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(Acts adopted under the EC Treaty/Euratom Treaty whose publication is obligatory)

REGULATIONS

COUNCIL REGULATION (EC) No 703/2009

of 27 July 2009

imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of wire rod originating in the People's Republic of China and terminating the proceeding concerning imports of wire rod originating in the Republic of Moldova 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 Article 9 thereof,

Having regard to the proposal submitted by the Commission after consulting the Advisory Committee,

Whereas:

A. PROCEDURE

1. Provisional measures

(1) The Commission, by Regulation (EC) No 112/2009 [2] (the provisional Regulation) imposed a provisional anti-dumping duty on imports of wire rod originating in the People's Republic of China (PRC) and the Republic of Moldova (RM).

(2) It is noted that the proceeding was initiated following a complaint lodged by Eurofer (the complainant) on behalf of producers representing a major proportion, in this case more than 25 %, of the total Community production of wire rod.

2. Subsequent procedure

(3) Subsequent to the disclosure of the essential facts and considerations on the basis of which it was decided to impose provisional anti-dumping measures (provisional disclosure), several interested parties made written submissions making known their views on the provisional findings. The parties who so requested were granted an opportunity to be heard. The Commission continued to seek and verify all information it deemed necessary for its definitive findings. To this end an additional verification visit was carried out at the following company:

Producer in the Community:

— Celsa UK Holding Limited, Cardiff, United Kingdom

(4) The Commission also continued its investigation with regard to Community interest aspects and carried out analysis of data contained in the questionnaire replies provided by some users in the Community.

(5) It is recalled that as set out in recital (13) of the provisional Regulation the investigation of dumping and injury covered the period from 1 April 2007 to 31 March 2008 (investigation period or IP). With respect to the trends relevant for the injury assessment, the Commission analysed data covering the period from 2004 to the end of the IP (period considered).

(6) Some interested parties argued that the choice of the year 2004 which was taken into account for the injury assessment was flawed because allegedly the year 2004 was an exceptionally good year in terms of high demand and profit margins. They therefore claimed that 2004 should be excluded from the period considered.

(7) It should be noted that according to Article 6(1) of the basic Regulation, the investigation period should cover a period immediately prior to the initiation of the proceeding. It is recalled that the present investigation was initiated on 8 May 2008. As to the examination of trends relevant for the assessment of injury, this normally covers three or four years prior to initiation, ending in line with the dumping investigation period. In the present proceeding this practice was applied. Therefore, whether the year 2004, or any other year falling within the period considered, was exceptional or not does not seem to be relevant to the choice of this period.

[1] OJ L 56, 6.3.1996, p. 1.
[2] OJ L 38, 7.2.2009, p. 3.

(8) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of definitive anti-dumping measures on imports of wire rod originating in the PRC and the definitive collection of the amounts secured by way of the provisional duty, and the termination of the proceeding concerning imports of wire rod originating in the RM and Turkey. They were also granted a period within which they could make representations subsequent to this disclosure.

(9) The oral and written comments submitted by the interested parties were considered and, where appropriate, the provisional findings were modified accordingly.

B. **PRODUCT CONCERNED AND LIKE PRODUCT**

(10) The product concerned is bars and rods, hot-rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel originating in the PRC, the RM and Turkey (the product concerned or wire rod), normally declared within CN codes 7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50 and 7227 90 95. The product concerned does not include stainless steel wire rod.

(11) Following the provisional disclosure, one interested party claimed that wire rod falling under CN code 7213 91 90 should not be included in the definition of the product concerned because the powers of attorney issued to the complainant and its legal representative did not cover this specific product type.

(12) In this respect it should be noted, firstly, that the complaint included the abovementioned CN code. Secondly, the product concerned is defined, at the outset of the investigation, based primarily on the basic physical, chemical and technical characteristics. The relevant CN codes under which imports of the product concerned are declared are finally determined only during the investigation, and in particular when imposing final duties. This is also clear from the text of the notice of initiation which states that the relevant CN codes are only given for information [1]. In addition, it was concluded that the wire rod declared under the above mentioned CN code does have the basic characteristics which are set out in the notice of initiation, and that it therefore does fall within the scope of the product concerned. Consequently this claim was rejected.

(13) One exporting producer and one user alleged that a specific type of wire rod, namely 'tire cord', classified under the CN code 7213 91 20, would differ significantly from other types of wire rod with respect to the physical and technical characteristics, end uses, interchangeability and consumer perceptions. Consequently, they claimed that tire cord should be excluded from the scope of this investigation.

(14) The abovementioned claim and specific arguments have been analysed in detail. Firstly, it was established that the different types of wire rod, including tire cord, included in the product definition share the same basic physical, chemical and technical characteristics, which means that they belong to the same product category.

(15) Secondly, even if it can be argued that tire cord is a relatively more sophisticated and expensive type compared to other types of wire rod covered within the scope of the current investigation, it does not mean that tire cords imported from the PRC have characteristics which are significantly different from tire cords produced in the Community.

(16) Furthermore the investigation showed that there were imports of tire cord from the country concerned during the period considered. Although these imports were made in limited quantities, it showed that exporting producers concerned by the current investigation had the capability to produce this type of wire rod.

(17) Hence, based on the above facts and considerations, the exclusion of tire cord from the scope of the investigation was not considered to be warranted. The claim had therefore to be rejected.

(18) In the absence of any other comments concerning the product concerned or the like product, recitals (13) to (14) of the provisional Regulation are hereby confirmed.

C. **DUMPING**

1. **Market Economy Treatment (MET)**

1.1. *PRC*

(19) In the absence of any other comments with regard to the MET status of Chinese exporting producers, the conclusions of recitals (27) to (31) of the provisional Regulation are hereby confirmed.

1.2. *RM*

(20) It is recalled that the sole cooperating Moldovan exporter failed to meet any of the five MET criteria. Following the provisional disclosure, the company reiterated its previous comments on the Commission's decision not to grant it MET, which had already been analysed and addressed in the MET and provisional disclosures. The Moldovan exporter disputed the findings regarding all five MET criteria, but did not support its claims by providing any evidence in support thereof.

[1] OJ C 113, 8.5.2008, p. 20.

(21) In particular, the exporter claims that the Commission contradicts itself when considering that the so called authorities of the Transnistrian region of the RM are considered as playing the role of 'the State' when assessing criterion 1, and not so when assessing criterion 4. In this respect, it is noted that the so called authorities of the Transnistrian region of the RM are clearly in a position to interfere in the company's management. Therefore this has a direct impact in the assessment of criterion 1. On the other hand, the so called authorities of the Transnistrian region of the RM, as they are not recognised, do not ensure a legal stability and certainty as required under criterion 4. Therefore this claim had to be rejected.

(22) Regarding criterion 1, the exporter argued, in particular, that its management is composed of private persons and that no connection has been established between its top management and the so called authorities of the Transnistrian region of the RM. However, the investigation revealed that the President and other management staff of the company actively participate in the legislative bodies of the so called authorities of the Transnistrian region of the RM. Therefore this claim had to be rejected.

(23) Regarding criterion 2 the company argued, in particular, that the reserved opinion of the audit report on the company's financial statements was immaterial. However, this reserved opinion refers to the value of all fixed assets and cannot therefore be considered as immaterial. During the verification the company was not able to clarify this reserve. No additional evidence has been provided in this respect. Therefore this claim had to be rejected.

(24) Regarding criterion 3, the company repeated its argument that, following its privatisation, it was subsequently re-sold to its current holders at arm's length and therefore any previous distortions would have been eliminated. No evidence supporting this claim was however provided and the conclusion in recital (45) of the provisional Regulation is therefore confirmed.

(25) Regarding criterion 5, the company, claimed in particular that the fact that its financial statements are in US dollars, and not in the so called Transnistrian rouble currency (TMR rouble) makes the issue irrelevant. However, the fact remains that the TMR rouble is used in several of the company's daily operations, and therefore the conversion rate of the TMR rouble into other currencies is not irrelevant for assessment under this criterion. Therefore this claim had to be rejected.

(26) Therefore these claims did not change the provisional conclusions not to grant MET to the Moldovan cooperating exporting producer, and the conclusions of recitals (32) to (49) of the provisional Regulation are hereby confirmed.

2. **Individual treatment (IT)**

(27) In the absence of any comments on IT, recitals (50) to (53) of the provisional Regulation are hereby confirmed.

3. **Normal value**

3.1. *Turkey*

(28) One exporting producer pointed out that revised and verified data regarding its domestic sales had not been taken into consideration in the establishment of normal value. Another exporting producer argued that the constructed normal value had been incorrectly calculated due to a clerical error. These claims were verified and corrections were made, when appropriate.

(29) Another exporting producer argued that its export sales consisted only of a 'non-standard' type of the product concerned, whereas domestic sales were a mix of 'standard' and 'non-standard' types. It claimed that this methodology resulted in an unfair comparison and that the normal value should be calculated by comparing only the prices of 'non-standard' export and domestic sales.

(30) The investigation, however, could not demonstrate sufficient differences between 'standard' and 'non-standard' products, as claimed by the exporting producer, that would affect their comparability. Both categories fall under the product description of the like product. Additionally the investigation revealed that both types were sold by the company at the same price. Accordingly, this claim had to be disregarded.

(31) In the absence of any other comments with regard to the methodology for calculating normal value for Turkey, the provisional conclusions as outlined in recitals (54) to (63) of the provisional Regulation are hereby confirmed.

3.2. *PRC and RM*

(32) No comments were received concerning the normal value for the PRC and the RM established as described in recital (64) of the provisional Regulation. Therefore the provisional conclusions are confirmed.

4. **Analogue country**

(33) Turkey was provisionally chosen as analogue country for the reasons set out in recitals (65) to (74) of the provisional Regulation. Following provisional disclosure, the complainant, argued against the use of Turkey as analogue country, instead of Brazil as initially envisaged. The complainant re-stated the arguments submitted at the provisional stage (a) claiming that there is sufficient competition in the Brazilian market and (b) alleging that the subsidisation of the Turkish steel industry makes it inappropriate for establishing normal value. Moreover, the complainant argued that since the investigation has established the existence of dumping for Turkey, as per the Commission's practice it should not be used as analogue country.

(34) It is recalled that the domestic prices in Brazil were found to be above published world prices. Also, the level of profits of the Brazilian producer in the domestic market was found to be very high compared, in particular, with the level of profit considered reasonable for the Community industry. As stated in the provisional Regulation, this is considered as an indication of the insufficient level of competition in the Brazilian market.

(35) Regarding Turkey, there appears to be clearly more competition in the domestic market than in the case of Brazil. The fact that Turkish exporters have been found to be dumping does not necessarily mean that the normal value established for that country is not reliable.

(36) The complainant also argued that as Turkish companies are allegedly subsidised, Turkey would not be a suitable choice as analogue country. However, no evidence was provided in support of this allegation.

(37) In view of the above, the conclusions of recitals (65) to (74) of the provisional Regulation are confirmed, and Turkey has been used as analogue country for the purpose of this proceeding, in accordance with Article 2(7)(a) of the basic Regulation.

5. **Export Price**

(38) One exporting producer argued that the export price should not have been constructed as set out in recital (76) of the provisional Regulation. Having examined this claim, it was found to be warranted in particular because the functions of the company, which has its operations outside the Community, did not warrant the application of Article 2(9) of the basic Regulation.

(39) Another exporting producer claimed that deductions for commissions made for sales through a related company were not justified. Having examined this claim, it was found to be warranted as the related company did not perform functions similar to those of an agent. The export prices were therefore corrected accordingly.

(40) In the absence of any other comments with regard to the methodology for establishing export prices, the provisional conclusions as outlined in recital (75) of the provisional Regulation are hereby confirmed.

6. **Comparison**

(41) The comparison between normal value and export price was made 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 prices and price comparability in accordance with Article 2(10) of the basic Regulation.

(42) As described in recital (79) of the provisional Regulation allowances for differences in transport costs, freight and insurance costs, bank charges, packing costs, credit costs and commissions were granted where applicable and justified.

(43) Several exporters disputed the calculation of adjustments for inland transport, freight costs, bank charges, credit costs and commissions and proposed alternative calculations. In view of the evidence provided in their questionnaire replies and information and evidence collected during the verification visits, most of these claims were not considered justified and the adjustments as calculated at the provisional stage were therefore maintained. However, some of the claims have been accepted, where justified, and corrections were made for the adjustments corresponding to credit costs, commissions and customs charges on export sales.

7. **Dumping margins**

(44) The weighted average normal value was compared with the weighted average export price as provided for in Article 2(11) and (12) of the basic Regulation.

7.1. *PRC*

(45) Following the corrections to the normal values in the analogue country, the definitive dumping margins for the Chinese exporting producers are as follows:

Company	Dumping margin
Valin Group	38,6 %
All others	52,3 %

7.2. *RM*

(46) Following the imposition of provisional measures, it was considered that using all available export data for the RM would provide a more accurate picture of the dumping practised by that country. Accordingly, the country wide definitive dumping margin was calculated on the basis of the export prices of all known producers.

(47) Following the corrections to the normal values of the analogue country, export price and adjustments as described above, the country wide definitive dumping margin for the RM was established at 16,2 %.

7.3. *Turkish exporting producers*

(48) In light of the above, the definitive dumping margins for the Turkish exporting producers are as follows:

Company name	Dumping margin
Kroman Çelik Sanayli AS	18,8 %
Çolakoglu Metalurji AS	7,6 %
Iskenderun Demir ve Çelik AŞ	10,5 %
Habas Sinai ve Tibbi Gazlar Istihsal Endustri AS	7,1 %
Icdas Celik Enerji Tersane ve Ulasim Sanayii AS	3,9 %
All others	18,8 %

D. **INJURY**

1. **Community production**

(49) In the absence of any comments concerning the Community production or cooperation by the silent producers as mentioned in recital (91) of the provisional Regulation, recitals (89) to (92) of the provisional Regulation are hereby confirmed.

2. **Definition of the Community industry**

(50) In the absence of any comments concerning the definition of the Community industry, recital (93) of the provisional Regulation is hereby confirmed.

(51) It is recalled that no sampling was applied for the injury analysis, since the 20 cooperating producers consisted of four groups of companies and two independent producers. Further to the imposition of provisional measures, as mentioned in recital (3) above, an on-spot verification was carried out at the premises of one additional Community producer, in order to verify the data provided in its questionnaire reply.

3. **Community consumption**

(52) It is recalled that the Community consumption was established on the basis of the total imports, derived from Eurostat, and the total sales on the Community market of the Community industry and of the other Community producers, including an estimate based on complaint data for the sales of the silent producers.

(53) One interested party disputed the method used for the determination of the Community consumption, claiming that the production by the Community industry destined for captive use and captive sales should be included in the Community consumption and the injury assessment, since captive use and captive sales were in direct competition with sales on the free market, including imports.

(54) It should be noted that as explained in recitals (119) to (143) of the provisional Regulation, the captive production of the Community industry has been analysed in the injury assessment. However, in accordance with the consistent practice of the Commission, captive use, i.e. internal transfers of the like product within the integrated Community producers for further processing, has not been included in the Community consumption figure, because these internal transfers are not in competition with sales from independent suppliers in the free market.

(55) As regards the claim to include captive sales, i.e. the sales to related companies, in the Community consumption figure, this claim was found to be warranted, since according to the data collected during the investigation, the related companies of the Community producers were free to purchase wire rod also from other sources. In addition, the Community producers' average sales prices to related parties were found to be in line with the average sales prices to unrelated parties.

(56) Following the verification of the data provided by one additional Community producer, as referred to in recitals (3) and (51) above, the total sales on the Community market of the Community industry were slightly revised. As a result, the Community consumption figures provided in table 1 of the provisional Regulation were adjusted as follows:

Table 1

Community consumption	2004	2005	2006	2007	IP
Tonnes	22 510 446	21 324 498	23 330 122	23 919 163	23 558 858
Index	*100*	*95*	*104*	*106*	*105*

Source: Eurostat, complaint data and questionnaire replies.

(57) Overall, Community consumption expanded by 5 % over the period considered. The expansion started in 2006, after a temporary decrease of 5 % in 2005. After that, consumption recovered and increased up to 2007, followed by a slight decrease during the IP. The downturn in consumption in 2005 was mainly a result of a lower demand in the construction industry.

4. **Imports into the Community from the PRC, the RM and Turkey**

4.1. *Cumulation*

(58) In order to make the definitive assessment of the conditions for cumulation of the imports from the countries concerned, the same methodology as explained in recital (99) of the provisional Regulation was applied in the light of the comments received by parties after the imposition of provisional measures. For the RM account was also taken of the fact that, as explained in recital (46) above, other Moldovan producers were exporting the product concerned to the Community.

(59) As explained in recital (101) of the provisional Regulation, the imports from Turkey were not cumulated with the imports from the PRC and the RM since it was considered that the conditions of competition between the Turkish and other relevant operators were not similar, in particular as regards their price behaviour. Indeed, the sale prices of all cooperating exporting producers in Turkey were not below Community industry prices and were relatively high compared to other operators in the Community market.

(60) One interested party claimed that the arguments put forward in recital (101) of the provisional Regulation were not consistent with the basic Regulation. It argued that it sufficed that the dumping margin of the Turkish imports were significantly above the *de minimis* threshold and that the volume of the imports was not negligible to cumulate those imports with other dumped imports from the RM and the PRC. It also claimed that the non-imposition of measures would lead to a surge of dumped imports from Turkey to the Community market.

(61) It should be stressed that Article 3(4) of the basic Regulation specifically requires that the conditions of competition between the relevant operators in the Community market should be carefully examined in the context of a cumulative assessment of the imports from countries concerned by an anti-dumping investigation. In addition, the level of prices of the Turkish operators was in all cases above the non-injurious prices established according to the methodology described in recital (179) of the provisional Regulation. Hence, there was no ground to allow a cumulative assessment of Turkish imports with imports from the PRC and the RM or to impose anti-dumping measures to prevent any alleged surge of imports from that country. On this basis the claims had to be rejected.

(62) Another interested party disputed the provisional finding that imports from the RM were cumulated with those of the PRC arguing that, contrary to imports from the PRC, the import volumes from the RM were very low and were basically not undercutting the prices of the Community industry during the IP.

(63) Subsequent to the provisional disclosure, additional information was received concerning the Moldovan exports to the Community which resulted in revised calculations of the undercutting and injury margins for the RM as explained in more detail in recitals (71) and (107) below.

(64) The revised calculations showed that imports from the RM did not undercut the prices of the Community industry on the Community market in the IP. Moreover, the injury margin was found to be below the *de minimis* injury threshold applied by analogy to Article 9(3) of the basic Regulation. In view of the above, it was concluded that the imports of wire rod originating in the RM should be assessed separately.

4.2. *Dumped imports from the PRC*

(65) It is recalled that since the consumption figures were slightly adapted as explained in recital (56) above, the market share of the imports from the PRC was revised accordingly. Hence the imports from the PRC developed as follows during the period considered.

Table 2

Total dumped imports from the PRC	2004	2005	2006	2007	IP
Volumes (tonnes)	70 816	134 176	633 631	1 459 968	1 174 556
Index	*100*	*189*	*895*	*2 062*	*1 659*
Market share	0,3 %	0,6 %	2,7 %	6,1 %	5,0 %
Index	*100*	*200*	*863*	*1 940*	*1 585*
Prices (EUR/tonne)	374	430	378	409	419
Index	*100*	*115*	*101*	*109*	*112*

Source: Eurostat.

(66) The dumped imports from the PRC increased significantly from around 0,07 million tonnes in 2004 to 1,1 million tonnes in the IP, i.e. by almost 17 times. These imports peaked in 2007, after which they showed a slightly declining trend in line with the evolution of Community consumption.

(67) Although the average prices of the dumped imports from the PRC increased by 12 % over the period considered, it was found that they were undercutting those of the Community industry, in particular during the IP. As a result, the market share significantly increased from 0,3 % in 2004 to 5,0 % in the IP, corresponding to a gain of 4,7 percentage points.

4.3. *Price undercutting*

(68) The methodology described in recital (106) of the provisional Regulation to establish price undercutting is confirmed. However, following the verification visit at the premises of one Community producer as mentioned in recital (3), the average price of the Community industry was reassessed to take account of the verified data obtained from this Community producer.

(69) One party claimed that since no producer in the RM was granted MET or IT, the Commission should calculate the undercutting and the injury elimination level for the RM using Eurostat data rather than the data obtained from exporting producers in the RM.

(70) In an anti-dumping investigation and in particular for the price comparison exercise, it is the institution's practice to use the most reliable data available, which in general is the data collected and verified at the premises of the cooperating parties. In this case, price data collected at the premises of the cooperating producer in the RM was available and was used to establish the provisional price undercutting margin for the cooperating producer in the RM. The claim to use Eurostat data is therefore rejected.

(71) It was however considered that price data available for all the imports from the RM to the Community, including imports of other Moldovan producers as mentioned in recital (46) above, should be taken into account in the calculation of the definitive undercutting margin for the RM. Hence, all price data available duly adjusted to reflect the weighted average export prices to the first independent customer, on a cif basis, was used. On this basis it was found that imports from the RM were not undercutting Community industry's prices; indeed the definitive price undercutting margin is a negative one, namely -1,2 % on average for the RM.

(72) As regards imports from the PRC, it is recalled that only one Chinese exporting producer cooperated in the investigation. Based on the same methodology and adjustments to the Community industry's data as described above and on the basis of comparable product types, an average price undercutting margin of 4,2 % was found for the sole cooperating Chinese exporter. For all other producers in the PRC, price undercutting was established as explained in recital (108) of the provisional Regulation. On this basis, an average price undercutting margin of 7,3 % was found for the Chinese imports.

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

(73) Following the conclusion that imports from the RM should not be cumulated with the imports from the PRC and should be assessed separately, as described in recital (64), the examination of the impact of the dumped imports on the Community industry's economic situation, refers to the imports originating in the PRC.

(74) As mentioned in recital (3), one additional Community producer was verified on the spot. As a result, some injury indicators were adjusted accordingly. These concern the sales volumes to the first independent customer on the Community market, average ex-works sales prices of the Community industry to unrelated customers, stock figures, profitability, cash flow, return on investment and employment.

(75) Table 3 below shows the revised volume sold to the first independent customer on the Community market. It should be noted that, despite the revised figures, the trend is similar to the one provided in the provisional Regulation.

Table 3

	2004	2005	2006	2007	IP
Sales volume (tonnes)	7 505 684	6 738 112	7 522 435	7 548 130	7 489 831
Index	*100*	*90*	*100*	*101*	*100*
Market share	33,4 %	31,6 %	32,2 %	31,6 %	31,8 %
Index	*100*	*95*	*97*	*95*	*95*

Source: Questionnaire replies.

(76) Following the above, the average unit sales prices of the Community industry to unrelated customers on the Community market were revised accordingly. As a result, the average sales prices for the years 2006 to the IP were marginally revised compared to the figures provided in the provisional Regulation.

Table 4

	2004	2005	2006	2007	IP
Average price (EUR/tonne)	414	409	434	468	475
Index	*100*	*99*	*105*	*113*	*115*

Source: Questionnaire replies.

(77) As regards the stock figures, it should be noted that the minor revisions made in the Community industry's data for the years 2006 to IP did not change the trend analysis as provided in recital (119) of the provisional Regulation.

Table 5

	2004	2005	2006	2007	IP
Stocks (tonnes)	657 667	530 578	691 338	699 511	594 420
Index	*100*	*81*	*105*	*106*	*90*

Source: Questionnaire replies.

(78) Subsequent to the provisional Regulation, also the employment figures were slightly amended for the years 2004 to IP. In the absence of any further comments received from interested parties, recitals (120) to (122) of the provisional Regulation are hereby confirmed.

Table 6

	2004	2005	2006	2007	IP
Employment — full-time equivalent (FTE)	4 216	4 029	3 920	4 195	4 310
Index	*100*	*96*	*93*	*100*	*102*
Labour cost (EUR/FTE)	41 300	43 200	45 400	45 300	44 700
Index	*100*	*104*	*110*	*110*	*108*
Productivity (*Index*)	*100*	*95*	*107*	*98*	*95*

Source: Questionnaire replies.

(79) Profitability of the Community industry was established using the same methodology as explained in recital (123) of the provisional Regulation. Subsequent to revisions made to the Community industry's data following the on-spot verification of one additional Community producer, as described in recital (3), also these figures were slightly revised. Over the period considered, the profitability of the Community industry decreased from 14,2 % in 2004 to 7,3 % in the IP. In the absence of any further comments received, recitals (124) to (126) of the provisional Regulation are hereby confirmed.

Table 7

	2004	2005	2006	2007	IP
Profitability	14,2 %	8,0 %	8,4 %	7,9 %	7,3 %
Index	*100*	*56*	*59*	*55*	*51*
Cash flow '000 euro	493 954	272 166	361 573	286 917	278 604
Index	*100*	*55*	*73*	*55*	*56*
Investments '000 euro	147 897	136 031	231 726	221 808	200 126
Index	*100*	*92*	*157*	*150*	*135*
Return on investments	68 %	49 %	50 %	46 %	47 %
Index	*100*	*72*	*74*	*68*	*68*

Source: Questionnaire replies.

5.1. *Growth*

(80) Following the above, it can be considered that the sales volume of the Community industry stagnated between 2004 and the IP, thus preventing the Community industry from taking advantage of the expansion of the Community consumption which increased by 5 % between 2004 and the IP. As a consequence, its market share decreased by 1,6 percentage points during the same period.

5.2. *Magnitude of the actual margin of dumping*

(81) In the absence of any other comments received, recital (128) of the provisional Regulation is hereby confirmed.

6. **Conclusion on injury**

(82) It can be concluded that the minor revisions made to some injury indicators following the on-spot verification of one additional Community producer, as provided in tables 2 to 7 above, did not alter the conclusion made in recital (132) of the provisional Regulation.

(83) Based on the above, it can be concluded that the Community industry suffered material injury within the meaning of Article 3(5) of the basic Regulation.

E. **CAUSALITY**

1. **Effect of the dumped imports from the PRC**

(84) It was examined whether the dumped imports of the product concerned originating in the PRC caused injury to the Community industry to a degree that can be considered material.

(85) The investigation showed that dumped imports from the PRC increased significantly, by almost 17 times, over the period considered, increasing by 1,1 million tonnes between 2004 and the IP. This increase was particularly marked between 2006 and the IP. In terms of market share, dumped imports from the PRC increased their share of the Community market from 0,3 % in 2004 to 5,0 % in the IP. In practice this corresponded to the entire increase in the Community consumption that took place during the period considered.

(86) During the same period, although its sales volume on the Community market remained stable, the Community industry lost market share from 33,4 % in 2004 to 31,8 % in the IP, namely 1,6 percentage points.

(87) As regards prices, despite the fact that the prices of dumped imports increased by 12 % during the period considered in line with the increased raw material prices, they were still undercutting the prices charged by the Community industry on the Community market. Consequently, the Community industry was prevented from increasing its prices to cover the full increase in raw material prices. The profitability of the Community industry's sales on the Community market thus decreased from 14,2 % in 2004 to 7,3 % during the IP.

(88) It is considered that the continued pressure exercised by the low-priced dumped imports from the PRC on the Community market did not allow the Community industry to adapt its sales prices to the increased cost of production. It is therefore concluded that the surge of low-priced dumped imports from the PRC had a considerable negative impact on the economic situation of the Community industry.

2. **Effect of other factors**

(89) In the absence of any comments concerning development of demand, captive production, sales of high-end products, imports from third countries and other producers in the Community, recitals (139), (143) to (149) and (151) to (155) of the provisional Regulation are hereby confirmed.

(90) One party claimed that the assessment of the increase in raw material prices, mentioned in recital (142) of the provisional Regulation was not correct. It argued that it is difficult to fully pass on the cost increases to the customers. Furthermore, it claimed that the negative export performance of the Community industry would explain the deterioration of the economic situation of the Community industry.

(91) As regards the impact of the raw material prices, it is recalled that the investigation showed an increase of 25 % of the cost of production for the Community industry to produce wire rod. This should be seen in relation to an increase of only 15 % of average sales prices of the Community industry. Indeed, it can very well be difficult in some markets to be able to fully pass on the increase in costs to the customers, however, the current investigation did not show any evidence that this was the case in the wire rod market. On the contrary, the wire rod market can be considered as a commodity product sold in a transparent market where all operators are aware of the price level. Hence effective trade conditions should allow cost price increases to be reflected in the sales price of wire rod. Therefore, it is considered that the conclusion made in recital (142) is valid and therefore this claim had to be rejected.

(92) As regards the export performance, there was indeed a declining trend in the export sales of the Community industry for reasons provided in recital (150) of the provisional Regulation. In view of the fact that the share of export sales in relation to the sales to customers within the Community is relatively low and, in addition, the sales prices of the latter were relatively lower, it is considered that the decrease in export volume can not justify the level of injury suffered. No substantiated evidence invalidating this conclusion was provided and therefore the conclusions made in recital (150) of the provisional Regulation are hereby confirmed.

(93) In view of the above and in absence of any other comments, recitals (156) to (159) of the provisional Regulation are hereby confirmed.

3. **Imports from Turkey**

(94) Following recitals (60) and (61) and in the absence of any further comments concerning imports from Turkey, the conclusions made in recitals (160) to (162) of the provisional Regulation are hereby confirmed.

4. **Imports from the RM**

(95) Further to revisions of the Community industry's data, based on the verification of the reply of one additional Community producer and taking into account all import sales originating in the RM, it was found that imports from the RM did nor undercut the prices of the Community industry in the IP. Moreover, in line with recital (64) above, the comparison of the Moldovan export price with the non-injurious price of the Community industry showed a *de minimis* injury margin.

(96) In view of the above it was concluded that there is no clear causal link between imports from the RM and the injury suffered by the Community industry.

F. **COMMUNITY INTEREST**

1. **Preliminary remark**

(97) In view of the above, it should be noted that only the impact of the imposition of anti-dumping duties on imports originating in the PRC has been assessed for the Community interest analysis.

2. **Community industry**

(98) Subsequent to the provisional Regulation, it was re-assessed whether the imposition of anti-dumping measures to imports originating from PRC would be in the interest of the Community industry.

(99) In view of the above and in the absence of any comments concerning the interest of the Community industry, recitals (164) to (167) of the provisional Regulation are confirmed.

3. **Importers**

(100) In the absence of any comments concerning the importers, recitals (168) and (169) of the provisional Regulation are hereby confirmed.

4. **Users**

(101) One interested party questioned whether all imports to the Community market from countries subject to this investigation were taken into account in the percentage provided in recital (171) of the provisional Regulation which represents the imports of wire rods by certain users. Furthermore, some interested parties argued that there would be no alternative sources available should anti-dumping measures be imposed and that this would lead to a shortage of supply.

(102) Further to the claim on the total imports, a re-assessment has been made regarding the total imports of wire rod. Indeed, analyses showed that the actual amount of imports of wire rod consumed by the cooperating users is higher than previously assessed at the provisional stage. As a result, the total imports of the users mentioned in recital (171) of the provisional Regulation increased by 30 %. As a result, it can be concluded that during the IP, the users mentioned in recital (171) of the provisional Regulation accounted together for around 20 % of all imports of wire rod from the PRC.

(103) As regards the claim that there would be no alternative sources of supply in case of imposition of anti-dumping measures, the investigation showed indeed some irregularities in supplies by Community producers to certain users. However, the analysis did not show any evidence that these irregularities were on a continued basis. Moreover, it should be noted that other sources of supply, taking into account other third countries which are not subject to measures, are available. Therefore this claim was rejected.

(104) Based on the above and in the absence of any further comments recitals (173) to (175) of the provisional Regulation are hereby confirmed.

5. **Conclusion on Community Interest**

(105) Based on the above, it was concluded that there are no compelling reasons against the imposition of anti-dumping duties against imports of wire rod originating in the PRC in the present case.

G. **DEFINITIVE ANTI-DUMPING MEASURES**

1. **Injury Elimination Level**

(106) In the absence of comments, the methodology mentioned in recital (179) of the provisional Regulation used to obtain the non-injurious prices of the Community industry was confirmed. However, the same revisions as those described in recitals (68) and (72) above were applied for the definitive assessment of the injury elimination levels. In addition, the profit margin used in the injury margin calculations was established at ex-works level in order to obtain the non-injurious prices of the Community industry at ex-works level during the IP.

(107) Concerning the RM, in line with the contents of recital (71) above, it was considered appropriate to use price data available for all the exports from the RM to the Community, in the calculation of the definitive injury elimination level. Hence, all price data available duly adjusted to reflect the weighted average export prices to the first independent customer in the Community, on a cif basis, was used. On that basis the definitive injury elimination level for imports from the RM was found to be below the *de minimis* threshold as mentioned in recital (64) above.

(108) In view of the conclusions reached with regard to dumping, injury, causation and Community interest, definitive anti-dumping measures against imports from the PRC should be imposed in order to prevent further injury being caused to the Community industry.

(109) All parties were informed of the essential facts and considerations on the basis of which it was intended to recommend the imposition of definitive anti-dumping duties. They were also granted a period within which they could make representations subsequent to this disclosure. The comments submitted by the parties were duly considered, and, where appropriate, the findings have been modified accordingly.

2. **Definitive measures**

(110) In the light of the foregoing, it is considered that, in accordance with Article 7(2) of the basic Regulation, definitive anti-dumping duties should be imposed on imports originating in the PRC at the level of the lower of the dumping and the injury margins, in accordance with the lesser duty rule. In this case, all duty rates should accordingly be set at the level of the injury margins found. By analogy with Article 9(3) of the basic Regulation, given that the injury margin for the RM and Turkey is below a *de minimis* level, the investigation in respect of these countries should be terminated.

(111) No definitive anti-dumping duties are to be imposed on imports originating in the RM and Turkey.

(112) The proposed anti-dumping duties are the following:

Company	Injury elimination margin	Dumping margin	Anti-dumping duty rate
Valin Group (PRC)	7,9 %	38,6 %	7,9 %
PRC residual duty	24,0 %	52,3 %	24,0 %

3. **Definitive collection of provisional duties**

(113) In view of the magnitude of the dumping margins found and in the light of the level of the injury caused to the Community industry, it is considered necessary that the amounts secured by way of the provisional anti-dumping duty, imposed by the provisional Regulation should be definitively collected to the extent of the amount of the definitive duties imposed. Where the definitive duties are lower than the provisional duties, amounts provisionally secured in excess of the definitive rate of anti-dumping duties shall be released. Where the definitive duties are higher than the provisional duties, only the amounts secured at the level of the provisional duties shall be definitively collected.

H. **TERMINATION OF THE PROCEEDING**

(114) In view of the findings regarding imports originating in the RM and Turkey, the proceeding with respect to these two countries should be terminated,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of bars and rods, hot-rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel originating in the People's Republic of China, falling within CN codes 7213 10 00, 7213 20 00, 7213 91 10, 7213 91 20, 7213 91 41, 7213 91 49, 7213 91 70, 7213 91 90, 7213 99 10, 7213 99 90, 7227 10 00, 7227 20 00, 7227 90 10, 7227 90 50 and 7227 90 95.

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	Duty	TARIC additional codes
People's Republic of China	Valin Group	7,9 %	A930
	All other companies	24,0 %	A999

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

Article 2

The anti-dumping proceeding concerning imports of wire rod originating in the Republic of Moldova and Turkey is hereby terminated.

Article 3

The amounts secured by way of the provisional anti-dumping duty pursuant to Regulation (EC) No 112/2009 on imports of wire rod originating in the People's Republic of China shall be definitively collected at the rate of the definitive duty imposed pursuant to Article 1. The amounts secured in excess of the definitive rates of the anti-dumping duty shall be released. Amounts secured by way of the provisional anti-dumping duty pursuant to Commission Regulation (EC) No 112/2009 on imports of wire rod originating in the Republic of Moldova shall be released.

Article 4

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.

Done at Brussels, 27 July 2009.

For the Council
The President
C. BILDT