

(25) Replies to the questionnaires were received from:

— two exporting producers in Russia for the purposes of the interim review and one for the purposes of the expiry review,

— one exporting producer in Thailand and its related importer in the United Kingdom,

— two exporting producers in Turkey,

— one importer related to the exporting producers in the countries concerned,

— five Community producers included in the sample,

— one unrelated importer.

(26) The Commission sought and verified all the information it deemed necessary for its analysis and carried out verification visits at the premises of the following companies:

(a) Russia:

— Severstal-Metiz, Cherepovets,

— BMK, Beloretsk;

(b) Thailand:

— Usha Siam Ltd, Bangkok;

(c) Turkey:

— Celik Halat, Izmit-Kocaeli,

— Has Çelik ve Halat Sanayi Ticaret A.S.(Has Celik), Hacilar Kayseri;

(d) Sampled Community producers:

— Bridon GmbH, Gelsenkirchen, Germany,

— Casar Drahtseilwerk Saar GmbH (Casar), Saarbrücken, Germany,

— Wire and Rope Factory Drumet SA, Wloclawek, Poland,

— Manuel Rodrigues de Oliveria SA & Filhos SA, Gemunde, Portugal,

— Tréfileurope SA, Bourg-en-Bresse, France;

(e) Related importer in the Community:

— Usha Martin UK Ltd, Clydebank, United Kingdom;

(f) Unrelated importers in the Community:

— HEKO Industrieerzeugnisse GmbH, Hemer, Germany.

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5. **Relevant periods covered by the review investigations**

(27) The investigation of the likelihood of continuation and/or recurrence of dumping and injury for the expiry review covered the period from 1 July 2005 to 30 June 2006 (expiry review investigation period or ERIP). The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2003 up to the end of the ERIP (period considered).

(28) The investigation period for the partial interim review pursuant to Article 11(3) of the basic Regulation concerning imports from two exporting producers in Russia covered the period from 1 July 2003 to 30 June 2004 (Russia-interim review period).

(29) The relevant investigation period for the partial interim review pursuant to Article 11(3) of the basic Regulation concerning imports from the exporting producer in Turkey (Turkey-interim review period) is the same as the ERIP.

(30) The investigation period for the partial interim review pursuant to Article 11(3) of the basic Regulation concerning imports from the exporting producer in Thailand covered the period from 1 April 2006 to 31 March 2007 (Thailand-interim review period).

6. **Disclosure and opportunity to comment**

(31) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to recommend imposing a definitive anti-dumping duty on certain iron or steel ropes and cables originating in Russia and terminating the investigations concerning the anti-dumping measures applicable to imports of certain iron or steel ropes and cables originating in Thailand and Turkey. They were also granted a period within which they could make representations subsequent to this disclosure. Their comments were considered and taken into account where appropriate.

B. PRODUCT CONCERNED AND LIKE PRODUCT

1. **Product concerned**

(32) The product concerned by this expiry review is the same as the product defined in the original Regulation, i.e. ropes and cables, including locked coil ropes, of iron or steel but not stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, with attached fittings or not, originating in the countries concerned (the product concerned). SWR are currently classifiable within CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98.

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(33) One interested party argued that the product concerned should be divided into two different groups namely (a) general purpose SWR and (b) high performance SWR. It also argued that the latter, which allegedly were not produced in the exporting countries, should be excluded from the proceedings because, according to some importers, the SWR types under that category were different from the SWR in the other category and there was no competition amongst these SWR.

(34) First, the interested party did not bring any elements which would demonstrate that the product imported from the countries concerned is not like the one produced by the Community industry or that the SWR in question were not in competition with each other or were not interchangeable. Therefore, the claim had to be rejected.

(35) Furthermore, the party was not able to show that the definition and the description of the product concerned, as defined in recitals 10 to 13 of the provisional Regulation, were erroneous.

(36) The definition of the product concerned in the original Regulation is therefore confirmed.

2. **Like product**

(37) In recitals 14 to 19 of the original Regulation, it was concluded that the product concerned, the SWR produced and sold by Community producers and the SWR sold on the domestic markets and exported to the Community from the countries concerned shared the same basic physical and chemical characteristics. These products were considered to be alike within the meaning of Article 1(4) of the basic Regulation.

(38) One interested party argued that the imported SWR differ substantially from the ones manufactured and sold in the Community and could not be compared for the purpose of the current investigations. It argued that the products imported into the Community were not in direct competition with the SWR manufactured in the Community.

(39) The same arguments had been put forward in the investigation leading up to the conclusions reached in recital 15 of the provisional Regulation. As the interested party did not bring any new elements which would demonstrate that the product imported from the countries concerned is not alike the one manufactured and sold in the Community, the claim had to be rejected.

(40) The conclusions reached in recitals 14 to 19 of the original Regulation concerning the like product can therefore be confirmed.

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C. DUMPING AND LIKELIHOOD OF A CONTINUATION AND/OR RECURRENCE OF DUMPING

1. Dumping of imports during the Review investigation periods — General principles

(41) For reasons of consistency it has been, as a first step, examined whether dumping was currently taking place and whether or not the expiry of the measures would be likely to lead to a continuation of dumping. As a second step, in accordance with the basic Regulation, the possible implications of the interim reviews on the findings of the original Regulation on a country-by-country basis were examined.

General methodology

(42) The general methodology set out below has been applied to all exporting producers in the countries concerned and is the same as in the original investigation. The presentation of the findings of dumping for each of the countries concerned therefore only describes what is specific for each exporting country.

Normal value

(43) For the determination of normal value it was first established for each exporting producer whether its total domestic sales of the product concerned were representative in comparison with its total export sales to the Community. In accordance with Article 2(2) of the basic Regulation, domestic sales were considered representative when the total domestic sales volume of each exporting producer was at least 5 % of its total export sales volume to the Community.

(44) Subsequently, those types of the product concerned sold domestically by the exporting producers having overall representative domestic sales and that were identical or directly comparable to the types sold for export to the Community, were identified.

(45) For each type sold by the exporting producers on their domestic markets and found to be directly comparable with the types of SWR sold for export to the Community, it was established whether domestic sales were sufficiently representative for the purposes of Article 2(2) of the basic Regulation. Domestic sales of a particular type of SWR were considered sufficiently representative when the total domestic sales volume of that type during the ERIP or relevant interim review investigation period represented 5 % or more of the total sales volume of the comparable SWR type exported to the Community.

(46) An examination was also made of whether the domestic sales of each type of SWR could be regarded as having been made in the ordinary course of trade, pursuant to Article 2(4) of the basic Regulation. This was done by establishing, for each exporting producer in the countries concerned, the proportion of profitable sales to independent customers on the domestic market of each exported type of the product concerned on the domestic market during the investigation period.

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(a) For those product types where more than 80 %, by volume, of sales on the domestic market were not below unit costs, i.e. where the average sales price of the product type concerned was equal to or higher than the average production cost for the product type concerned, normal value was calculated as the average price of all domestic sales of the product type in question irrespective of whether these sales were profitable or not.

(b) For those product types where at least 10 % but no more than 80 %, by volume, of sales on the domestic market were not below unit costs, normal value was calculated as the weighted average sales price of those transactions which were made at or above unit costs of the type in question.

(c) For those product types where less than 10 %, by volume, was sold on the domestic market at a price not below unit cost, it was considered that the product type concerned was not sold in the ordinary course of trade and therefore, normal value had to be constructed in accordance with Article 2(3) of the basic Regulation.

(47) In the cases where normal values had to be constructed, they were constructed in accordance with Article 2(3) of the basic Regulation, i.e. on the basis of the manufacturing cost of the type concerned, to which was added an amount for selling, general and administrative (SG&A) expenses and a margin of profit. The amount of SG&A was that incurred by the exporting producer for the like product and the amount of profit equated to the average profit realised by the exporting producer on sales of the like product in the ordinary course of trade.

Export price

(48) In all cases where the product concerned was exported to independent customers in the Community, the export price was established in accordance with Article 2(8) of the basic Regulation, namely on the basis of export prices actually paid or payable.

(49) In cases where sales were made via a related importer or trader, the export price was constructed on the basis of the resale prices of that related importer to independent customers. Adjustments were made for all costs incurred between importation and resale including sales, general and administrative expenses, and a reasonable profit margin, in accordance with Article 2(9) of the basic Regulation. The appropriate profit margin was established on the basis of information provided by unrelated cooperating traders/importers operating on the Community market.

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Comparison

(50) The normal value and export price were compared on an ex-works basis. For the purpose of ensuring a fair comparison between the normal value and the export price, due allowance in the form of adjustments was made for differences affecting the price and price comparability in accordance with Article 2(10) of the basic Regulation. Appropriate adjustments were granted in all cases where they were found to be reasonable, accurate and supported by evidence.

(51) Adjustments were made for inland and ocean freight, insurance costs, handling and packaging costs, credit costs and import duties, which were all deducted from the resale price in order to arrive at an ex-works basis.

Dumping margin

(52) In accordance with Article 2(11) and (12) of the basic Regulation, a dumping margin was calculated for each cooperating exporting producer, by comparing the weighted average normal value with the weighted average export price.

(53) For those countries where the level of cooperation was found to be high (above 80 % of all volumes imported to the Community during the ERIP or relevant RIP), and where there was no reason to believe that any exporting producer abstained from cooperating, the residual dumping margin was set at the level of the cooperating exporting producer with the highest dumping margin in order to ensure the effectiveness of the measures.

(54) For those countries where the level of cooperation was found to be low (less than 80 % of all volumes imported to the Community during the ERIP or relevant RIP), the residual dumping margin was determined in accordance with Article 18 of the basic Regulation, i.e. on the basis of facts available.

2. **Dumping of imports during the review investigation periods — Country specific findings**

2.1. *Russia*

Preliminary remarks

(55) There are two exporting producers known to produce SWR in Russia: Severstal-Metiz, Cherepovets (SSM) and BMK, Beloretsk (BMK). They thus account for 100 % of production and represented a share of 1,5 % of imports into the Community market in the ERIP. Both producers cooperated in the interim review but only one cooperated in the expiry review investigation. The other producer indicated that it did not want to cooperate in the expiry review. It argued that, besides the fact that the company only exported small quantities to the EU during Russia-interim review period, the company situation did not change significantly after the interim review which was initiated in August 2004 (see recitals 4 to 7 above).

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2.1.1. ***Partial interim review on measures in force against exporting producers in Russia***

(56) The partial interim reviews were limited to the level of dumping of both known Russian producers to the EU. Full questionnaire replies were received from both.

Normal value

(57) Normal value was determined according to the general methodology described in recitals 43 and 47 above.

(58) For one Russian exporting producer, normal value was based on the actual domestic prices in accordance with the methodology set out in recital 46 above. For the other Russian exporting producer, normal value was mainly based on the actual domestic prices, but it had to be constructed for certain product types in accordance with the methodology explained in recital 47 above.

Export price

(59) For the determination of the export price, the general principles explained in detail in recitals 48 and 49 above were applied.

(60) As regards the export sales to the Community made by one Russian exporting producer via a related trading company in Switzerland, the export price was established on the basis of the resale prices actually paid or payable to the latter by the first independent buyer in the Community during Russia-interim review period.

(61) It should be noted that almost all exports by one Russian exporter to the Community were made under a price undertaking, accepted by the Commission in August 2001. In that context, the determination of export prices was not limited only to an examination of the exporters' past behaviour, but the likely development of export prices in the future was also examined. In particular, the question whether the existence of this undertaking had influenced the level of the export prices, so as to make them unreliable for the establishment of future export behaviour.

(62) It was further examined whether the export prices charged by the exporter to Community-based customers were reliable and could form a proper basis for the calculation of its dumping margin for the current investigation, despite the existence of a price undertaking. In particular, the investigation attempted to show whether the current export prices to the Community were artificially set in relation to the minimum import prices (MIPs) or not and therefore whether these were sustainable in the future. However, the investigation showed that the system used to establish product control numbers (PCNs) for this investigation was more sophisticated than the classification system applied at the time when the undertaking was accepted in 2001. This led to the conclusion that any comparison between the PCNs of the MIPs and those of the current investigation would not be reliable.

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(63) A comparison on a type-by-type basis between the export prices to the Community with prices charged to other third countries was made. This showed that export prices to third countries were on average substantially lower. It was therefore concluded that the export price of this company to the Community could not be used to establish reliable export prices in the meaning of Article 2(8) of the basic Regulation, in the context of the present review. In the absence of reliable export prices for sales to EU-15, sales to other countries were taken as a proxy for those export prices.

Comparison

(64) Regarding the comparison between normal value and export price, the approach as described in recital 50 was followed.

(65) As the related trader in Switzerland of one of Russian exporting producers has functions similar to those of an agent working on a commission basis, an adjustment to the export price for a commission was made in accordance with Article 2(10)(i) of the basic Regulation. The level of the commission was calculated based on direct evidence pointing to the existence of a mark-up related to such functions.

Dumping margin

(66) As provided for under Article 2(11) of the basic Regulation, the weighted average normal value by type was compared with the weighted average export price of the corresponding type of the product concerned.

(67) As further explained in recitals 104 to 107 below, the comparison showed the existence of continued dumping for BMK. For SSM, the comparison between the weighted average normal value and weighted average sales price to countries where an undertaking was not in force also showed the existence of continued dumping.

(68) BMK's dumping margin expressed as a percentage of the net, free-at-Community frontier price, duty unpaid, was found to be 36,2 %. SSM's dumping margin expressed on the same basis was found to be 9,7 %.

Definitive anti-dumping measures

(69) In the light of the results of the dumping margins established in the interim review investigations, it is considered appropriate to amend the anti-dumping duty applicable to BMK to 36,2 % and to SSM to 9,7 %.

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2.1.2. ***Expiry review on measures in force against exporting producers in Russia***

(70) Out of the two known producers of SWR in Russia, only SSM cooperated in the expiry review investigation. On the basis of the information collected, this company represented almost 100 % of Russia's total exports to the Community during the ERIP. The company also represented around 50 % of total Russian production. The exports to the Community were at a low level and consisted of around 3 300 tonnes during the ERIP, representing 1,5 % of EU consumption. This apparent low market share should not hide the fact that large spare production capacity is available in Russia. The share of the exports to the Community in quantity was less than 5 % of the total sales of the cooperating company. As mentioned above in recital 61 almost all exports by the cooperating company to the Community are subject to a price undertaking agreement.

Normal value

(71) Wherever domestic prices of a particular product type sold by SSM could not be used in order to establish normal value because it had not been sold on the domestic market in representative quantities, another method had to be applied. In the absence of any other reasonable method, the constructed normal value per product type was used, as provided by SSM and verified by the Commission.

(72) As concerns cost of production, it was claimed by SSM that the cost structure for EU exports was different because of the different technical standards in the Community and Russian market. According to the company, SWR sold on the Community market have to be in conformity with the so-called DIN standard, which is not a requirement in Russia. The table including the cost of production (COP) of SWR sold domestically and to the Community showed that there were no significant differences between the various types. For some product types, the domestic COP was slightly higher, for others the Community COP was slightly lower. Therefore, it was concluded that this alleged difference could not affect the dumping calculations.

Export price

(73) With regard to the exports to the Community, except for one transaction, the producer sold the product concerned directly in the Community without the intervention of any related party. The exporter submitted evidence that the one transaction did not concern the product concerned and was therefore not taken into consideration in the calculations.

Comparison

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

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Dumping margin

(75) 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 prices per product type. This comparison showed the absence of dumping during the expiry review investigation period.

(76) The comparison of the data concerning exports to the Community provided by the exporting producers and the total volume of imports as derived from the Eurostat import statistics indicated that the level of cooperation was high, since, the cooperating exporting producer represented roughly the totality of all Community imports from Russia during the IP.

2.2. *Thailand*

2.2.1. ***Interim review on measures in force against one exporting producer in Thailand***

Normal value

(77) Normal value was based on the price paid or payable in the ordinary course of trade by independent customers on the domestic market in accordance with Article 2(1) of the basic Regulation. During the Thailand-interim review investigation period the company sold the product concerned directly to end-users on the domestic market. Normal value was based on profitable sales only.

(78) Normal value was based on the price paid or payable in the ordinary course of trade by independent customers on the domestic market in accordance with Article 2(1) of the basic Regulation.

Export price

(79) The applicant and cooperating producer Usha Siam exported a limited quantity of SWR to the Community during the Thailand-interim review period. These exports were subject to a price undertaking.

(80) For the direct sales to the Community market, the export prices were based on the price paid or payable in the ordinary course of trade by independent customers in the Community in accordance with Article 2(8) of the basic Regulation.

(81) For the export sales made via the related importer, Usha Martin UK, export prices were constructed on the basis of the prices at which the imported product was first resold to independent customers in the Community, in accordance with Article 2(9) of the basic Regulation. Allowance was made for all costs incurred between importation and resale, including selling, general and administrative costs and the profit realised in the Community by the related importer during the investigation period.

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Comparison

(82) The normal value was compared with the average export price for each type of the product concerned, on an ex-works basis and at the same level of trade. In accordance with Article 2(10) of the basic Regulation, and for the purpose of ensuring a fair comparison, factors which were claimed and demonstrated to affect price and price comparability were taken into account. Adjustments were made for inland and ocean freight, insurance costs, handling and packaging costs, credit costs and import duties, which were all deducted from the resale price in order to arrive at an ex-works basis.

Dumping margin

(83) In accordance with Article 2(11) of the basic Regulation, the dumping margin was established per product type on the basis of a comparison of the weighted average normal value with the weighted average export prices at the same level of trade. This comparison showed the absence of dumping during the interim review investigation period.

2.2.2. ***Expiry review on measures in force against exporting producers in Thailand***

(84) Out of the three known producers of SWR in Thailand, one company cooperated in the investigation. On the basis of the information collected, this company represented almost 100 % of Thailand's total exports to the Community during the ERIP. The company also represented around 80 % of total Thai production. Exports to the Community were at a very low level during the review investigation period. Exports by the cooperating company to the Community are subject to a price undertaking.

Normal value

(85) The full cost of production for each exported product type was found to be higher than the domestic price during the ERIP. As a consequence, it was not possible to establish normal value on the basis of prices paid or payable in the ordinary course of trade by independent customers on the domestic market, in accordance with Article 2(1) of the basic Regulation for any of the types of SWR exported by the Thai cooperating exporting producer.

(86) The domestic prices were constructed on the basis of the exporting producer's own cost of manufacturing and selling, general and administrative expenses and a reasonable margin of 5 % for profit on the basis of Article 2(6)(c) of the basic Regulation and in accordance with Article 2(3) of the basic Regulation.

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Export price

(87) The cooperating exporting producer exported the product concerned via a related company in the Community. As a consequence, and in accordance with Article 2(9) of the basic Regulation, export prices were constructed on the basis of the prices at which the imported product was first resold to independent customers in the Community. Allowance was made for all costs incurred between importation and resale, including selling, general and administrative costs and the profit realised in the Community by the importing company during the review investigation period.

Comparison

(88) The normal value was compared with the average export price for each type of the product concerned, on an ex-works basis and at the same level of trade. In accordance with Article 2(10) of the basic Regulation, and for the purpose of ensuring a fair comparison, differences in factors which were claimed and demonstrated to affect price and price comparability were taken into account. Adjustments were made for inland and ocean freight, insurance costs, handling and packaging costs, credit costs and import duties, which were all deducted from the resale price in order to arrive at an ex-works basis.

Dumping margin

(89) In accordance with Article 2(11) of the basic Regulation, the dumping margin was established per product type on the basis of a comparison of the weighted average normal value with the weighted average export prices at the same level of trade. This comparison showed the existence of relatively low dumping during the ERIP, compared to the original Regulation. The weighted average dumping margin expressed as a percentage of the CIF value at the Community frontier was 7,6 %.

2.3. *Turkey*

Preliminary remarks

(90) There are two exporting producers in Turkey; both Celik Halat (Halat) and Has Celik (Has) cooperated in the expiry review investigation and Has cooperated in the partial interim review concerning its level of dumping. The two producers account for 100 % of EU exports from Turkey.

2.3.1. ***Interim review on measures in force against one exporting producer in Turkey***

(91) It is recalled that the partial interim review mentioned in recital 10 above concerns one Turkish exporter allegedly dumping its SWR in the Community.

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Normal value

(92) The investigation showed that most of the domestic prices to establish normal value for the product types exported by the Turkish exporter concerned were profitable. The price used was therefore the price paid or payable in the ordinary course of trade by independent customers on the domestic market in accordance with Article 2(1) of the basic Regulation.

(93) For certain product types, the normal value was constructed on the basis of the producer's own cost of production including SG&A and a reasonable margin of 5 % for profit, in accordance with Article 2(3) of the basic Regulation.

Export price

(94) As regards the exports to the Community, the Turkish producer concerned sold the product concerned directly in the Community without the intervention of any related party. The export price considered was therefore the price actually paid or payable for the product when sold for export from the exporting country to the Community in accordance with Article 2(8) of the basic Regulation.

Comparison

(95) The normal value was compared with the average export price for each type of the product concerned, on an ex-works basis and at the same level of trade in accordance with Article 2(10) of the basic Regulation. For the purpose of ensuring a fair comparison, differences in factors which were found to affect prices and price comparability were taken into account in the calculations. Adjustments were made for inland and ocean freight, insurance costs, handling and packaging costs, credit costs and import duties, which were all deducted from the resale price in order to arrive at an ex-works basis.

Dumping Margin

(96) In accordance with Article 2(11) of the basic Regulation, the dumping margin was established per product type on the basis of a comparison of the weighted average normal value with the weighted average export prices at the same level of trade. Overall, this comparison showed that the weighted average dumping margin expressed as a percentage of the CIF value at the Community frontier was 0,12 %, i.e. at *de minimis* level.

2.3.2. ***Expiry review on measures in force against Turkey***

Normal value

(97) After the tests described in the general methodology at recital 46 above were carried out, it was found that normal value should be constructed for the majority of SWR types exported to the EC by one Turkish exporting producer. The normal value was thus calculated on the basis of the producer's own cost of production including a reasonable margin of 5 % for profits, in accordance with Article 2(3) of the basic Regulation.

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(98) For the other producer, as explained in recitals 92 and 93 above, the domestic sales price could be used to establish normal value for a majority of product types. Thus, the normal value was based on the price paid or payable in the ordinary course of trade by independent customers on the domestic market in accordance with Article 2(1) of the basic Regulation.

Export price

(99) As regards to the exports to the Community, the Turkish producers sold the product concerned directly in the Community without intervention of any related party. The export price considered was the price actually paid or payable for the product when sold for export from the exporting country to the Community in accordance with Article 2(8) of the basic Regulation.

Comparison

(100) The normal value was compared with the average export price for each type of the product concerned, on an ex-works basis and at the same level of trade. In accordance with Article 2(10) of the basic Regulation, and for the purpose of ensuring a fair comparison, differences in factors which were claimed and demonstrated to affect price and price comparability were taken into account. Adjustments were made for inland and ocean freight, insurance costs, handling and packaging costs, credit costs and import duties, which were all deducted from the resale price in order to arrive at an ex-works basis.

Dumping

(101) The comparison of the average export price with the normal value for each type of the product concerned showed the existence of dumping only for one exporter in Turkey, and a *de minimis* margin for the other producer (see recital 96). The dumping margin expressed as a percentage of the CIF value at the Community frontier was 33,6 % for the said exporter.

(102) It should be noted that for that exporter the dumping margin established in the initial investigation was high (more than 50 %), leading to a duty based on the injury margin in accordance with Article 9(4) of the basic Regulation. The investigation carried out under the present review indicates that dumping still persists, even at lower export volumes, although at a lower level.

D. **LASTING NATURE OF CHANGED CIRCUMSTANCES**

(103) In accordance with Article 11(3) of the basic Regulation, it was also examined whether the changed circumstances which were found to exist in the relevant reviews could reasonably be of a lasting nature.

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Russia

BMK

(104) This company is currently subject to a residual duty set at 50,7 % established during the original investigation on the basis of data pertaining to another Russian exporter, as BMK did not cooperate in that investigation. However, the current dumping margin set at 36,2 % was calculated based on information relating to BMK for the whole RIP.

(105) In addition, there were no indications that the level of the normal value or the export price established for BMK in the current investigation is not reliable. The export price of BMK to the Community during the RIP was found to be similar to that of its exports to other countries, where considerably higher quantities were sold during the RIP.

(106) Although the dumping margin found in the RIP is based on a relatively low volume of exports of SWR to the Community, there are reasons to consider that the dumping margin found is based on changed circumstances of a lasting nature.

SSM

(107) It is important to recall that SSM's export prices to the Community are subject to a price undertaking which became applicable to exports to the new 10 Member States (EU-10) which joined the EU at the beginning of the last two months of Russia-interim review period, namely in May 2004. Although the export prices charged to customers located in the 15 Member States comprising the EU before 1 May 2004 were at the level required by the undertaking, the sales to EU-10 customers were found to be made at a lower price level. Furthermore, it was also found that exports to other third countries in Russia-interim review period were made at significantly lower prices and in significantly bigger quantities than those exported to the Community.

(108) SSM's low quantity of exports of SWR to the Community during Russia-interim review period cannot be attributed to capacity constraints as it was found that the company had significant spare production capacity available. It seems therefore clear that the low quantity of exports is the result of the prices imposed by the price undertakings. This suggests that if the price undertaking ceased to exist, it is very likely that SSM would sell larger quantities at lower (and thus dumped) prices on the Community market.

(109) As indicated above, all exports — both to the Community and to third countries — were taken into account in this analysis.

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(110) The investigation showed that SSM has the spare capacity to significantly increase its exports both to the Community and to third countries. If, as is likely, SSM would try to recover the market share it held on the Community market prior to the imposition of measures, it could do so by selling at dumped prices on the Community market. In addition to this, prices to other countries were on average lower than prices to the Community market and the investigation concluded that the product concerned was sold at dumped prices to non-EU countries.

(111) SSM's normal value in the RIP was based on a large volume (the vast majority of its production) sold in the ordinary course of trade on a competitive domestic market. This indicates that the level of normal value found in the current investigation is of a lasting nature.

(112) Consequently, it is considered that, in the absence of anti-dumping measures, SSM export volumes to the Community would increase sharply and that export prices would fall significantly. Therefore, it is concluded that the alleged changed circumstances with regard to SSM export prices cannot reasonably be considered to be of a lasting nature.

Thailand

(113) The interim review investigation showed that the exports to the Community made by the cooperating Thai exporter were not made at dumped prices. It was also found that the export prices charged by the Thai exporter to the Community were similar to prices charged to parties located in other third countries, where larger quantities were sold.

(114) In addition, it was found that the Thai exporter developed its distribution network and delivered SWR to a wider range of customers in the rest of the world. Sales subsidiaries were established in Australia, Singapore and the United States. Usha's low quantity of exports of SWR to the Community cannot therefore be attributed to capacity constraints as the company has virtually no spare capacity.

(115) It is considered that, in the absence of anti-dumping measures (i.e. currently a price undertaking), Usha's export volumes to the Community would not increase significantly and its export prices would hardly be affected. Based on the above facts and considerations it can be concluded that, in the absence of significant spare capacity and taking into account that the company mainly focuses its exports on several other export markets than the Community where export prices are considerably higher than on the Community market, the changed circumstances found with regard to Usha can be considered to be of a lasting nature.

Turkey (Has Celik)

(116) Imports to the Community of SWR originating in Turkey have increased significantly since the year 2005. At that time, an interim review concluded that, in the absence of dumping, it was appropriate to repeal the measures insofar as they concern the applicant Turkish exporter.

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(117) The current interim review for the same producer has confirmed that its exports to the Community were made at prices which were not found to be dumped. In addition, the production capacity of that company was found to be limited compared to Community consumption. As a consequence, it can be concluded that the change of circumstances as established in the interim review is of a lasting nature.

Developments of imports should measures be repealed

Preliminary remarks

(118) The cooperating producers in this investigation represent almost the totality of imports into the EU from the countries concerned. The examination of whether it would be likely that dumping would continue should measures be repealed was therefore based, to a large extent, on the information provided by these cooperating exporting producers. In particular, the pricing behaviour of the cooperating exporting producers to other export markets and their production, production capacity and stocks were examined.

(119) In order to determine whether there was a likelihood of continuation of dumping, the Commission looked at the current situation of the countries concerned and the parties concerned by the investigation. Where relevant, it also looked at the possible existence of dumping on exports to the Community. An analysis was also made as to the pricing behaviour, production and production capacity of other exporting producers in the countries concerned by the investigations. This analysis was based on market intelligence data supplied by the Community industry and exporting producers, Eurostat imports statistics and, when available, export statistics from the countries concerned.

Russia

Production, production capacity and investments

(120) SSM managed to increase production in the expiry review investigation period by 7 % compared to 2005.

(121) While the production capacity remained stable during the period considered, the average capacity utilisation in the Russia was found to be around 60 to 65 % for the review investigation period. It therefore can be concluded that the exporting producers in the Russia have the capacity to increase their exports to the Community market should measures be repealed.

(122) Moreover, the overall capacity of the Russia concerning the product concerned is estimated to be approximately at the level of total EU consumption during the ERIP, namely 220 000 tonnes. Since Russian market is not able to handle this level of supply, Russian producers may choose to redirect this spare capacity to the Community at dumped prices if measures are repealed.

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Relationship between export prices, third countries and the price level in the Community

(123) In recitals 61 and 62, it was explained that because of the existence of a price undertaking the exports made to the Community were not made at dumped levels. It was also demonstrated that the MIP's established with the price undertaking influenced the pricing of the Russian company concerned in the Community market. It was therefore concluded that the export price to the Community was not reliable within the meaning of Article 2(8) of the basic Regulation.

(124) Prices to third countries were therefore considered to be more reliable as they were not subject to any constraints during the ERIP.

(125) Also during the ERIP, Russian export prices to third countries were generally lower than the price level in the Community. Therefore, if measures were repealed, Russian exporters are likely to export SWR in large quantities to the Community and at lower prices than under the current price undertaking. As a consequence, it appears likely that dumping would recur should the anti-dumping measures in force be repealed. This is particularly relevant in view of the current situation concerning the price undertaking.

Conclusion on Russia

(126) The behaviour of Russian exporters and the influence of the price undertaking on the level of the export price to the Community, the prevailing lower level of prices in third countries and the large spare production capacities available are clear indications that Russian producers would be likely to revert to the Community market in significant quantities at dumped prices in the case where measures are repealed.

Thailand

Production, production capacity and investments

(127) The Thai cooperating producer is the dominant producer in Thailand representing a major share, namely around 80 %, of installed production capacity and actual production of SWR in Thailand. The investigation showed that this producer produced at full capacity and that the other two known Thai producers are almost completely absent from the Community market and that they did not have large production capacities available.

(128) The investigation showed that even if the cooperating exporting producer was selling at dumped prices at the Community market, its sales volumes were extremely low. It was observed on the basis of the company's worldwide exports that the company focuses on several other export markets than the Community, most notably the United States, Singapore, Indonesia, Australia, Japan and Malaysia. Sales subsidiaries were even established in these countries.

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Relationship between export prices and the price undertaking

(129) The cooperating exporting producer respected the price undertaking and, given the currently high market prices, it sold at prices above the agreed minimum prices on many occasions. There are no other Thai companies exporting the product concerned to the Community market.

Relationship between export prices to third countries and the price level in the Community

(130) During the ERIP, sales volume of Usha to the rest of the world was significantly higher than sales to the Community, notwithstanding the fact that the export price level in the Community was on average 9,5 % higher than in the rest of the world.

(131) Based on the above facts and considerations, it is unlikely that the cooperating exporting producer in Thailand will export large quantities to the Community market, even if measures were repealed. The other two Thai producers do not seem to have an international distribution network in place that would allow them to enter the Community market aggressively and gain market share.

Turkey

Production, production capacity and investments

(132) According to the information gathered during the investigation, the production capacity remained unchanged during the period under investigation and capacity utilisation has increased. As a consequence, it was found that both Turkish companies reach about 90 % of their production capacity. There are no other companies producing the PC in Turkey.

(133) Moreover, it was observed that the share of dumped imports from Turkey (from Celik Halat) on the Community market is less than 0,5 % of which 10 % were not even in competition with Community production, because it concerned product types which were not produced by the Community industry. Since Has was found not to be dumping, the market share of dumped imports from Turkey is thus very low. Therefore, only a small share of exports from Turkey is dumped and in direct competition with the Community industry.

Conclusion on the likelihood of continuation of dumping

(134) Considering the above arguments, it is unlikely that the cooperating exporting producers would export large quantities to the Community market, even if measures were repealed. On this basis, there is no likelihood of recurrence or continuation of dumping.

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E. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY

1. Definition of Community production and Community industry

Community production

(135) SWR are manufactured by 29 Community producers in the Community and production was found to amount to around 202 000 tonnes during the ERIP.

(136) As in the original investigation, some of the Community producers were found to import the product concerned. However, the quantities imported were negligible in comparison with their production (less than 1 % of their production volume) and there were no imported products originating in the countries concerned. It was therefore concluded that there were no grounds for excluding any of these producers from the definition of Community production.

(137) SWR manufactured by these 29 Community producers thus constitute the total Community production within the meaning of Article 4(1) of the basic Regulation.

Community industry

(138) The application for the interim and expiry reviews was supported by 22 Community producers and they all agreed to cooperate with the investigation. It was examined whether these cooperating producers represented a major proportion of the total Community production of the product concerned and it was found that they accounted for 87 % of the total Community production of the product concerned during the ERIP and the various interim review investigation periods.

(139) It was therefore considered that the 22 cooperating and supporting Community producers represented the Community industry within the meaning of Article 4(1) and 5(4) of the basic Regulation. They are hereinafter referred to as the Community industry.

2. Situation on the Community market

2.1. *Consumption on the Community market*

(140) Community consumption was established on the basis of:

— the sales volumes of the Community producers constituting the Community industry,

— estimates of sales of the other producers on the Community market based on data provided in the application, and

— Eurostat data of imports of the product concerned from the countries concerned as well as from third countries.

(141) Between 2003 and the ERIP, Community consumption grew by more than 46 000 tonnes, or by 26 %, to reach a total volume of consumption of more than 222 000 tonnes during the RIP.

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Table 1

	2003	2004	2005	ERIP
Community consumption (tonnes)	176 438	195 363	214 529	222 456
Index	100	111	122	126

2.2. *Development of imports and price undercutting from Russia*

2.2.1. ***Volumes, market share and prices of imports from Russia***

(142) The volumes and market shares of imports of the product concerned from Russia developed as set out in the table below.

Table 2

	2003	2004	2005	ERIP
Volume of imports (tonnes)	2 198	1 844	2 908	3 323
Index	100	84	132	151
Market share	1,2 %	0,9 %	1,4 %	1,5 %
Index	100	75	117	125

(143) During the period considered, imports from Russia increased by 51 %, from 2 198 tonnes in 2003 to 3 323 tonnes during the ERIP. The share of Community consumption accounted for by imports in the meanwhile increased from 1,2 % to 1,5 %, or by 25 %.

(144) The approach followed to calculate the price undercutting is this case is identical to that described in recitals 136 to 140 of the provisional Regulation. The price at Community border charged by the exporters concerned was compared on a type-by-type basis with the Community Industry's ex-works price. The result of the comparison was expressed as a percentage of the Community Industry's ex-works price.

(145) The level of the price charged by SSM to Community-based customers has, in all likelihood, been affected by the undertaking accepted in the context of the original Regulation. However, a significant level of undercutting of 49 % has been found.

(146) In view of the above findings, it seems that the relatively low market share of Russian exports is certainly due to the anti-dumping measures in force against Russia. Given the level of Russian prices and the magnitude of the dumping currently found for Russia, it is very likely that the large spare capacities available in the country could easily be used to increase exports to the Community market.

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2.3. *Volumes, market shares and prices of imports from other countries concerned by this review*

(147) It is recalled that in recitals 131 and 134, it was concluded that there was no risk for recurrence for dumping for imports of SWR originating in Thailand and Turkey. The trends of imports of the product concerned from other countries concerned by this review were also examined. Import volumes and market shares of the other countries concerned by this review have developed as follows:

Table 3

	2003	2004	2005	ERIP
Thailand				
Volume of imports (tonnes)	368	160	86	118
Of which dumped imports				0
Total market share	0,21 %	0,08 %	0,04 %	0,05 %
Turkey				
Volume of imports (tonnes)	2 248	2 223	4 246	4 805
Of which dumped imports				1 089
Total market share	1,27 %	1,11 %	1,98 %	2,16 %

(148) The table shows that imports from Thailand have been insignificant in volumes during the period considered, with a market share of 0,1 % during the ERIP.

(149) Total imports from Turkey increased from 2 248 tonnes to 4 805 tonnes from 2003 to the end of the ERIP, or by 113 %. In terms of market share, they almost doubled, from 1,3 % to 2,2 %. Still, in relation to the overall size of the Community market, the volumes of imports from Turkey are not very large.

(150) It should be noted however that the main exporting producer in Turkey has zero duties in force against its exports. This has probably enabled this exporting producer to increase its sales to the EU at relatively high prices.

(151) The approach followed to calculate the price undercutting in this case is identical to that described in recitals 136 to 140 of the provisional Regulation. The price at the Community border charged by the exporters concerned was compared on a type-by-type basis with the Community Industry's ex-works price. The result of the comparison was expressed as a percentage of the Community Industry's ex-works price.

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(152) Notwithstanding the above considerations, a price undercutting of 24 % has been found for dumped imports from Turkey, whereas the level of undercutting of imports originating in Thailand was found to be around 1 %.

2.4. *Volumes and market shares of imports from other countries concerned by anti-dumping measures but not concerned by this review*

(153) It is recalled that anti-dumping measures are imposed on steel ropes and cables originating in the People's Republic of China, India, South Africa and Ukraine. These anti-dumping measures were in force during the whole period considered:

Table 4

	2003	2004	2005	ERIP
People's Republic of China				
Imports (tonnes)	1 545	3 374	6 581	7 560
Index	100	218	426	489
Average price (EUR/tonne)	1 088	1 120	1 063	947
Market share	0,9 %	1,7 %	3,1 %	3,4 %
India				
Imports (tonnes)	4 218	4 832	6 551	6 108
Index	100	115	155	145
Average price (EUR/tonne)	902	1 036	1 130	1 123
Market share	2,3 %	2,5 %	3,1 %	2,7 %
South Africa				
Imports (tonnes)	184	795	577	941
Index	100	433	314	512
Average price (EUR/tonne)	1 303	1 471	1 584	1 573
Market share	0,1 %	0,4 %	0,3 %	0,4 %
Ukraine				
Imports (tonnes)	1 222	1 438	1 149	776
Index	100	118	94	63
Average price (EUR/tonne)	866	712	752	662
Market share	0,7 %	0,7 %	0,5 %	0,3 %
Total tonnes	**6 785**	**10 978**	**16 177**	**16 012**
Total market share	3,7 %	5,6 %	7,5 %	7,2 %

(154) It is noteworthy that imports from the countries under anti-dumping measures increased significantly during the period considered, both in terms of volume, with an increase by 135 %, and in terms of market share with an increase from 3,7 % to 7,2 % during the same period.

2.5. *Volumes and market shares of imports from other countries not concerned by any anti-dumping measures*

(155) Imports from other third countries have developed as shown below:

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Table 5

	2003	2004	2005	ERIP
Total volumes (tonnes) of which:	42 486	54 983	58 843	61 271
Index	100	129	138	144
South Korea	22 400	32 121	34 634	36 408
Index	100	143	155	163
Malaysia	4 836	4 426	5 123	6 642
Index	100	92	106	137
North Korea	150	1 626	2 212	3 324
Index	100	1 084	1 475	2 216

(156) Imports from countries not subject to anti-dumping measures have increased by around 19 000 tonnes or by 44 % during the period considered. The major part of these imports originates in South Korea.

3. **Economic situation of the Community industry**

3.1. *Preliminary remarks*

(157) In view of the large number of Community producers constituting the Community industry it was decided to select a sample of Community producers in accordance with Article 17 of the basic Regulation, as explained in recitals 20 and 21 above. The five Community producers that are included in the sample were selected as they represent the largest representative volume of production that can reasonably be investigated within the time available. They are mentioned in recital 26 above.

(158) The injury data provided below is therefore based on both the findings made at the level of sampled Community producers and on the basis of the findings made at the level of the 22 producers constituting the Community industry. For reasons of clarity, it has been expressly stated when the injury factors refer to information obtained from the sample. In the absence of such a reference, it should be considered that the data was obtained from the 22 Community producers constituting the Community industry.

3.2. *Production, installed production capacity and capacity utilisation rate*

(159) *Table 6*

	2003	2004	2005	ERIP
Production (tonnes)	149 957	148 536	161 611	176 119
Index	100	99	108	117

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	2003	2004	2005	ERIP
Installed production capacity (tonnes)	229 066	229 654	245 343	247 833
Index	100	100	107	108
Capacity utilisation rate	65 %	65 %	66 %	71 %
Index	100	99	101	109

(160) During the period considered, production of the whole Community industry increased by around 26 000 tonnes, or by 17 %. This increase should be seen in the light of the Community consumption which increased by 46 000 tonnes or by 26 %, and the increased exports of the Community industry during the same period.

(161) The increase in production also triggered an 8 % increase in production capacity, to reach almost 248 000 tonnes during the ERIP.

(162) The rate of capacity utilisation remained relatively stable during the first years of the period considered. However, during the ERIP, due to the increase in production, the capacity utilisation rate increased from around 65 % to more than 70 %.

3.3. *Stock — information collected from the sample*

Table 7

	2003	2004	2005	ERIP
Stock (tonnes)	11 565	10 236	11 465	12 652
Index	100	89	99	109
Stock as % of overall sales	20 %	17 %	18 %	18 %

(163) Level of stock has remained relatively stable during the period considered, especially in relation to sales.

3.4. *Sales volumes and market share of Community consumption and growth*

Table 8

	2003	2004	2005	ERIP
Sales volumes (tonnes)	107 032	106 542	112 687	116 625
Index	100	100	105	109
Market share of Community consumption	60,7 %	54,5 %	52,5 %	52,4 %
Index	100	90	87	86
Growth of sales turnover (thousands of EUR)	217 912	230 267	262 495	297 009
Index	100	106	120	136

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(164) Sales volumes of the Community industry on the Community market remained relatively stable in absolute terms during the period considered. A 9 % increase in sales volumes was noted during the ERIP but this performance should be seen in the light of the evolution of Community consumption which increased by 26 %.

(165) In view of the development of Community consumption and despite increasing sales volume, the market share of the Community industry has decreased considerably throughout the period considered. The Community industry has lost more than 8 percentage points of the share of the Community consumption during that period.

(166) The overall sales turnover of the Community industry has grown by 36 % during the period considered. This should primarily be seen in the light of increased sales prices per tonne, which mainly reflects higher costs and purchase prices of raw materials.

3.5. *Sales prices and factors affecting Community prices — information collected from the sample*

Table 9

	2003	2004	2005	ERIP
Average sales price (EUR/tonne)	1 902	2 058	2 170	2 142
Index	100	108	114	113
Average cost of raw materials (wire rods) (EUR/tonne)	511	559	662	734
Index	100	109	129	143

(167) The Community industry average sales price on the Community market increased by EUR 240/tonne, or by 13 % during the period considered. The investigation showed that this was clearly a reflection of the increase of prices of raw materials, primarily steel wire rod. The cost of purchased wire rods increased by EUR 223/tonne during the period considered, or by 43 % in comparison with the cost at the beginning of the period considered.

(168) One of the producers included in the definition of the Community industry was found to purchase raw materials, including wire rods, from related parties (vertically integrated steel groups). It was therefore examined whether the prices from the related suppliers to the Community producers were in line with those charged by the related supplier to independent customers. It was found that the prices charged to the Community producers were in line with prices to independent customers and that this increase also reflected the general increase of prices of steel during the period considered. It was therefore concluded that the average costs of raw materials purchased by Community producers which were vertically integrated should also be included in the calculations.

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3.6. *Employment and Wages — information collected from the sample*

Table 10

	2003	2004	2005	ERIP
Employees	1 023	999	1 064	1 087
Index	100	98	104	106
Wages/ employee (EUR)	33 943	36 674	37 987	38 348
Index	100	108	112	113
Wages per tonne produced	606	634	614	592
Index	100	105	101	98

(169) Given the increased production and sales volume noted above, the Community industry increased the number of employees by 6 % during the period considered.

(170) Wages per employee have also increased during the period considered, in line with the general increase in salaries during this period. However, it was found that the average cost of wages per tonne produced could be decreased slightly during the period considered.

3.7. *Productivity — information collected from the sample*

Table 11

	2003	2004	2005	ERIP
Tonne produced/ employee	56	58	62	65
Index	100	103	110	116

(171) The level of productivity observed for the Community industry has increased considerably during the period considered. This shows that the industry is able to adapt itself to the situation in the Community market.

3.8. *Magnitude of the actual margin of dumping and recovery from the effects of past dumping*

(172) As concerns the impact on the Community industry of the magnitude of the actual margin of dumping, given the volume and the prices of the imports from the countries concerned, this impact cannot be considered to be negligible.

3.9. *Profitability, return on investment and cash flow — information collected from the sample*

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Table 12

	2003	2004	2005	ERIP
Profit on Community sales	– 0,1 %	+ 0,4 %	+ 4,6 %	+ 5,3 %
Return on total assets	– 18,8 %	+ 14,1 %	+ 26 %	+ 24,4 %
Cash flow (% on total sales)	+ 0,1 %	+ 1,2 %	+ 4,3 %	+ 6,2 %

(173) Given the positive development of profitability during the period considered the cash flow and return on assets also showed positive trends during that period. From a slight loss in 2003, the Community industry has been able to slowly but steadily increase its profits, both in relation to sales and in relation to its assets. This performance is likely due to the strong improvement in productivity.

(174) Nonetheless, it is recalled that this situation may rapidly change because of the high price levels of steel prevailing on the market, but especially if the anti-dumping measures were allowed to lapse and large volumes of dumped imports would be allowed to enter the market.

Table 13

	2003	2004	2005	ERIP
Investments	46 570	43 158	51 362	56 538
Index	100	93	110	121

3.10. *Investments and ability to raise capital — information collected from the sample*

(175) The level of investments observed at the level of the sampled companies has increased by 21 % during the period considered and should be seen in light of increased production capacity.

(176) None of the Community producers have reported any specific problems in relation to their ability to raise capital.

3.11. *Conclusion on the economic situation of the Community Industry*

(177) The investigation showed that since the imposition of anti-dumping measures on SWR the Community industry managed to improve its economic situation. Most injury factors such as sales volume, production and production capacity, productivity could be increased. This performance was reached in a booming market as consumption increased by 26 % during the period considered.

(178) However, the fact that the Community industry lost market share indicates that it could not take full benefit of this positive situation on the Community market.

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(179) The investigation also showed that the Community industry has been able to improve its overall financial situation. The 13 % increase in sales prices during the ERIP allowed the industry to become profitable despite significant increase in raw material prices. As a consequence, return on assets and cash flow also improved during the period considered. It is therefore concluded that, although the situation of the Community industry has improved as compared to the period preceding the imposition of measures, it is still fragile.

4. **Export activities of the Community industry — information collected from the sample**

Table 14

	2003	2004	2005	ERIP
Export sales (tonnes)	8 475	11 870	10 618	13 374
Index	100	140	125	157
% of total sales	15 %	21 %	19 %	22 %
Average price (EUR/tonne)	2 123	2 302	2 835	3 063
Index	100	108	134	144

(180) The export performance by the sampled Community industry has improved considerably during the period considered. The export sales have increased by 57 % during the period considered. Also in proportion to its overall sales, the export sales have increase from 15 % to 22 %.

(181) The average price per tonne for export sales is also considerably higher than the average price for sales on the Community market (see recital 167). The higher prices for exported SWR are due to them being more sophisticated products, triggering higher costs for raw materials and higher manufacturing costs. Notwithstanding the higher cost of production, the Community industry's export performance contributed significantly to the overall profitability for the Community industry.

5. **Conclusion on the likelihood of continuation or recurrence of injury**

(182) The investigation showed that Russian available spare capacities are significant and that there are no apparent reasons that would hamper the activation of such capacities if measures expire. In addition, Russian producers are likely to redirect a substantial amount of their current sales away from third markets and into the Community, given the higher prevailing prices there. Together, these quantities would be substantial — a process facilitated by the existence of well established distribution channels in the Community for Russian exports.

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(183) Furthermore, the significant levels of dumping and undercutting observed, the fact that undertakings appear to act as a price floor, as well as the low level of prices practised in Russian exports to other third countries, indicate that the substantially higher export volumes to the Community mentioned *supra* would be made at dumped prices which would lie significantly below the prices and costs of the Community industry.

(184) The combined effect of such volumes and prices would be likely to lead to a significant deterioration of the Community industry's situation, whose situation is still fragile. Whether the Community industry's response thereto was a drop in sales (and hence in production), a reduction in prices, or both, the financial deterioration would be substantial, returning to the difficulties observed prior to the imposition of the original measures.

(185) On this basis, it is concluded that there is a clear likelihood of recurrence of injurious dumping should anti-dumping measures on imports of SWR originating in Russia be allowed to lapse.

F. **COMMUNITY INTEREST**

1. **Preliminary remarks**

(186) In accordance with Article 21 of the basic Regulation, it was examined whether the maintenance of the existing anti-dumping measures would be against the interest of the Community as a whole. The determination of the Community interest was based on an appreciation of all the various interests involved. The present investigation analyses a situation in which anti-dumping measures have already been in place and allows for assessment of any undue negative impact on the parties concerned due to the current anti-dumping measures.

(187) On this basis, it was examined whether, despite the conclusions on the likelihood of a continuation or recurrence of injurious dumping, compelling reasons existed which would lead to the conclusion that it is not in the Community interest to maintain measures in this particular case.

2. **Interest of the Community industry**

(188) As outlined above, there is a clear likelihood of recurrence of injurious dumping if measures applicable to Russian exporters were to be repealed.

(189) It is recalled that no less than 22 producers in the Community, representing approximately 87 % of the overall production of SWR in the Community, cooperated with the Commission in the investigation and expressed their support for the ongoing measures.

(190) The continuation of anti-dumping measures on imports from countries concerned would enhance the possibility for the Community industry to maintain and even strengthen its current situation. There is a clear likelihood of recurrence of injurious dumping in substantial volumes which the Community industry is not likely to sustain. The Community industry would therefore continue to benefit from the maintenance of the current anti-dumping measures, in particular as there are also measures against imports of steel ropes and cables originating in the PRC, India, South Africa and Ukraine.

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3. **Interest of importers**

(191) In the provisional Regulation (recital 202), it was explained that the distribution of SWR in the Community was characterised by the existence of a significant number of importers/traders. However, although the application for the present expiry review contained a list of 32 importers/traders, all of whom were contacted, only three importers cooperated in the investigation, of whom one importer was found to import the product concerned.

(192) The core activity of this importer was indeed focused on SWR (between 55 % and 85 %), and it was found that its financial performance had not been seriously affected by the measures in force.

4. **Interest of suppliers**

(193) As explained in more detail in recitals 197 and 198 in the provisional Regulation, the principal raw material used in the production of SWR is industrial steel wire which is manufactured from steel wire rod.

(194) Some of the Community producers of SWR were found to be vertically integrated, i.e. they had related suppliers of industrial steel wire. Whereas two related suppliers responded to questions concerning prices of raw materials (see recital 168) above, no unrelated suppliers of raw materials made themselves known.

(195) Whether being a related or unrelated supplier of raw materials to the Community industry, it is clear that those Community suppliers would suffer significantly if measures were allowed to lapse and, as a consequence, the Community industry's sales volumes would decrease. It could therefore clearly be concluded that the maintenance of anti-dumping measures would be in the interest of Community suppliers of raw materials.

5. **Interest of users**

(196) The Commission directly contacted 21 users of SWR in the Community but not a single user made itself known or cooperated in the investigation.

(197) On that basis it was considered that the users had no compelling reasons against the maintenance of anti-dumping measures.

6. **Conclusion on Community Interest**

(198) Taking into account all of the above factors, it is concluded that there are no compelling reasons against the maintenance of the current anti-dumping measures.

G. **UNDERTAKINGS**

(199) As stated in recital 2 above the Commission accepted SSM's undertaking offer by Decision 2001/602/EC on 26 July 2001. The interim review revealed that since the acceptance of the undertaking in 2001 the product range of SSM had changed significantly.

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(200) The undertaking classified the SWR produced by them in a considerable number of product types with significant price variations within each type. The review investigation confirmed that the company had serious problems in classifying the different product types properly and in accordance with the terms of the undertaking. This was partly due to accounting system limitations which did not allow them to properly distinguish between different SWR product types. Similar problems were already identified during the monitoring of the undertaking and led to a warning letter.

(201) It has therefore been concluded that the undertaking in its current form is no longer workable and has to be withdrawn by Commission Decision.

(202) Both Russian exporters offered an undertaking within the deadline following definitive disclosure, but neither offered an acceptable undertaking within the time limit set out in Article 8(2) of the basic Regulation i.e. an undertaking that would reflect the findings of the reviews and that would group different products in categories which would be workable and have limited price variances.

(203) Given that the issues relating to the withdrawal of the undertaking have been disclosed at a late stage of the proceeding, both Russian exporters should exceptionally be allowed to complete their undertaking offer beyond the normal deadlines, but within 10 calendar days from entry into force of this Regulation. If necessary, the Commission is allowed to propose an amendment to this Regulation accordingly.

H. **FINAL PROVISIONS**

(204) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend that the existing measures on imports from Russia be maintained and that the level of the measures would be amended where warranted. They were also granted a period to submit comments and claims subsequent to disclosure. No comments were received which were of a nature to change the above conclusions.

(205) 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 countries concerned should be maintained for Russia and repealed for Turkey and Thailand.

I. **DUTIES**

(206) In view of the conclusions reached with regard to continuation of dumping, likelihood of recurrence of injury and Community interest, the anti-dumping measures on imports of SWR originating in Russia should be confirmed in order to prevent a recurrence of injury being caused to the Community industry by the dumped imports.

(207) With regards to the findings of the interim reviews concerning the two Russian companies, it is considered appropriate to amend the anti-dumping duty applicable to BMK to 36,2 % and to SSM to 9,7 %.

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(208) However, in light of the findings as regards Turkey, and the absence of any indications of risk for recurrence of dumping in the future, anti-dumping measures against imports of SWR originating in this country should be repealed.

(209) Furthermore, in light of the findings as regards Thailand, i.e. the absence of dumping during the Thailand-interim review period and the absence of any indications of risk for recurrence of dumping in the future, anti-dumping measures against imports of SWR originating in this country should equally be repealed,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of iron or steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, with fittings attached or not, 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 19, 7312 10 81 90, 7312 10 83 11, 7312 10 83 12, 7312 10 83 19, 7312 10 83 90, 7312 10 85 11, 7312 10 85 12, 7312 10 85 19, 7312 10 85 90, 7312 10 89 11, 7312 10 89 12, 7312 10 89 19, 7312 10 89 90, 7312 10 98 11, 7312 10 98 12, 7312 10 98 19 and 7312 10 98 90), originating in Russia.

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

Company	Rate of duty (%)	TARIC additional code
Joint Stock Company Beloretsk Iron & Steel Works 1 Blukhera Street, Beloretsk, Republic of Bashkortostan, 453500, Russia	36,2	A694
►C1 Joint Stock Company Severstal-metiz ◄ Ul. 50-letiya Oktyabrya 1/33, Cherepovets, Vologda Region, 162600 Russia	9,7	A217
All other companies	50,7	A999

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

Article 2

The anti-dumping proceedings concerning imports of iron or steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, with fittings attached or not, 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 originating in Thailand and Turkey are hereby terminated and anti-dumping measures imposed on those countries by Regulation (EC) No 1601/2001 are repealed.

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Article 3

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

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