COUNCIL IMPLEMENTING REGULATION (EU) No 1242/2010

of 20 December 2010

imposing a definitive anti-dumping duty on imports of synthetic fibre ropes originating in India following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community [1] ('the basic Regulation'), and in particular Article 9(4) and Article 11(2) and (5) thereof,

Having regard to the proposal submitted by the European Commission after having consulted the Advisory Committee,

Whereas:

A. PROCEDURE

1. Measures in force

(1) By Regulation (EC) No 1312/98 of 24 June 1998 [2], the Council, following an anti-dumping investigation ('the original investigation') imposed definitive anti-dumping duties ('the original measures') on imports of synthetic fibre ropes originating in India. The duty levels imposed were 53 % for one Indian exporting producer and 82 % for all other imports originating in India ('the country concerned').

(2) Following an expiry review pursuant to Article 11(2) of the basic Regulation ('the previous expiry review'), the Council maintained these measures by Regulation (EC) No 1736/2004 of 4 October 2004 imposing a definitive anti-dumping duty on imports of synthetic fibre ropes originating in India [3].

2. Request for a review

(3) A request for an expiry review pursuant to Article 11(2) of the basic Regulation was lodged on 4 May 2009 by the Liaison Committee of the EU Twine, Cordage and Netting Industries (Eurocord) ('the applicant') on behalf of Union producers representing a major proportion, in this case more than 50 %, of the Union production of synthetic fibre ropes.

(4) The request was based on the grounds that expiry of the measures would be likely to result in a recurrence of dumping and injury to the Union industry.

(5) Having determined, after consulting the Advisory Committee, that sufficient evidence existed for the initiation of a review, the Commission announced on 7 October 2009, by a notice of initiation published in the *Official Journal of the European Union* [4] ('the notice of initiation'), the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation.

3. Investigation

3.1. *Investigation period*

(6) The investigation concerning the likelihood of a continuation or recurrence of dumping covered the period between 1 October 2008 and 30 September 2009 (the 'review investigation period' or 'RIP'). The examination of trends relevant for the assessment of a likelihood of a continuation or recurrence of injury covered the period between 1 January 2006 and the end of the RIP (the 'period considered').

3.2. *Parties concerned by this investigation*

(7) The Commission officially advised the known Union producers, the exporters and exporting producers in the country concerned, the representatives of the country concerned, importers as well as an association of users which were known to be concerned, of the initiation of the expiry review.

(8) Interested parties were given an opportunity to make their views known in writing and to request a hearing within the time limits set 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.

[1] OJ L 343, 22.12.2009, p. 51.
[2] OJ L 183, 26.6.1998, p. 1.
[3] OJ L 311, 8.10.2004, p. 1.
[4] OJ C 240, 7.10.2009, p. 6.

4. **Sampling**

(9) In view of the apparent high number of Union producers and exporting producers in India, it was considered appropriate, in accordance with Article 17 of the basic Regulation, to examine whether sampling should be used. In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, the above parties were requested to make themselves known within 15 days of the initiation of the review and to provide the Commission with the information requested in the notice of initiation.

(10) A total of five Indian producers, two of which belonging to the same group, came forward and provided the requested information within the given deadline and expressed a wish to be included in the sample. Four of these five companies produced and exported the product concerned to the Union market during the RIP. The fifth company did not export the product concerned to the Union market during the RIP. All five companies were regarded as cooperating companies and were considered for sampling. The level of cooperation from India, i.e. the percentage of exports to the Union by the Indian cooperating companies as compared to all Indian exports to the Union could not be calculated as the total exports to the Union during the RIP reported by the five cooperating companies was significantly higher than the volume registered by Eurostat for all exports from India, for the reasons detailed in recitals 21 to 23.

(11) The sample was selected in agreement with the Indian authorities and included those four companies which reported export sales to the Union. Two of the four sampled companies were related. It is recalled that in the original investigation only one exporting producer cooperated and it is at present subject to an individual anti-dumping duty. It is also recalled that in the previous expiry review none of the Indian exporting producers cooperated and therefore, in accordance with the provisions of Article 18(1) of the basic Regulation, the findings were based on the facts available.

(12) Eighteen Union producers (all fifteen complainants and three further producers, altogether representing 78 % of the total Union production) provided the requested information and agreed to be included in the sample. On the basis of the information received from the cooperating Union producers, the Commission selected a sample of five Union producers representing approximately 40 % of the Union industry, as defined in recital 40, and about half of the sales by all cooperating Union producers to unrelated customers in the Union. The sample was selected on the basis of the largest representative sales volume and geographical coverage of producers within the Union that could reasonably be investigated within the time available. One of the five sampled Union producers started operating during the period considered, therefore their data were not used in the analysis of the trends of injury indicators, in order to avoid distortions in those trends. Nonetheless the figures of the other four sampled Union producers used for the analysis of those trends remained representative.

(13) The Commission sent questionnaires to the five sampled Union producers as well as to the four sampled Indian exporting producers.

(14) Questionnaire replies were received from all five sampled Union producers. Out of the four sampled Indian exporting producers, one ceased cooperating while the other three (two of which related) replied to the questionnaire within the given deadlines. For this reason, in the end, the sample of Indian exporting producers consisted of those three Indian companies that replied to the questionnaire.

5. **Verification of information received**

(15) The Commission sought and verified all the information it deemed necessary to determine the continuation or likelihood of recurrence of dumping and injury and of the Union interest. Verification visits were carried out at the premises of the following companies:

5.1. *Exporting producers in India*

— Axiom Imex International Ltd., Boisar,

— Tufropes Private Limited, Silvassa,

— India Nets, Indore;

5.2. *Union producers*

— Cordoaria Oliveira SÁ (Portugal),

— Eurorope SA (Greece),

— Lanex A.S. (Czech Republic),

— Lankhorst Euronete Ropes (Portugal),

— Teufelberger Ges.m.b.H. (Austria).

B. **PRODUCT CONCERNED AND LIKE PRODUCT**

1. **Product concerned**

(16) The product concerned is the same as in the original investigation and is defined as follows: twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics, of polyethylene or polypropylene, other than binder and baler twine, measuring more than 50 000 decitex (5 g/m), as well as of other synthetic fibres of nylon or other polyamides or of polyesters, measuring more than 50 000 decitex (5 g/m). It is currently falling within CN codes 5607 49 11, 5607 49 19, 5607 50 11. and 5607 50 19. The product concerned is used for a wide variety of marine and industrial applications, in particular for shipping (especially for mooring purposes), and the fishing industry.

(17) One interested party claimed that the mooring ropes referred to above are not falling within the definition of the product concerned as, due to the splices attached to these ropes, such products should be declared as 'articles of ropes' which belong to another CN code (see also in recital 23). It should be noted however, that the reference to mooring ropes is made only in the context of applications of different types of the product concerned which are all defined as synthetic fibre ropes as set out in recital 16.

2. **Like product**

(18) As shown in the original investigation, and as confirmed in the present investigation, the product concerned and the synthetic fibre ropes produced and sold by the Indian exporting producers on their domestic market, as well as those produced and sold by the Union producers in the Union, are in all respects identical and share the same basic physical and chemical characteristics. Therefore, they are considered to be alike within the meaning of Article 1(4) of the basic Regulation.

(19) One interested party has claimed that the product manufactured by the Union industry is not comparable with the product concerned given that the Union producers had started using a new type of raw material called Dyneema, which is much more expensive than other raw materials as products based on it have much better resistance. Indeed the sampled Indian producers are not using this type of raw material. However, it should firstly be noted that the products in question represent only a small part of the products sold by Union producers. Indeed, albeit it is correct that this type of fibre is increasingly used by some Union producers, Dyneema ropes account for only a minor fraction of Union production. Therefore, while the significant difference in the cost of raw material (potentially around 25-30 times more expensive) can have some impact notably on the injury indicator concerning the average sales price of the Union industry, the impact of Dyneema ropes on the overall assessment remains limited due to the overwhelming quantity of 'standard' ropes produced in the Union. Secondly, all calculations of this expiry review were based on the comparison of corresponding product types, which takes account of different raw materials. Therefore the calculations cannot be distorted by a difference in the product mix. In any event, the product which uses the raw materials such as Dyneema, still has the same basic physical and chemical characteristics as the product concerned. The claim was therefore rejected.

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

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

1. **Volume of imports**

(21) On the basis of Eurostat data, the volume of imports of the product concerned from India was insignificant throughout the period considered. During the RIP, the volume of imports from India was 31 tonnes i.e. less than 0,1 % of Union consumption during the RIP:

(tonnes)	2006	2007	2008	RIP
India	3	4	19	31

Imports of the product concerned from India, source - Comext

(22) However, according to verified data, the three companies included in the sample shipped significantly higher volumes of the product concerned to the Union during the RIP than the volumes reported in Eurostat. In this respect it is recalled that in the original investigation, importers provided information showing that some quantities of the product concerned purchased from India had not been released into free circulation on the Union market but were put into bonded warehouses and sold to ocean-going ships or offshore platforms. One complaining producer reiterated this argument in the present investigation. Due to lack of cooperation of port traders in the investigation, this claim could not be verified. However, on the basis of the customer list submitted by the sampled exporting producers, it was apparent that most of the customers were indeed shipping, maritime and offshore suppliers in the Union ports. On the basis of the above, it appears that the difference between the statistical data and the reported figures is due to such sales.

(23) It should also be mentioned that the request for expiry review contained allegations of circumvention practices. In this respect, the applicant claimed that certain volumes of synthetic fibre ropes from India entered into the Union under CN heading 5609 (Articles of […] twine, cordage, ropes or cables) which is not subject to measures. However, no information was found in the present investigation to support this view.

(24) On the basis of the above, it is considered that 31 tonnes of the product concerned were actually imported from India into the customs territory of the Union in the RIP. As concerns the verified export sales to the Union ports, which had not been released into free circulation on the Union market by the three sampled Indian producers, these sales are considered as part of Indian exports to other third countries.

(25) Given the absence of significant import volumes from India into the Union, these did not form a basis for a representative analysis for the likelihood of a continuation of dumping or injury. Indeed in view of such limited actual import volumes it cannot be concluded that injurious dumping from India existed during the RIP. Therefore, the analysis focused on the likelihood of recurrence of dumping and injury should the measures be allowed to expire.

2. **Likely development of imports should measures be repealed**

2.1. *Production capacity*

(26) It has been examined whether there is unused production capacity in the country concerned which would create a potential for the resumption of dumped exports in case the measures were repealed.

(27) It has been found that the production capacity of the three sampled exporting producers sharply increased between 2007 and the RIP while capacity utilisation decreased at the same time. The spare capacities of the three companies were around 75 % of Union consumption in the RIP. This points to a likely increase in export volumes to the Union should the measures be allowed to expire.

(28) Concerning the other producers of synthetic fibre ropes in India, it is known that Garware, the company which stopped cooperation after the sampling phase, is an important producer and, according to its official website, it has a significant production capacity. In addition, the request for expiry review lists four other large Indian producers. There are also several medium and small sized Indian producers which had mainly domestic sales. In the absence of cooperation from these Indian producers, their production capacity is not known, but it can be assumed that the trend of the cooperating companies is comparable and thus these producers have further spare capacity.

(29) Following the disclosure of the findings, all sampled Indian producers challenged the data relating to their aggregate spare capacity. However, all those data were actually reported by the companies themselves and were verified by way of on-spot investigations at each of them. Therefore these claims were rejected.

2.2. *Volume of sales to Union ports and to other export markets*

(30) The volume of export sales of the three sampled exporting producers to other third countries, including Union port sales which do not enter the customs territory of the Union, are significant and increased by around 80 % during the period considered, representing almost half of the total sales of the exporting producers during the RIP.

(31) Actual imports to the Union have practically stopped after the imposition of the original measures. However, it must be noted that the sampled producers' volume of export sales to Union ports considerably increased in the period considered, from 61 to 785 tonnes. Given that actual import sales to the Union are made in part via the same sales channels as the products sold at Union ports, this increasing presence at the doorstep of the Union market may indicate that, in the absence of measures, the sampled Indian producers – and maybe others as well – could start selling substantial quantities of the product concerned on the Union market within a short period of time.

(32) In view of the above-mentioned export orientation of the Indian producers as well as their growing presence in Union ports, it can be concluded that it is highly probable that if the measures were allowed to expire, then Indian export quantities to the Union would significantly increase.

(33) Following the disclosure of the findings of the review, an Indian producer pointed out that Indian exports are well diversified around the world, among markets with growth potential, thus exports to the Union would not resume in substantial quantities in the absence of measures. It is acknowledged that some Indian producers may have diversified export sales to different markets; however, this cannot be considered as sufficient to alter the conclusions drawn on the basis of the above mentioned findings.

2.3. *Relationship between export prices to third countries and normal value*

(34) An indicative dumping calculation was made on the basis of the verified sales to Union ports of the three sampled exporting producers, which, though considered as part of export sales to other third countries, provide a good indication for potential prices of Indian synthetic fibre ropes in the absence of duties. The normal values were based on the domestic prices on the Indian market. Based on these figures, dumping was established for two of the three sampled Indian producers. The dumping margins were found to be on average 10 % which can be considered as significant even though much lower than those established in the original investigation.

(35) A comparison of prices achieved by the three sampled exporting producers on other third country markets (excluding Union port sales) with their domestic prices showed a similar result although the dumping margins established on this basis were lower.

(36) Following the disclosure of the findings of this investigation, one Indian producer claimed that no dumping was found in respect of Indian imports to the Union. However, there were almost no actual imports either. In addition, dumping was established for both sales to Union ports and sales to other third countries. Therefore this claim was dismissed.

(37) Another interested party claimed that the dumping margins established by this review cannot be considered significant when compared to the existing duty levels, given the significant difference in labour costs between the Union and Asia. It should be noted however, that labour costs in the Union are irrelevant for the calculation of the dumping margin.

3. **Conclusion on the likelihood of a recurrence of dumping**

(38) On the basis of the above analysis, it is concluded that the exporting producers have vast production potential to restart exporting to the Union if the measures were allowed to expire. Concerning prices, two sampled producers were found to be selling at dumped prices to other third countries. In addition, also considering Garware which stopped cooperating, there are five other large exporting producers listed in the complaint which, on the basis of the information available, can be assumed to follow the trend of the companies found selling at dumped prices to other third countries.

(39) The indication that Indian exporting producers keep a strategic interest in the Union market, demonstrated by their increasing volumes of export sales to Union ports, together with a huge spare capacity available, make it likely that they would resume exports to the Union in significant quantities should the measures lapse. Taking into account the pricing behaviour of the Indian exporters on third-country markets, it is highly probable that a resumption of exports would take place at dumped prices. It is therefore concluded that the expiry of measures is likely to lead to a recurrence of dumping.

D. **DEFINITION OF THE UNION INDUSTRY**

(40) The Union producers accounting for the total Union production constitute the Union industry within the meaning of Article 4(1) of the basic Regulation. The number of Union producers can be estimated at around forty.

(41) The fifteen Union producers on whose behalf the request for the expiry review was lodged by the complainant association, and three other Union producers submitted information for the selection of the sample requested in the notice of initiation. As mentioned in recital 12, a sample of five producers, representing approximately 40 % of the Union industry, was investigated in detail. The sample consisted of the following companies:

— Cordoaria Oliveira SÁ (Portugal),

— Eurorope SA (Greece),

— Lanex A.S. (Czech Republic),

— Lankhorst Euronete Ropes (Portugal),

— Teufelberger Ges.m.b.H. (Austria).

(42) As already stated in recital 12, the eighteen cooperating Union producers represented 78 % of total Union production during the RIP.

E. **SITUATION ON THE UNION MARKET**

1. **Consumption in the Union market**

(43) Union consumption of synthetic fibre ropes was established on the basis of sales volumes of the Union industry on the Union market (including the sales of non-cooperating Union producers as estimated by the complainant association) plus all imports into the Union, as based on Eurostat.

(44) On the above basis it can be established that during the period considered, the Union consumption has decreased by 7 %. In particular, after having increased by 16 % between 2006 and 2007, the consumption dropped by 20 % between 2007 and the RIP.

	2006	2007	2008	RIP
Total Union consumption (tonnes)	34 318	39 816	36 777	31 944
Index (2006=100)	*100*	*116*	*107*	*93*

Source: Investigation (sampled Union producers), Complainant (non-sampled Union producers), Eurostat (imports)

2. **Imports from India**

(45) As mentioned in recital 21, actual Indian imports to the Union were negligible throughout the period considered due to the effective anti-dumping measures in force.

(46) However, as explained in recital 22, there is an increasing presence of Indian producers at the doorstep of the Union market, by way of export sales to the Union ports not being subject to customs clearance and thus free of the said anti-dumping duties.

3. **Prices and volume of Indian exports to other third countries**

(47) Since actual Indian imports to the Union were negligible, a price comparison was made between prices of Indian exports to other third countries (including the exports sold to Union ports not subject to the anti-dumping duties) and prices of Union sales made by the sampled Union industry producers.

(48) On this basis it was established that Indian exports to other third countries were made at sales prices significantly lower than those of the Union industry. The price difference thus established reached the level of 46 % and on average amounted to 18 %.

(49) The value of Indian export sales to other third countries increased by more than 30 % during the period considered. Such sales represented close to half of the total turnover of the sampled Indian exporting producers during the RIP.

4. **Imports from other countries**

(50) Despite the drop in consumption by 7 % on the Union market, the volume of imports from other third countries increased during the period considered by 18 %. Thereby the market share of these imports increased from 17 % to 22 %.

(51) It should be noted that imports from the People's Republic of China ('PRC') increased by 46 % during the period considered, reaching a market share of 8,6 % (up from 5,5 % in 2006). Although a precise comparison cannot be carried out due to the general nature of Eurostat data which are not detailed by product type, it appears that the average price of Chinese imports to the Union is substantially higher than the average price of Indian export sales. In addition, the average price of Chinese imports seems to be in line with the prices of the Union industry.

(52) Imports from the Republic of Korea ('Korea') to the Union had a market share constantly remaining around the level of 3 % during the period considered. Also, the volume of these imports has decreased by 6 % in line with shrinking consumption.

(53) Imports from any other third country represented less than 2 % of market share on the Union market of synthetic fibre ropes during the RIP.

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

5.1. *Preliminary remarks*

(54) All injury indicators listed in Article 3(5) of the basic Regulation have been analysed. As concerns the indicators on the sales volume and the market share of Union producers, these have been analysed on the basis of data collected for all Union producers i.e. the Union industry. As regards all other injury indicators, their examination was based on the information submitted by the sampled Union producers as verified at the premises of each company, as mentioned in recital 15. As already stated in recital 12, one of the Union producers started operating during the period considered, therefore their data were not used in the analysis of the trends of injury indicators, in order to avoid distortions in those trends.

5.2. *Sales volume of the Union industry*

(55) Sales of the Union industry have decreased substantially by 12 % over the period considered. As already stated in recital 44, Union consumption has decreased by 7 % over the period considered, with a particularly sharp drop starting from the year 2007. It should be highlighted that the sales volume of the Union industry on the Union market has decreased at a faster pace than the fall in consumption:

	2006	2007	2008	RIP
Union sales volume of the Union industry (tonnes)	28 393	32 161	28 911	24 955
Index (2006=100)	*100*	*113*	*102*	*88*

Source: Investigation (sampled Union producers), Complainant (non-sampled Union producers)

5.3. *Market share of the Union industry*

(56) The developments outl ined in the preceding recital and the above table have resulted in a loss of market share of the Union industry between 2006 and the RIP. The reduction of the Union industry market share was continuous, with the loss amounting to 4,6 percentage points:

	2006	2007	2008	RIP
Market share of the Union industry (%)	82,7 %	80,8 %	78,6 %	78,1 %
Index (2006=100)	*100*	*98*	*95*	*94*

Source: Investigation (sampled Union producers), Complainant (non-sampled Union producers)

(57) It should be noted that the above loss of market share of the Union industry was in a large part due to the increased market share of Chinese imports (see recital 50).

5.4. *Production, production capacity and capacity utilisation*

(58) In line with the development of sales volumes, the production volume of the sampled Union producers has fallen at a comparable rate - by 17 % during the period considered. The production capacity increased by 5 % over the same period. This lead to a drop of 20 % in capacity utilisation between 2008 and the RIP:

	2006	2007	2008	RIP
Production (tonnes)	11 229	12 286	12 150	9 372
Index (2006=100)	*100*	*109*	*108*	*83*
Production capacity (tonnes)	21 510	23 467	23 278	22 480
Index (2006=100)	*100*	*109*	*108*	*105*
Capacity utilisation (%)	52,2 %	52,4 %	52,2 %	41,7 %
Index (2006=100)	*100*	*100*	*100*	*80*

Source: Investigation (sampled Union producers)

5.5. *Stocks*

(59) Regarding stocks, in general producers of synthetic fibre ropes keep the levels of their stocks at a rather low level as most of the production is made upon demand. It could be observed that during the period considered, average stocks showed a decrease, notably in the RIP, which was largely due to the reductions in the manufacturing of synthetic fibre ropes.

	2006	2007	2008	RIP
Closing stock (tonnes)	1 073	982	1 156	905
Index (2006=100)	*100*	*92*	*108*	*84*

Source: Investigation (sampled Union producers)

5.6. *Sales prices*

(60) Average prices of the like product sold in the Union by the sampled Union producers have increased to some extent throughout the period considered, in particular between 2007 and the RIP:

	2006	2007	2008	RIP
Average unit sales price of the Union industry (EUR/tonne)	5 268	5 229	5 670	5 766
Index (2006=100)	*100*	*99*	*108*	*109*

Source: Investigation (sampled Union producers)

(61) It should be noted, however, that the above average sales price is calculated on the basis of all product types including synthetic fibre ropes of the highest value, for example synthetic fibre ropes based on the raw material called Dyneema. The price variation among these different product types is indeed huge (see recital 19). In recent years, the Union industry has increased the manufacturing of higher value products. Thus such synthetic fibre ropes represent a growing share within their product mix. Such recent changes in the product mix are one of the reasons for the increase of the average unit sales prices of the Union industry.

5.7. *Profitability*

(62) Thanks in part to the effective measures in force and in part to the diversification of its product mix, the sampled Union producers were able to maintain a stable and healthy level of profitability throughout the period considered:

	2006	2007	2008	RIP
Profitability of the Union industry (%)	9,7 %	11,1 %	10,0 %	12,4 %
Index (2006=100)	*100*	*115*	*104*	*128*

Source: Investigation (sampled Union producers)

5.8. *Investments and ability to raise capital*

(63) Investments were at relatively high levels in 2006 and 2007, after which they fell to half of the previous amount. During the RIP, virtually no investments were made.

	2006	2007	2008	RIP
Net investments (EUR)	3 574 130	3 886 212	1 941 222	168 877
Index (2006=100)	*100*	*109*	*54*	*5*

Source: Investigation (sampled Union producers)

5.9. *Return on investments*

(64) In line with the stable profitability trend, the return on investments also increased throughout the period considered.

	2006	2007	2008	RIP
Return on investments (%)	21,4 %	25,5 %	26,1 %	28,4 %
Index (2006=100)	*100*	*119*	*122*	*132*

Source: Investigation (sampled Union producers)

5.10. *Cash flow*

(65) The cash flow of the sampled Union producers remained at relatively stable levels during the period considered:

	2006	2007	2008	RIP
Cash flow (EUR)	6 033 496	7 973 188	7 790 847	6 911 360
Index (2006=100)	*100*	*132*	*129*	*115*

Source: Investigation (sampled Union producers)

5.11. *Employment, productivity and labour costs*

(66) The employment situation of the sampled Union producers was developing positively between 2006 and 2008. However, from 2008 to the RIP there was a decline in employment due to the decreasing demand on the market. The fall in demand, resulting in reduced production, also lead to a drop in productivity between 2008 and the RIP. As concerns the annual labour costs per employee, this increased until 2008, followed by a slight decrease during the RIP.

	2006	2007	2008	RIP
Employment (persons)	638	665	685	623
Index (2006=100)	*100*	*104*	*107*	*98*
Annual labour costs per employee (EUR)	12 851	13 688	14 589	14 120
Index (2006=100)	*100*	*107*	*114*	*110*
Productivity (tonnes per employee)	17,6	18,4	17,7	15,0
Index (2006=100)	*100*	*105*	*101*	*85*

Source: Investigation (sampled Union producers)

5.12. *Growth*

(67) Between 2006 and the RIP, whilst the Union consumption decreased by 7 % (see recital 44), the volume of sales by the Union industry on the Union market decreased by 12 %, and the Union industry's market share decreased by 6 percentage points (see recitals 55 and 56). On the other hand, while the volume of actual Indian imports remained negligible due to the measures in force, the volume of imports from other countries grew by 18 % (mostly due to imports from the PRC), gaining an additional 5 percentage points of market share (see recital 50). It is thus concluded that the Union industry was more affected by the drop in consumption and thus experienced a more substantial loss in sales volume than other players on the market.

5.13. *Magnitude of the dumping margin*

(68) Due to the fact that imports of the product concerned from India during the RIP were negligible, no dumping margin could be established for actual Indian imports. It should be noted, however, that Indian exports to the Union ports, not subject to customs clearance, have substantially increased and part of these sales were found to be made at dumped prices.

5.14. *Recovery from past dumping*

(69) It was analysed whether the Union industry is still in the process of recovering from the effects of past dumping. It was concluded that the Union industry had already managed to recover to a large extent from such effects given that the effective anti-dumping measures had been in place for a long period of time.

5.15. *Conclusion on the situation of the Union industry*

(70) Thanks to the fact that effective anti-dumping duties have been in place concerning imports of synthetic fibre ropes originating in India, the Union industry appears to have managed to recover to a large extent from the effects of past injurious dumping.

(71) Nevertheless it cannot be concluded that the situation of the Union industry is secure. Although certain injury indicators relating to the financial performance of the Union producers – notably profitability, return on investments and cash-flow – appear to show a relatively stable picture, other injury indicators – in particular sales volume and market share, production and capacity utilisation as well as investments – clearly indicate that the Union industry was still in a rather fragile situation at the end of the RIP. Following the disclosure of the findings of this investigation, one Indian producer alleged that the Union industry did not suffer injury during the RIP. In this respect, it should be noted that it has not been stated that the Union industry was suffering material injury during the RIP. Instead, the conclusion drawn on the basis of the findings of the review was that some of the indicators showed a stable picture whilst there were signs of injury in respect of other indicators.

(72) Some parties claimed that the negative trends of some injury indicators are not caused by Indian imports but are due to the global economic crisis and the increased market share of Chinese imports. In this regard, it should be noted that the negative development of certain indicators was not attributed to the almost non-existent Indian imports. In addition, the increase of Chinese imports was examined and it did not have an impact on the analysis of the likelihood of recurrence of injurious dumping.

(73) With regard to the viability of the Union industry in general, it must be noted that the gradual introduction of various high value products on the market – both within the Union and on markets of third countries – appears to put the long-term competitiveness of the Union industry in a positive perspective, given that the number of producers manufacturing such high quality synthetic fibre ropes is at present limited on the global market.

F. **LIKELIHOOD OF RECURRENCE OF INJURY**

(74) As mentioned in recital 25, given the negligible volume of imports of the product concerned from India during the RIP, the analysis focused on the likelihood of recurrence of dumping and injury.

(75) As already detailed in recitals 26 to 28, huge spare capacities are available at the Indian exporting producers. In addition, as explained in recitals 30 to 32, the Indian producers have a strong orientation and an incentive to sell their products in large volumes on export markets. Moreover, as mentioned in recital 31, the Indian producers are strongly and increasingly present at the Union ports. For these reasons, it can be concluded that imports from India to the Union are highly likely to reach significant quantities in a short period of time should measures be allowed to expire.

(76) As stated in recitals 34 and 35, in the absence of measures, Indian imports are likely to resume at dumped prices. In addition, as stated in recitals 47 and 48 above, it was also found that the fact that the sales price of Indian producers are on average 18 % lower than those of the Union industry (and such price difference may reach the level of 46 %) appears to indicate that, in the absence of measures, Indian producers are likely to export the product concerned to the Union market at prices considerably lower than those of the Union industry i.e. they are likely to undercut the sales prices of the Union producers.

(77) In the light of the above, it can be concluded that in the absence of measures, it is highly probable that Indian imports of the product concerned would resume in substantial quantities and at prices considerably undercutting those of the Union industry.

(78) Given the relatively fragile situation of the Union industry as explained in recitals 71 and 72, a potentially massive recurrence of dumped Indian imports at prices undercutting those in the Union is likely to have an injurious impact on the state of the Union industry. Notably, a sizeable resumption of dumped imports is likely to result in further losses of market share and sales volume of the Union industry, leading to reductions in the manufacturing and a drop in employment. This, along with a substantial price pressure due to imports undercutting the sales prices of the Union producers, would lead to a rapid and serious deterioration of the financial situation of the Union industry.

(79) On the basis of the above, it is concluded that in case the measures are allowed to expire, there is a likelihood of a recurrence of injury from renewed dumped imports of the product concerned from India.

G. UNION INTEREST

1. Preliminary remarks

(80) 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 Union as a whole.

(81) The determination of Union interest was based on an appreciation of all the various interests involved, i.e. those of the Union industry, importers, traders, wholesalers and industrial users of the product concerned.

(82) It should be recalled that, in the previous investigations, the imposition of measures was not considered to be against the Union interest. Furthermore, the present investigation is an expiry review, thus analysing a situation in which anti-dumping measures are in place.

(83) On this basis it was examined whether, despite the conclusion on the likelihood of a recurrence of dumping and the likelihood of recurrence of injury, compelling reasons exist which would lead to the conclusion, in this particular case, that it is not in the Union interest to maintain measures.

2. Interests of the Union industry

(84) As already mentioned in recitals 56 and 73, the Union industry was able to maintain a substantial albeit shrinking market share while diversifying its product mix by introducing more high-end synthetic fibre ropes. Therefore it can be considered that the Union industry has remained structurally viable.

(85) In view of the conclusions on the situation of the Union industry set out at recitals 70 to 72, and pursuant to the arguments relating to the analysis on the likelihood of recurrence of injury as explained in recitals 74 to 79, it can also be considered that the Union industry would be likely to experience a serious deterioration of its financial situation in case the anti-dumping duties were allowed to expire, and this would lead to the recurrence of material injury.

(86) Indeed considering the expected volumes and prices of imports of the product concerned from India, the Union industry would be put at serious risk. As explained in recital 78, such imports would lead to a further decline in its market share, sales volume and employment, and would also depress its prices which would eventually result in a deterioration of its profitability, similar to the negative levels found in the original investigation.

(87) In view of the above, and in the absence of any contrary indications, it is concluded that the maintenance of the existing measures would not be against the interest of the Union industry.

3. Interest of unrelated importers/traders

(88) The Commission sent questionnaires to ten unrelated importers/traders. Only one of these companies replied, expressing its objection to the case. However, as the company is related to an Indian producer of synthetic fibre ropes, it cannot be considered as an unrelated importer. As the company is a related importer, its interest is intrinsically linked to the interest of its related Indian producer.

(89) In these circumstances, it is concluded that no compelling reasons appear to exist that would indicate that the continuation of measures would negatively affect to a large extent the unrelated importers/traders concerned.

4. Interest of users

(90) The Commission sent a letter to one industrial association of users of the product concerned. No user submitted a complete questionnaire reply, and no written submissions were received from the association.

(91) Given the absence of cooperation by users, and the fact that the impact of anti-dumping measures is likely to be negligible compared to other costs incurred by main users' industries such as shipbuilding, mechanical engineering and operating offshore platforms, it is concluded that the continuation of measures will not have a substantially negative impact on such users.

5. Conclusion

(92) The continuation of measures can be expected to ensure that the Indian dumped imports do not resume on the Union market in substantial quantities over a short period of time. Thereby the Union industry will continue to benefit from the competitive conditions on the Union market and the reduction of the threat of closures and a drop in employment. The beneficial effects are also expected to warrant the conditions for the Union industry to develop innovative products of higher technology for new and specialised applications.

(93) It should also be noted that, following the consideration of the interest of importers/traders as well as users in the Union, no compelling reasons appear to exist to indicate that the continuation of measures would have a largely negative impact.

(94) Given the above conclusions on the impact of the continuation of the measures on the different players on the Union market, it is concluded that the continuation of measures is not against the Union interest.

H. ANTI-DUMPING MEASURES

(95) In view of the above, i.e. inter alia the huge spare capacities of the Indian producers, their strong export orientation and growing presence at the doorstep of the Union market, the prices of their export sales to other third-country markets which were found to be below the normal value and also well below the prices of the Union industry during the RIP, as well as the relatively fragile situation of the Union industry, it is likely that injurious dumping would recur from India should the measures be allowed to lapse.

(96) All parties concerned were informed of the essential facts and considerations on the basis of which it is intended to recommend the maintenance of existing measures in their present form. They were also granted a period to make representations subsequent to this disclosure, but none made representations which would have justified altering the above findings. The claims relating to the disclosure of findings have been addressed in the respective recitals of this Regulation.

(97) It follows from the above that, as provided for by Article 11(2) of the basic Regulation, the anti-dumping duties imposed by Regulation (EC) No 1736/2004 should be maintained.

(98) Nevertheless, and without ignoring that the likelihood of recurrence of injurious dumping has been established, the present proceeding is characterised by particular circumstances, notably the long duration of the measures in force which have already been extended once, and the very limited quantities of actual imports from India as referred to in recitals 21 to 24. These facts should also be adequately reflected in the duration of the further extended anti-dumping measures, which should be three years. Following disclosure, the applicant stated that the measures should be extended for five years and that the reasoning set out above for a shorter extension would not be justified.

(99) Normally, the extension of measures pursuant to Article 11(2) of the basic Regulation applies for a period of five years. The investigation has concluded that the Union industry was still in a fragile situation at the end of the RIP; it has been in financial difficulties for a long period of time as established in the original investigation. Consequently, full recovery from the injurious dumping has not been achieved yet. However, a number of injury indicators showed that the imposition of measures has already allowed for some substantial improvements. From the analysis of this complex situation it is concluded that a full and solid recovery from any past effect of the injurious dumping is likely to take place within a shorter period of time than the normal five years. It was assessed that, considering the overall injury analysis and the likely market developments with the measures in place, a period of three years should be enough to the Union industry to complete its economic and financial recovery. For these reasons it does not appear necessary to maintain the measures for a longer period.

(100) Therefore, it is considered that an extension of the measures for the full five-year period is not fully supported by the facts established by the investigation, and that the duration of the measures should as a consequence be limited to three years.

(101) The individual anti-dumping duty rate specified in Article1 was established on the basis of the findings of the original investigation. Therefore, it reflects the situation found during that investigation with respect to the company concerned. This duty rate (as opposed to the country-wide duty applicable to 'all other companies') is thus exclusively applicable to imports of products originating in India and produced by the company concerned and thus by the specific legal entity mentioned. Imported products produced by any other company not specifically mentioned inArticle 1, including entities related to the one specifically mentioned, cannot benefit from this rate and shall be subject to the country-wide duty.

(102) Any claim requesting the application of an individual company anti-dumping duty rate (e.g. following a change in the name of the entity or following the setting up of new production or sales entities) should be addressed to the Commission forthwith with all relevant information, in particular any modification in the company's activities linked to production, domestic and export sales associated with, for example, that name change or that change in the production and sales entities. If appropriate, this Regulation will accordingly be amended by updating the list of companies benefiting from individual duties,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics, of polyethylene or polypropylene, other than binder and baler twine, measuring more than 50 000 decitex (5 g/m), as well as of other synthetic fibres of nylon or other polyamides or of polyesters, measuring more than 50 000 decitex (5 g/m), currently falling within CN codes 5607 49 11, 5607 49 19, 5607 50 11and 5607 50 19 and originating in India.

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

Company	Duty rate	TARIC additional code
Garware Wall Ropes Ltd	53,0 %	8755
All other companies	82,0 %	8900

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

Article 2

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

It shall apply for a period of three years.

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

Done at Brussels, 20 December 2010.

For the Council
The President
J. SCHAUVLIEGE