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COUNCIL REGULATION (EC) No 1001/2008

of 13 October 2008

imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings, of iron or steel, originating in the Republic of Korea and Malaysia following an expiry review pursuant to Article 11(2) of Regulation (EC) No 384/96

(OJ L 275, 16.10.2008, p. 18)

Amended by:

		Official Journal		
		No	page	date
►M1	Implementing Regulation of the Council (EU) No 363/2010 of 26 April 2010	L 107	1	29.4.2010

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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 9 and 11(2) thereof,

After consulting the Advisory Committee,

Whereas:

A. PROCEDURE

1. Measures in force

(1) In August 2002, definitive anti-dumping measures on imports of certain tube and pipe fittings ('TPFs' or the 'product concerned') originating, *inter alia*, in the Republic of Korea and Malaysia (the 'countries concerned') were imposed by Council Regulation (EC) No 1514/2002 ([2]) (the 'original investigation'). The anti-dumping duties in force for Malaysia are: 59,2 % for Anggerik Laksana Sdn Bhd and 75 % for all other companies; for the Republic of Korea the duty is 44 % for all companies.

(2) Outside the scope of this proceeding, anti-dumping measures are currently in force imposed by Council Regulation (EC) No 964/2003 ([3]) on exports from the People's Republic of China (58,6 %) and Thailand (58,9 %), with the exception of two companies in Thailand, and those consigned from Taiwan, whether declared as originating in Taiwan or not. The measures for the product concerned originating in China were extended to imports of the same product consigned from Indonesia by Council Regulation (EC) No 2052/2004 ([4]), Sri Lanka by Council Regulation (EC) No 2053/2004 ([5]) and the Philippines by Council Regulation (EC) No 655/2006 ([6]), whether declared as originating in the Philippines, Indonesia, Sri Lanka or not.

2. Request for a review

(3) Following the publication of a notice of impending expiry ([7]) of the anti-dumping measures in force on imports of TPFs originating in the Republic of Korea and Malaysia, the Commission received a request to review these measures pursuant to Article 11(2) of the basic Regulation.

(4) The request was lodged on 23 May 2007 by the Defence Committee of the Steel Butt-Welding Fittings Industry of the European Union (the applicant) on behalf of producers representing a major proportion, in this case more than 50 %, of the total Community production of certain tube and pipe fittings.

([1]) OJ L 56, 6.3.1996, p. 1.
([2]) OJ L 228, 24.8.2002, p. 1.
([3]) OJ L 139, 6.6.2003, p. 1.
([4]) OJ L 355, 1.12.2004, p. 4.
([5]) OJ L 355, 1.12.2004, p. 9.
([6]) OJ L 116, 29.4.2006, p. 1.
([7]) OJ C 286, 23.11.2006, p. 8.

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(5) 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 Community industry.

(6) Having determined, after consultation of the Advisory Committee, that sufficient evidence existed for the initiation of a review, the Commission initiated an expiry review ([1]) pursuant to Article 11(2) of the basic Regulation.

3. **Investigation**

(7) The Commission officially advised the applicant Community producers, the other Community producers, the exporting producers in the countries concerned, the importers/traders, users and their associations known to be concerned, as well as the representatives of the governments of both exporting countries, of the initiation of the review.

(8) The Commission sent questionnaires to all these parties and to those who made themselves known within the time limit set out in the notice of initiation.

(9) The Commission also gave interested parties 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.

(10) In view of the apparent high number of exporting producers in the Republic of Korea, importers/traders of the product concerned and Community producers, sampling was envisaged in the notice of initiation, in accordance with Article 17 of the basic Regulation. In order to be able to decide whether sampling would be necessary and, if so, to select a sample, the Commission sent out sampling forms requesting specific information on the average sales volume and prices of each Community producer, exporting producer and importer concerned. No reply was received from any Korean exporting producer and eleven replies were received from importers. Only four Community producers replied to the sampling form. It was therefore decided that sampling was not necessary.

(11) Four Community producers replied to the questionnaire, but one sent a partial answer and failed to reply after a deficiency letter had been sent. Regarding Malaysia, two replies to the questionnaire were received, one from a newcomer company and the other from a company that later on refused the verification visit. No Korean exporting producers replied to the questionnaire. Two importers submitted a reply to the questionnaire.

(12) The Commission sought and verified all information deemed necessary for the purposes of determining the likely continuation or recurrence of dumping and injury and the Community interest. Verification visits were carried out at the premises of the following companies:

(a) applicant Community producers:

— Erne Fittings GmbH, Schlins, Austria,

— Interfit SA, Maubeuge, France,

— Virgilio Cena & Figli SpA, Brescia, Italy;

(b) newcomer producer in Malaysia:

Pantech Steel Industries Sdn Bhd, Selangor, Malaysia.

4. **Investigation period**

(13) The investigation of continuation or recurrence of dumping covered the period from 1 July 2006 to 30 June 2007 (the

([1]) OJ C 192, 18.8.2007, p. 15.

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'IP'). 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 2002 up to the end of the IP (the 'period considered').

B. **PRODUCT CONCERNED AND LIKE PRODUCT**

1. **Product concerned**

(14) The product under review is tube and pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, originating in the Republic of Korea and Malaysia, currently classifiable within CN codes ex 7307 93 11, ex 7307 93 19, ex 7307 99 30 and ex 7307 99 90.

(15) TPFs are manufactured essentially by cutting and forming tubes and pipes. They are used to join tubes and pipes and come in different shapes: elbows, reducers, tees and caps, as well as different sizes and material grades. They are used mainly in the petrochemical industry, construction, energy generation, ship-building and industrial installations. When sold for use in the petrochemical industry, the global standard used is the ANSI standard. For other purposes, the most common standard used in the Community is the DIN standard.

2. **Like product**

(16) As in the original proceeding, the investigation has shown that the TPFs produced in the countries concerned, sold domestically and/or exported to the Community, have the same basic physical, technical and chemical characteristics and end uses as the products sold in the Community by the applicant Community producers and are therefore considered to be like products within the meaning of Article 1(4) of the basic Regulation.

C. **LIKELIHOOD OF A CONTINUATION OF DUMPING**

(17) In accordance with Article 11(2) of the basic Regulation, it was examined whether the expiry of the measures would be likely to lead to a continuation of dumping.

1. **Preliminary remarks**

(18) As mentioned above, in the absence of cooperation from any exporting producers in Korea and Malaysia, except for one newcomer company, this examination had to be based on information available to the Commission from other sources. In this respect, and in accordance with the provisions of Article 18 of the basic Regulation, Eurostat data referring to the 8-digit CN code, checked against other sources, were used to establish import quantities and prices. Facts available were used to calculate the dumping margin, i.e. in this case the information contained in the request and US statistics.

(19) Due to the current small volume of imports of TPFs from Korea and Malaysia in the EU, the Commission had to use data from another country. The USA was considered appropriate, since the market is of a similar size, with many domestic producers but also with a large proportion of imports, making this market a very competitive one. In addition, the USA is the major destination for exports from Korea and Malaysia.

2. **Dumping of imports during the investigation period**

(a) *Normal value*

(20) In accordance with Article 18 of the basic Regulation, and in the absence of any cooperation from Korean or Malaysian exporting producers, except for one newcomer company, the normal value was based on the data provided in the request, i.e. estimated cost

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of manufacturing to which was added 12,3 % and 15,1 % for SGA and 5,6 % and 6 % for profit for Korea and Malaysia respectively, both expressed as a percentage of turnover. It is considered that the above percentages are rather conservative.

(b) *Export price*

(21) In accordance with Article 18 of the basic Regulation, and in the absence of cooperation from both Korean and Malaysian exporting producers, except from one newcomer company, the export price was calculated by using the Korean and Malaysian export prices for the product concerned to the USA, derived from the USA import statistics. These figures were adjusted by product types in proportion to the tonnage of each product type based on information provided in the request.

(c) *Comparison*

(22) The weighted average normal value was compared with the weighted average export price of TPFs, in accordance with Article 2(11) of the basic Regulation, both at ex-works level.

(23) For the purpose of ensuring a fair comparison between normal value and export price, account was taken of differences in factors affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. In this respect, adjustments were made for inland and ocean freight, insurance, handling, loading and ancillary costs.

(d) *Dumping margin*

(24) The comparison of constructed normal value and constructed export price showed the existence of dumping in both countries concerned, the dumping margin being equal to the amount by which the normal value established exceeded the export price. The dumping margin found, as a percentage of the CIF Community-frontier import price, was 15,1 % for Korea and 61,3 % for Malaysia.

3. **Developments of imports should measures be repealed**

(a) *Preliminary remarks*

(25) Further to the analysis of the existence of dumping during the IP, the likelihood of continuation of dumping was also examined. In the absence of cooperation from any Korean or Malaysian exporting producers, except for one newcomer company, and given the lack of publicly available information on the TPF industry, the conclusions below rely mainly on the facts available in accordance with Article 18 of the basic Regulation, namely Eurostat data, the review request, and US statistics.

(b) *Korean and Malaysian production capacity*

(26) The capacity available in both Korea and Malaysia is estimated at 35 300 tonnes and their export capacity at 20 000 tonnes. This represents more than one quarter of the Community consumption.

(c) *Korean and Malaysian export prices to the Community*

(27) As mentioned in the preliminary remarks, the exports of the product concerned from the two countries concerned to the Community market are almost non-existent. With regard to the exports to other third countries, it is alleged in the request that the exports of the product concerned to the USA are made at dumped prices.

(d) *Conclusion on the likelihood of a continuation of dumping*

(28) In the light of the above, i.e. the high dumping margins, the huge spare capacity available in these countries together with their high export capacities, it may be concluded that dumped imports from

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these two countries to the EU would resume if the measures were allowed to lapse. In addition, despite the high level of the anti-dumping duties imposed on their exports which virtually ceased, none of the exporting producers in Malaysia requested an interim review. Furthermore, it should be borne in mind that the Korean exporting companies have never cooperated in the original investigation. The absence of cooperation in this investigation also suggests that these exporting producers were not willing or able to show that no dumping would take place if measures were allowed to lapse.

D. DEFINITION OF THE COMMUNITY INDUSTRY

(29) Three companies cooperated fully in the investigation. These companies are located in France (Interfit), Austria (Erne Fittings) and Italy (Virgilio Cena). The Austrian group also has a related company in Germany (Siekmann Fittings). The investigation established that the three applicant and fully cooperating Community producers represented more than 50 % of the Community production of TPFs and therefore constitute the Community industry within the meaning of Articles 4(1) and 5(4) of the basic Regulation.

E. SITUATION ON THE COMMUNITY MARKET

1. Consumption in the Community market

(30) Community consumption was based on the combined volume of sales made by the applicant Community producers and other Community producers, based on the request, and imports from the countries concerned and imports from other third countries, both based on Eurostat.

(31) On this basis, during the period considered, Community consumption increased by 26 %, from 58 561 tonnes in 2002 to 73 519 tonnes during the IP. Tube and pipe fittings are used mainly in the petrochemical industry, construction, energy generation, shipbuilding and industrial installations which, combined with the recovery of the steel industry, may explain this rise.

(32) *Table 1*

Community consumption

Community consumption	2002	2003	2004	2005	2006	IP
Tonnes	58 561	62 122	64 480	56 255	65 667	73 519
Index	100	106	110	96	112	126
Y/Y trend	100	6	4	– 14	16	13

Source: Eurostat, request, verified questionnaire replies of the Community industry.

2. Imports from the countries concerned

(a) *Volume and market share*

(33) Volumes imported from Malaysia and Korea decreased drastically from 404 to 11 tonnes. This seems to be the result of the anti-dumping measures in force since February 2002. Their market share is *de minimis*.

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(34) *Table 2*

Imports from the countries concerned

Imports from the countries concerned	2002	2003	2004	2005	2006	IP
Tonnes	404	22	54	94	17	11
Index	100	5	13	23	4	3
Y/Y trend	100	– 95	8	10	– 19	– 1
Market share in % of Community consumption	1	0,04	0,08	0,17	0,03	0,01

Source: Eurostat.

(b) *Price evolution of the imports and undercutting*

(35) Due to very limited imports from the countries concerned and in view of the large variety of different types of products, prices provided by Eurostat cannot be considered as a reliable source for a detailed analysis.

(36) In the absence of cooperation in the countries concerned, the undercutting margins were calculated using the same methodology as in the request, i.e. by comparing the export prices of the countries concerned to the USA and prices of the applicants charged on the Community market. The undercutting margin is 25,2 % for Korea and 53,3 % for Malaysia.

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

(a) *Production, production capacity and capacity utilisation*

(37) The Community industry's production increased by 5 % during the period considered, while Community consumption increased by 26 %.

(38) *Table 3*

Production volume

Production volume	2002	2003	2004	2005	2006	IP
Tonnes	46 454	43 504	47 155	40 881	49 300	48 922
Index	100	94	102	88	106	105
Y/Y trend	100	– 6	8	– 14	18	– 1

Source: Verified questionnaire replies of the Community industry.

(39) During the period considered the production capacity of the Community industry increased by 6 %, despite a slight decrease in 2003.

(40) *Table 4*

Production capacity

Production capacity	2002	2003	2004	2005	2006	IP
Tonnes	89 400	87 800	89 700	90 300	94 800	95 000
Index	100	98	100	101	106	106

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Production capacity	2002	2003	2004	2005	2006	IP
Y/Y trend	100	– 2	2	1	5	0

Source: Verified questionnaire replies of the Community industry.

(41) During the period considered capacity utilisation decreased by 1 %.

(42) *Table 5*

Capacity utilisation

Capacity utilisation	2002	2003	2004	2005	2006	IP
%	52	50	53	45	52	51
Index	100	95	101	87	100	99
Y/Y trend	100	– 5	6	– 14	13	– 1

Source: Verified questionnaire replies of the Community industry.

(b) *Sales volume and sales prices*

(43) The Community industry's sales to unrelated customers on the Community market increased by 11 % between 2002 and IP.

(44) *Table 6*

Community industry's sales to unrelated parties

Community industry's sales to unrelated parties	2002	2003	2004	2005	2006	IP
Tonnes	34 968	34 893	38 401	32 841	36 908	38 750
Index	100	100	110	94	106	111
Y/Y trend	100	– 0,2	10	– 16	12	5

Source: Verified questionnaire replies of the Community industry.

(45) During the period considered, the average sales prices charged by the Community industry on the Community market increased gradually. The total increase between 2002 and the IP was 63 %. This rise is partly explained by the increase in the cost of the main raw material, steel tubes, and partly by a shift in two Community producers' production scope to focus on more expensive special types.

(46) *Table 7*

Community industry's sales price

Community industry's sales price	2002	2003	2004	2005	2006	IP
EUR/tonne	1 553	1 652	1 783	2 133	2 217	2 528
Index	100	106	115	137	143	163
Y/Y trend	100	6	8	23	5	20

Source: Verified questionnaire replies of the Community industry.

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(c) *Market share*

(47) The overall market share held by the Community industry from 2002 to the IP decreased by 7 percentage points.

(48) *Table 8*

Market share of the Community industry's sales

Market share of the Community industry's sales	2002	2003	2004	2005	2006	IP
Percentage of market	60 %	56 %	60 %	58 %	56 %	53 %

Source: Eurostat and verified questionnaire replies of the Community industry.

(d) *Growth*

(49) While Community consumption increased by 26 % during the period considered, the volume of Community industry sales on the market increased by only 11 % and the Community industry market share on the market decreased by 7 percentage points. Thus, the growing trend in Community consumption was not followed by a corresponding increase in Community industry sales.

(e) *Profitability and return on investments*

(50) During the period considered, profitability, expressed as a percentage of net sales value to unrelated parties, developed as follows:

(51) *Table 9*

Profitability

Profitability	2002	2003	2004	2005	2006	IP
Percentage of net sales value	2 %	1 %	4 %	1 %	6 %	10 %

Source: Verified questionnaire replies of the Community industry.

(52) The Community industry's profitability followed a positive trend, in line with the increase in the Community industry sales prices. Despite a significant decrease in 2003 and 2005, overall profitability reached 10 %. This was due to a switch to the production of products with a higher added value during the period considered, when the average profit made by the Community industry was 4 %.

(53) Return on investments, expressed as profits/losses in relation to the net book value of investments, followed the same trend as profitability.

(54) *Table 10*

Return on investments

Return on investments	2002	2003	2004	2005	2006	IP
%	6	2	11	4	18	37
Index	100	37	184	62	310	618
Y/Y trend	100	– 63	147	– 122	248	309

Source: Verified questionnaire replies of the Community industry.

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(f) *Cash flow*

(55) There were considerable fluctuations in cash flow between 2002 and 2005 and a dramatic increase in 2006 and during the IP. This increase of cash flow also indicates that the industry was recovering. This level of cash flow allows companies to invest in the TPF business again after low periods.

(56) *Table 11*

Cash flow

Cash flow	2002	2003	2004	2005	2006	IP
EUR	1 310 693	3 826 570	2 378 520	1 233 797	7 559 501	10 040 180
Index	100	292	181	94	577	766
Y/Y trend	100	192	– 110	– 87	483	189

Source: Verified questionnaire replies of the Community industry.

(g) *Investments and ability to raise capital*

(57) The Community industry increased investments by 65 % during the period considered. Most of them were concentrated on machinery to increase productivity. None of the companies investigated mentioned any current difficulty in raising capital.

(58) *Table 12*

Investments

Investments	2002	2003	2004	2005	2006	IP
EUR	5 839 416	5 824 908	3 438 352	7 422 926	9 986 636	9 643 822
Index	100	100	59	127	171	165
Y/Y trend	100	– 0,2	– 41	68	44	– 6

Source: Verified questionnaire replies of the Community industry.

(h) *Stocks*

(59) The table below shows that closing stocks maintained a stable curve; nevertheless, in the period considered there is a small decrease of around 1 %.

(60) *Table 13*

Stocks

Closing stock in volume	2002	2003	2004	2005	2006	IP
Tonnes	7 233	7 115	7 449	7 206	7 580	7 190
Index	100	98	103	100	105	99
Y/Y trend	100	– 2	5	– 3	5	– 5

Source: Verified questionnaire replies of the Community industry.

(i) *Employment, productivity and labour cost*

(61) After a decrease of 5 % in 2003, during the period considered the overall labour force decreased by 2 %.

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(62) *Table 14*

Employment

Employment	2002	2003	2004	2005	2006	IP
Number of employees	760	725	719	692	729	741
Index	100	95	95	91	96	98
Y/Y trend	100	– 5	– 0,8	– 3	5	2

Source: Verified questionnaire replies of the Community industry.

(63) In line with the increase in production and the decrease in employment, productivity improved by 8 % during the investigation period.

(64) *Table 15*

Productivity

Productivity	2002	2003	2004	2005	2006	IP
Tonnes/employee	61	60	66	59	68	66
Index	100	98	107	97	111	108
Y/Y trend	100	– 2	9	– 11	14	– 3

Source: Verified questionnaire replies of the Community industry.

(65) During the period considered, the labour costs of the Community industry gradually increased. The total increase in labour cost for the period considered was 22 %. The main increase in labour costs happened in a company which changed its product mix from commodities to specialised products, which required higher professional qualifications.

(66) *Table 16*

Labour costs

Labour costs/wages	2002	2003	2004	2005	2006	IP
EUR	28 941 652	28 436 139	29 607 915	29 754 664	33 069 402	35 312 821
Index	100	98	102	103	114	122
Y/Y trend	100	– 2	4	1	11	8

Source: Verified questionnaire replies of the Community industry.

4. **Effect of other factors**

(a) *Export activity of the Community industry*

(67) The Community industry's exports of tube and pipe fittings during the period considered were not very stable, showing strong fluctuations. Overall, the level of exports to third countries decreased by 15 %, this reduction being mainly due to the unfavourable EUR/USD exchange rate.

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(68) *Table 17*

Exports of the Community industry

Exports of the Community industry	2002	2003	2004	2005	2006	IP
Tonnes	10 893	8 003	9 358	8 410	11 890	9 278
Index	100	73	86	77	109	85
Y/Y trend	100	– 27	12	– 9	32	– 24

Source: Verified questionnaire replies of the Community industry.

(b) *Import volumes and prices from other third countries*

(69) Regulation (EC) No 964/2003 imposed anti-dumping duties on imports of TPFs from the People's Republic of China (58,6 %) and Thailand (58,9 %). Measures are applicable for the product concerned originating in China and consigned from one of the following countries: the Philippines, Indonesia, Sri Lanka and Taiwan. Despite the measures in force against imports from China, exports from China to the EU are increasing steadily.

(70) The total import volumes of TPFs from third countries other than the countries concerned more than doubled during the period considered, increasing from 9 654 tonnes in 2002 to 24 105 tonnes at the end of the IP.

(71) Import volumes of TPFs into the Community from countries other than Korea and Malaysia developed as follows:

(72) *Table 18*

Imports from other third countries

Imports from other third countries	2002	2003	2004	2005	2006	IP
Tonnes	9 654	12 453	11 488	13 344	19 020	24 105
Index	100	129	119	138	197	250
Y/Y trend	100	29	– 10	19	59	53

Source: Eurostat.

(73) The market share of imports originating in third countries other than the countries concerned reached 33 % of the EU consumption. This means an increase of 99 % in the period considered, from 16 to 33 %.

(74) *Table 19*

Market share of imports from other third countries

Market share imports from other third countries	2002	2003	2004	2005	2006	IP
Percentage of market	16 %	20 %	18 %	24 %	29 %	33 %
Index	100	122	108	144	176	199
Y/Y trend	100	22	– 14	36	32	23

Source: Eurostat and market information provided by the applicant producers.

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(75) *Table 20*

Main imports into the EU

Imports from other third countries in tonnes	2002	2003	2004	2005	2006	IP
China	859	1 428	1 772	2 236	5 846	8 339
Taiwan	1 101	2 372	1 894	2 540	4 774	5 854
Vietnam	1 835	1 214	767	694	1 224	1 475
India	1 522	1 569	1 537	1 763	1 552	2 096
Thailand	676	1 508	778	558	1 622	2 334

(c) *Recovery from the effects of dumping*

(76) As shown by the positive evolution of most of the indicators listed above, in the years 2002 to mid-2007 the economic situation of the Community industry has partially recovered from the injurious effect of dumped imports originating in the two countries concerned.

5. **Conclusion on the situation of the Community industry**

(77) The measures in force have led to a partial recovery of the Community industry since 2002. The Community industry managed to increase its sales volumes and its prices. Injury indicators such as production, production capacity, profitability, investments, return on investments and productivity also showed a positive development. This demonstrates that the Community industry made efforts to improve its competitiveness. As a result, Community industry sales in the Community have been profitable since 2002.

(78) However, the Community industry did not manage to take advantage of the significant growth in consumption in the Community and some of the positive factors are also the result of the disappearance of a significant Community producer in the United Kingdom, whose activities were taken over by two of the companies supporting the request.

(79) It may nevertheless be concluded that the introduction of measures against Korea and Malaysia had a positive impact on the economic situation of the Community industry.

(80) In view of the tentative recovery of the Community industry, the continuation of injury caused by dumped imports could not be established. It was therefore examined whether there would be recurrence of injury if the measures were allowed to lapse.

F. **LIKELIHOOD OF RECURRENCE OF INJURY**

(81) As mentioned above, the Korean and Malaysian producers have the potential to redirect huge export volumes to the Community market if measures are allowed to lapse. According to the request, these countries are heavily dependent on export markets: 75 % for Korea and 84 % for Malaysia. In addition, it seems that other export markets, such as the USA and Japan, could not absorb the spare capacity, since export volumes to these countries are already significant, and therefore these would be directed to the Community market. In addition, it seems that there is a general overcapacity on the Asian market.

(82) With regard to prices, it was found from US statistics that the Malaysian and Korean export prices to the USA were lower than

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those of the Community industry. Even though a detailed analysis could not be carried out because of the many different types of products, it is likely that these exporters will align their prices with the very low ones from the other Asian countries in order to regain their lost market share. Such pricing behaviour, attested by their non-cooperation coupled with their ability to deliver significant quantities of the product concerned to the Community market, would suggest a negative impact on the Community industry.

(83) In addition, it should be borne in mind that the Community industry needs to remain competitive to produce a certain volume of standard products, which are therefore in direct competition with the imports from Korea and Malaysia, in order to make economies of scale.

(84) In the light of the above, it is concluded that allowing the measures to lapse would in all likelihood result in a recurrence of injury to the Community industry caused by the dumped imports.

G. COMMUNITY INTEREST

1. Introduction

(85) According to Article 21 of the basic Regulation, it was examined whether a prolongation of the existing anti-dumping measures would be contrary to the interests of the Community industry as a whole. The determination of the Community interest was based on an appreciation of all the various interests involved, i.e. those of the Community industry, the importers/traders as well as the users of the product concerned. No submissions were received from users.

(86) In order to assess the likely impact of the continuation or non-continuation of the measures, the Commission requested information from all interested parties mentioned above. The Commission sent sampling questionnaires to 64 importers of the product concerned and received eleven answers. The Commission sent a questionnaire to these 11 companies and only received two partial answers which did not provide any evidence that the measures in force had materially affected them. It is clear that the importers have found other sources of supply, as can be seen from the significant market share (33 %) held by other third countries, which showed that conditions of competition on the Community market are ensured.

(87) 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.

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

2. Interests of the Community industry

(89) The Community industry has proved to be a structurally viable industry. This was confirmed by the positive development of its economic situation at a time when effective competition had been restored after the imposition of the anti-dumping measures that are currently in force. Indeed, the efforts made by the Community industry to rationalise its production and enhance its competitiveness have led to a reasonable profit in the last two years of the period considered.

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(90) Given the above, it appears necessary to maintain the existing measures in order to avoid the adverse effects of dumped imports, which could endanger the recovery process of the Community industry and ultimately its very existence. It has also to be borne in mind that if the Community industry disappeared, there would also be a negative impact on the downstream industry, since the latter would see a significant reduction in its choice of suppliers.

3. **Interests of importers/traders**

(91) As stated above, only two of the 64 unrelated importers replied to the Commission's questionnaire. However, they did not express any negative opinions on a possible continuation of measures. The lack of cooperation is in itself an indication that this sector did not suffer any substantial negative effect on its economic situation as a result of the measures. This is confirmed by the fact that the importers continued to trade the product concerned in significant volumes, even raising the volume imported during the period considered.

(92) It is therefore concluded that the economic situation of the importers of the product concerned has not been negatively influenced by the imposition of the anti-dumping measures currently in force. On the same grounds, it is also unlikely that a continuation of the measures would lead to a deterioration in their economic situation in the future.

4. **Interests of users**

(93) No users made themselves known in the current investigation. The users of the product concerned are mainly the petrochemical and building industries. Their lack of cooperation seems to confirm that the tube or pipe fittings represent a very small part of their total production costs and that the measures in force do not appear to have caused any loss of competitiveness for them.

(94) It was concluded that maintaining the measures at the same level would not imply any deterioration in the situation of the users.

5. **Conclusion on Community interest**

(95) The investigation has shown that the existing anti-dumping measures have allowed the Community industry to recover to a certain extent. If measures were allowed to lapse, this would endanger the recovery process and possibly lead to the disappearance of the Community industry. Therefore, the continuation of measures is in the interest of the Community industry.

(96) Furthermore, in the past, the existing measures appear not to have had any significant negative effects on the economic situation of users and importers. It is therefore concluded that there are no compelling reasons against the continuation of the existing anti-dumping measures.

H. **ANTI-DUMPING MEASURES**

(97) All parties concerned were informed of the essential facts and considerations on the basis of which it is intended to recommend that the existing measures be maintained. They were also granted a period within which to make representations after disclosure. No comments were received from Korea; one comment was received from a Malaysian company, but not such as to alter the above conclusions.

(98) It follows from the above that, as provided for by Article 11(2) of the basic Regulation, the anti-dumping duties on imports of tube and pipe fittings originating in the Republic of Korea and Malaysia, imposed by Regulation (EC) No 1514/2002, should be maintained,

▼B

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of tube and pipe fittings (other than cast fittings, flanges and threaded fittings), of iron or steel (not including stainless steel), with a greatest external diameter not exceeding 609,6 mm, of a kind used for butt-welding or other purposes, originating in the Republic of Korea and Malaysia and falling within CN codes ex 7307 93 11, ex 7307 93 19, ex 7307 99 30 and ex 7307 99 90 (TARIC codes 7307 93 11 91, 7307 93 11 93, 7307 93 11 94, 7307 93 11 95, 7307 93 11 99, 7307 93 19 91, 7307 93 19 93, 7307 93 19 94, 7307 93 19 95, 7307 93 19 99, 7307 99 30 92, 7307 99 30 93, 7307 99 30 94, 7307 99 30 95, 7307 99 30 98, 7307 99 90 92, 7307 99 90 93, 7307 99 90 94, 7307 99 90 95, 7307 99 90 98).

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:

Country	Company	Rate of duty (%)	TARIC additional code
Malaysia			
	Anggerik Laksana Sdn Bhd, Selangor Darul Ehsan	59,2	A324
▼M1	Pantech Steel Industries Sdn Bhd	49,9	A961
▼B	All other companies	75	A999
Republic of Korea			
	All companies	44	—

▼M1

3. The application of the individual duty rates specified for Pantech Steel Industries Sdn Bhd shall be conditional upon presentation to the customs authorities of the Member States of a valid commercial invoice, which shall conform to the requirements set out in the Annex. If no such invoice is presented, the duty rate applicable to all other companies shall apply.

▼B

►M1 4. ◄ Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

This Regulation shall enter into force on the day following 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.

▼**M1**

ANNEX

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

1. The name and function of the official of the entity issuing the commercial invoice.

2. The following declaration: ‘I, the undersigned, certify that the (volume) of [product concerned] sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in (country concerned). I declare that the information provided in this invoice is complete and correct and that the invoiced price is final and will not be compensated, in part or in whole, via any practice.

Date and signature’.