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imposing a definitive anti-dumping duty on imports of steel ropes and cables originating in the People's Republic of China as extended to imports of steel ropes and cables consigned from Morocco and the Republic of Korea, whether declared as originating in these countries or not, following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union [1] ('the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

1. PROCEDURE

1.1. Previous investigations and measures in force

(1) By Regulation (EC) No 1796/1999 [2] the Council imposed an anti-dumping duty on imports of steel ropes and cables ('SRC') originating in the People's Republic of China ('PRC'), Hungary, India, Mexico, Poland, South Africa and Ukraine. Those measures will hereinafter be referred to as 'the original measures' and the investigation that led to the measures imposed by Regulation (EC) No 1796/1999 will hereinafter be referred to as 'the original investigation'.

(2) Thereafter, it was found that circumvention of the original measures concerning imports from Ukraine and the PRC took place via respectively Moldova and via Morocco following investigations pursuant to Article 13 of the Council Regulation (EC) No 384/96 [3]. Consequently, by Regulation (EC) No 760/2004 [4], the Council extended the definitive anti-dumping duty imposed on imports of SRC originating in the Ukraine to imports of the same products consigned from Moldova. Similarly, the anti-dumping duty imposed on imports of steel ropes and cables originating in the PRC was extended, by Council Regulation (EC) No 1886/2004 [5] to imports of the same products consigned from Morocco.

(3) By Regulation (EC) No 1858/2005 [6], the Council, following an expiry review in accordance with Article 11(2) of Regulation (EC) No 384/96, extended the original

measures imposed on imports of SRC originating in the PRC, India, South Africa and Ukraine for five years. The measures applicable to imports originating in Mexico expired on 18 August 2004 [7]. As Hungary and Poland became members of the European Union on 1 May 2004, the measures were terminated on that date.

(4)In May 2010, by Implementing Regulation (EU) No 400/2010 [8], the Council extended the definitive anti-dumping duty imposed by Regulation (EC) No 1858/2005 on imports of SRC originating in the PRC to imports of SRC consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not, as a result of an anti-circumvention investigation in accordance with Article 13 of the basic Regulation. Certain Korean exporting producers were granted an exemption from the extended duty as they were not found to circumvent the definitive anti-dumping duties.

(5)The measures applicable to imports originating in India expired on 17 November 2010 [9].

(6)In January 2012, by Implementing Regulation (EU) No 102/2012 [10], the Council, following an expiry review in accordance with Article 11(2) of the basic Regulation imposed the anti-dumping duty with regard to imports of SRC originating in the PRC and Ukraine as extended to imports consigned from the Republic of Korea, Morocco and Moldova. At the same time, the exporting producer in Morocco exempted from the measures as extended by Regulation (EC) No 1886/2004 were exempted from the measures. The 15 exporting producers in the Republic of Korea exempted from the measures as extended by Implementing Regulation (EU) No 400/2010 were also exempted from the measures.

(7)By the same Regulation, the Council terminated the proceeding with regard to imports of SRC originating in South Africa. The measures applicable to imports originating in South Africa expired on 9 February 2012.

(8)In April 2018, by Implementing Regulation (EU) 2018/607 [11], the Commission following an expiry review in accordance with Article 11(2) of the basic Regulation, imposed an anti-dumping duty with regards to imports of SRC originating in the PRC as extended to Morocco and the Republic of Korea (the ‘previous expiry review’).

(9)The measures applicable to imports originating in Ukraine expired on 10 February 2017 [12].

(10) The definitive anti-dumping duties currently in force amount to 60,4 %.

1.2. Request for an expiry review

(11)Following the publication of a notice of impending expiry [13] the European Commission (‘the Commission’) received a request for a review pursuant to Article 11(2) of the basic Regulation.

(12)The request for review was submitted on 17 January 2023 by the European Federation of Steel Wire Rope Industries (‘the applicant’) on behalf of the Union industry of steel ropes and cables in the sense of Article 5(4) of the basic Regulation. The request for review was based on the grounds that the expiry of the measures would be likely to result in continuation or recurrence of dumping and recurrence of injury to the Union industry.

1.3. Initiation of an expiry review

(13) Having determined, after consulting the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, on 14 April 2023 the Commission initiated an expiry review with regard to imports into the Union of steel ropes and cables originating in People's Republic of China on the basis of Article 11(2) of the basic Regulation. It published a Notice of Initiation in the *Official Journal of the European Union* [14] ('the Notice of Initiation').

1.4. Review investigation period and period considered

(14) The investigation of continuation or recurrence of dumping covered the period from 1 January 2022 to 31 December 2022 ('review investigation period'). The examination of trends relevant for the assessment of the likelihood of a continuation or recurrence of injury covered the period from 1 January 2019 to the end of the review investigation period ('the period considered').

1.5. Interested parties

(15) In the Notice of Initiation, interested parties were invited to contact the Commission in order to participate in the investigation.

(16) In addition, the Commission specifically informed the applicant, other known Union producers, the known producers in the PRC and the authorities of the PRC, known importers and users about the initiation of the expiry review and invited them to participate in the investigation.

(17) Interested parties had an opportunity to comment on the initiation of the expiry review and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings.

(18) No parties requested to be heard.

1.6. Comments on initiation

(19) Comments on initiation were received from one Chinese producer, namely the Fasten Group Imp. & Exp. Co., Ltd. and its related companies ('Fasten Group').

(20) The Fasten Group argued that the applicant did not demonstrate that the Union industry was in unfavourable situation as the data provided showed that the Union industry performed well during the injury assessment period. Moreover, it was claimed that the applicant did not show likelihood of continuation or recurrence of injury. In particular, it was claimed that the information regarding exports of China to third countries and imports from third countries to the Union was irrelevant to the assessment of the impact on the Union industry and inconsistent with the requirements of the anti-dumping regulation and the WTO Anti-dumping Agreement. The Chinese exporter provided also data on its export prices of SRC to the Union and argued that these prices were closer to the Union prices which indicated that there was no likelihood of continuation of recurrence of injury. The Fasten Group argued that the Chinese export prices in the request were not correct as they were much lower than its export prices. Furthermore, the Fasten Group asked the Commission to terminate the expiry review.

(21) The Commission noted that the purpose of anti-dumping measures is to eliminate the trade distorting effects of injurious dumping and to restore effective competition by having a positive effect on the state of the Union industry. Even if the Union industry had not suffered material injury in the period considered by the request, one would need to assess whether resulting from the Chinese imports injury may recur if measures would be allowed to lapse. In addition, the Notice of Initiation stated in point 4.2 that the applicant alleged the likelihood of recurrence of injury from the PRC. In this respect the applicant has provided sufficient evidence that, should measures be allowed to lapse, the current import level of the product under review from the country concerned to the Union was likely to increase significantly. As pointed out in the request, due to the existence of unused production capacity in the PRC, the price behaviour of Chinese exporters on third country markets as well as the attractiveness of the Union market, these increased imports will be made at dumped prices that will undercut Union prices thus causing injury to the Union industry. Therefore, these claims were rejected.

1.7. Sampling

(22) In the Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.

Sampling of Union producers

(23) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. The Commission selected the sample on the basis of representability in terms of size of the production and sales volume on the free market in the Union in the review investigation period and geographic location. This sample consisted of three Union producers: Gustav Wolf GmbH, WIRECO Poland sp. z o.o., and Redaelli Tecna SPA. In accordance with Article 17(2) of the basic Regulation, the Commission invited interested parties to comment on the provisional sample.

(24) The applicant informed the Commission that the sales and production volumes of one of the selected companies being submitted as part of the request, Gustaf Wolf GmbH, were in fact consolidated rather than provided separately for the legal entities within the group. After reviewing the sales and production volumes of the product under review for the individual companies within the group, the Commission decided to revise the proposed sample and replace Gustav Wolf GmbH by DIEPA Drahtseilwerk Dietz GmbH & Co. KG. This was in order to maintain the methodology of selecting the largest entities.

(25) DIEPA Drahtseilwerk Dietz GmbH & Co. KG, subsequently informed the Commission that due to temporary technical reasons it would not be in a position to provide the requested information in the required timeline in order to cooperate as a sampled company. The Commission, therefore, revised the proposed sample and replaced DIEPA Drahtseilwerk Dietz GmbH & Co. KG by another German producer, Pfeifer Drako Drahtseilwerk GmbH. This decision was based on the volume of sales and production of the like product in the Union during the period from 1 January 2022 to 31 December 2022 and geographical spread. The revised sampled Union producers accounted for 21 % of the estimated Union sales volume and around 21 % of total Union production of the like products. The revised

sample was found to be representative of the Union industry. In accordance with Article 17(2) of the basic Regulation, the Commission invited interested parties to comment on the revised sample. No comments were received. Therefore, the revised sample was confirmed.

Sampling of importers

(26) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked unrelated importers to provide the information specified in the Notice of Initiation.

(27) None of the unrelated importers came forward in order to provide the requested information. Therefore, no sampling was necessary.

Sampling of exporting producers in the PRC

(28) To decide whether sampling was necessary and, if so, to select a sample, the Commission asked all exporting producers in the PRC to provide the information specified in the Notice of Initiation. In addition, the Commission asked the Mission of the PRC to the European Union to identify and/or contact other exporting producers, if any, that could be interested in participating in the investigation.

(29) One exporting producer in the PRC replied to the sampling questionnaire. However, neither this producer nor any other exporting producer/producer provided the requested information.

(30) In the previous expiry review, 21 exporting producers were identified while the present request for review listed 46 producers of steel ropes and cables in the PRC. Only one of these companies provided a sampling reply, however, without providing the requested information concerning the factors of production. This company accounted for less than one third of the total volume of imports of steel ropes and cables from the PRC into the European Union and accounted for less than 2 % of the total production of steel ropes and cables in the PRC. As the Union market share of imports from the PRC was around 1 % during the review investigation period, the Commission considered that less than one third of these imports would not provide sufficient information to assess the export price and the existence of continuation of dumping during the review investigation period and cannot be considered as representative of the total imports from the PRC.

(31) In view of the insufficient level of cooperation, the Commission decided not to apply sampling in accordance with Article 17(1) of the basic Regulation. No comments were received.

1.8. Replies to the questionnaire

(32) The Commission sent a questionnaire concerning the existence of significant distortions in the PRC within the meaning of Article 2(6a)(b) of the basic Regulation to the Government of the People’s Republic of China (‘GOC’). No reply was received.

(33) Despite the low representativeness of the Chinese producer which submitted a sampling reply, the Commission invited the exporting producer to provide additional information in a simplified form related to their domestic sales and production and exports to third

countries and exports to the Union, that might be used for the investigation. No reply was received.

(34) All of the three sampled Union producers submitted a questionnaire reply.

1.9. Verification

(35) The Commission sought and verified all the information deemed necessary for the determination of likelihood of continuation or recurrence of dumping and injury and of the Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producers

— Pfeifer Drako Drahtseilwerk GmbH, Mühleim an der Ruhr, Germany and two related traders in the Union – Pfeifer Seil und Hebetechnik GmbH and Pfeifer Cables y Equipos de Elevación,

— Redaelli Tecna Spa, Milano, Italy and a related trader in the Union – Teufelberger Seil GmbH,

— WIRECO Poland sp. z o.o., Włocławek, Poland and a related trader in the Union – Olivera SÁ S.A., WIRECO Portugal.

(36) Moreover, a verification was carried out in Brussels at the premises of the legal representative of the following producer association:

— European Federation of Steel Wire Rope Industries (EWRIS), Düsseldorf, Germany.

2. PRODUCT UNDER REVIEW, PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product under review

(37) The product under review is the same as in the previous expiry review namely steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm (‘the product under review’), currently falling under CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 (TARIC codes 7312108112, 7312108113, 7312108119, 7312108312, 7312108313, 7312108319, 7312108512, 7312108513, 7312108519, 7312108912, 7312108913, 7312108919, 7312109812, 7312109813 and 7312109819) (‘the product under review’).

2.2. Product concerned

(38) Product concerned by this investigation is the product under review originating in the PRC (‘the product concerned’).

2.3. Like product

(39) As established in the previous expiry review, this expiry review investigation confirmed that the following products have the same basic physical and chemical characteristics as well as the same basic uses:

— the product concerned when exported to the Union,

— the product under review produced and sold on the domestic market of the PRC, and

— the product under review produced and sold in the Union by the Union industry.

(40) These products are therefore considered to be like products within the meaning of Article 1(4) of the basic Regulation.

3. DUMPING

3.1. Preliminary remarks

(41) During the review investigation period (i.e. from 1 January 2022 to 31 December 2022), imports of steel ropes and cables from the PRC remained at a very low level similar to the previous expiry review. According to the Comext database, imports of steel ropes and cables from the PRC accounted for about 1,2 % of the Union market in the review investigation period.

(42) As mentioned in recital (29) only one exporting producer replied to the sampling questionnaire but did not submit any of the subsequently requested information. Therefore, the Commission informed the authorities of the PRC that due to the absence of cooperation, the Commission intended to apply Article 18 of the basic Regulation concerning the findings with regard to the PRC. The Commission did not receive any comments.

(43) Consequently, in accordance with Article 18 of the basic Regulation, the findings in relation to the likelihood of continuation or recurrence of dumping were based on facts available, in particular the information received in the request, the information received from one sampled Union producer, and from available statistics, namely those from Comext and the Global Trade Atlas ('GTA') databases.

3.2. Procedure for the determination of the normal value under Article 2(6a) of the basic Regulation for the imports of steel ropes and cables originating in the PRC

(44) Given the sufficient evidence available at the initiation of the investigation tending to show, with regard to the PRC, the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation, the Commission initiated the investigation on the basis of Article 2(6a) of the basic Regulation.

(45) In order to obtain information it deemed necessary for its investigation with regard to the alleged significant distortions, the Commission sent a questionnaire to the GOC. In addition, in point 5.3.2 of the Notice of Initiation, the Commission invited all interested parties to make their views known, submit information and provide supporting evidence regarding the application of Article 2(6a) of the basic Regulation within 37 days of the date

of publication of the Notice of Initiation in the *Official Journal of the European Union*. No questionnaire reply was received from the GOC and no submission on the application of Article 2(6a) of the basic Regulation was received within the deadline. Subsequently, the Commission informed the GOC that it would use facts available within the meaning of Article 18 of the basic Regulation for the determination of the existence of the significant distortions in the PRC.

(46) In point 5.3.2 of the Notice of Initiation, the Commission also stated that, in view of the evidence available, Türkiye was considered as a possible representative third country for the PRC pursuant to Article 2(6a)(a) of the basic Regulation for the purpose of determining the normal value based on undistorted prices or benchmarks. The Commission further stated that it would examine other possibly appropriate countries in accordance with the criteria set out in first indent of Article 2(6a) of the basic Regulation.

(47) On 13 November 2023, the Commission informed interested parties on the relevant sources it intended to use for the determination of the normal value in a Note to the file (‘the Note’), with Türkiye as the representative country. It also informed interested parties that it would establish selling, general and administrative (‘SG&A’) and profits based on available information for the company Celik Halat, producer of the product under review in the representative country. No comments were received.

(48) In the Note, the Commission presented the main factors of production. In addition to those factors of production, the Commission also added overheads as explained in recital (106). Furthermore, considering that the current investigation is an expiry review pursuant to Article 11(2) of the basic Regulation, which does not require a precise dumping margin calculation, but rather establishing the likelihood of continuation or recurrence of dumping, the Commission considered that in this case it could exceptionally focus on the main factors of production for the calculation of the normal value.

(49) Due to the insufficient cooperation from the Chinese exporting producers and the GOC, as mentioned in recital (32), the Commission determined normal value based on the information provided in the request for the expiry review and other readily available information as explained in the following section.

3.3. Normal value

(50) According to Article 2(1) of the basic Regulation, ‘the normal value shall normally be based on the prices paid or payable, in the ordinary course of trade, by independent customers in the exporting country’.

(51) However, according to Article 2(6a)(a) of the basic Regulation, ‘in case it is determined […] that it is not appropriate to use domestic prices and costs in the exporting country due to the existence in that country of significant distortions within the meaning of point (b), the normal value shall be constructed exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks’, and ‘shall include an undistorted and reasonable amount of administrative, selling and general costs and for profits’. (‘Administrative, selling and general costs’ is referred hereinafter as ‘SG&A’.)

(52) As further explained below, the Commission concluded in the present investigation that, based on the evidence available, and in view of the lack of cooperation of the GOC and the exporting producer, the application of Article 2(6a) of the basic Regulation was appropriate.

3.3.1. *Existence of significant distortions*

(53) In recent investigations concerning the steel sector in the PRC [15], the Commission found that significant distortions in the sense of Article 2(6a)(b) of the basic Regulation were present.

(54) In those investigations, the Commission found that there is substantial government intervention in the PRC resulting in a distortion of the effective allocation of resources in line with market principles [16]. In particular, the Commission concluded that in the steel sector, which is the main raw material to produce the product under review, not only does a substantial degree of ownership by the GOC persist in the sense of Article 2(6a)(b), first indent of the basic Regulation [17], but the GOC is also in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation [18]. The Commission further found that the State's presence and intervention in the financial markets, as well as in the provision of raw materials and inputs have an additional distorting effect on the market. Indeed, overall, the system of planning in the PRC results in resources being concentrated in sectors designated as strategic or otherwise politically important by the GOC, rather than being allocated in line with market forces [19]. Moreover, the Commission concluded that the Chinese bankruptcy and property laws do not work properly in the sense of Article 2(6a)(b), fourth indent of the basic Regulation, thus generating distortions in particular when maintaining insolvent firms afloat and when allocating land use rights in the PRC [20]. In the same vein, the Commission found distortions of wage costs in the steel sector in the sense of Article 2(6a)(b), fifth indent of the basic Regulation [21], as well as distortions in the financial markets in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, in particular concerning access to capital for corporate actors in the PRC [22].

(55) Like in previous investigations concerning the iron and steel sector in the PRC, the Commission examined in the present investigation whether it was appropriate or not to use domestic prices and costs in the PRC, due to the existence of significant distortions within the meaning of point (b) of Article 2(6a) of the basic Regulation. The Commission did so on the basis of the evidence available on the file, including the evidence contained in the request, as well as in the Commission Staff Working Document on Significant Distortions in the Economy of the People's Republic of China for the Purposes of Trade Defence Investigations [23] ('Report'), which relies on publicly available sources. That analysis covered the examination of the substantial government interventions in the PRC's economy in general, but also the specific market situation in the relevant sector including the product under review. The Commission further supplemented these evidentiary elements with its own research on the various criteria relevant to confirm the existence of significant distortions in the PRC as also found by its previous investigations in this respect.

(56) The request alleged that the Chinese economy as a whole is widely influenced and affected by substantial governmental interventions, in view of which domestic prices and costs of the Chinese steel industry cannot be used in the present investigation.

(57) The request provided examples of elements pointing to existence of distortions, as listed in the first to sixth dash of Article 2(6a)(b) of the basic Regulation. In particular, referring to a number of publicly available information sources, such as the Report, previous Commission investigations in the steel sector, Chinese legislation, as well as to additional sources, the applicant submitted that:

— Overall there is substantial government control and intervention in the Chinese steel sector, and that this has resulted in a distortion of the effective allocation of resources in line with market principles. This is also the case for the Chinese SRC industry. The SRC industry has been characterised by a high level of State ownership, and several SRC producers have close ties with the GOC, regional or local governments, directly or via associations.

— The GOC and the Chinese Communist Party ('CCP'), as explained in the Report, also maintain structures that ensure their continued influence over enterprises, and in particular, State-owned enterprises ('SOEs'). The Chinese State not only actively formulates and oversees the implementation of general economic policies by individual SOEs, it also claims its rights to participate in operational decision making of SOEs. Furthermore, as also shown in the Report, the GOC keeps close links with the Chinese SRC producers via representative associations, such as the China Iron and Steel Association ('CISA') at national level and, e.g. the Nantong Steel Wire Rod Association, at provincial level in Jiangsu. In addition, the GOC exerts influence through personal connections. In this context, the applicant provided evidence that members of the board of directors, board of supervisors and senior management of several companies in the SRC industry are closely connected to the CCP. The applicant concluded that with the presence of large SOEs and a high level of government intervention in the Chinese SRC industry, even privately-owned producers are prevented from operating under market conditions, and that both public and privately owned enterprises in the SRC sector are also subject to policy supervision and guidance.

— According to the Report, Chinese policies and measures applicable to the SRC sector discriminate in favour of domestic suppliers or otherwise influence free market forces. The direction of the Chinese economy, including the SRC sector, is to a significant degree determined by an elaborate system of planning which sets out priorities and prescribes the goals on which the central and local governments must focus. Relevant plans exist at all levels of government and cover virtually all economic sectors, including the steel and SRC sector(s). The objectives set by the planning instruments are of binding nature, and the authorities at each administrative level monitor the implementation of the plans by the corresponding lower level of government. Overall, the system of planning in China results in resources being driven to sectors designated as strategic or otherwise politically important by the government, rather than being allocated in line with market forces.

— The steel industry overall, including the SRC industry, is an encouraged industry under the Made in China 2025 initiative, and thereby eligible to benefit from considerable State funding. The Guiding Catalogue for Industry restructuring (2019 Version) also lists steel as an encouraged industry. The 13th and 14th Five Year Plans ('FYPs') encourage the steel industry, as an important manufacturing industry in China, to develop in several markets including marine equipment, engineering machinery, housing and transportation. SRC are used by all those industries and will therefore enjoy the benefits of the support measures implemented in the framework of the FYPs. Other governmental plans such as 'Catalogue of Priority Industries for Foreign Investment in Central and Western China'; 'Steel Industry Adjustment and Upgrading plan for 2016-2020' or provincial policy plans in Jiangsu and Shandong Provinces additionally intervene in and incentivise development of SRC industry, through, e.g. preferential policies towards foreign investments in this sector.

— Under the framework and the different policy documents at all levels described above, the GOC has been providing various subsidies to Chinese SRC exporting producers, which clearly indicates the strong interest of the State in promoting this sector.

— The cost of most, if not all, production factors of Chinese SRC production are distorted, including raw materials, electricity, land and labour costs. The main raw material input for SRC production is steel and the Commission found in several recent investigations ([24]) relating to steel products from China that significant distortions in the sense of Article 2(6a) of the basic Regulation exist. These repeated and consistent findings are indicative of a systemic issue with prices of all types of steel products.

— With regard to energy prices, according to the Report, the GOC intervenes significantly and systematically in the Chinese power market. The National Development and Reform Commission regulates the Chinese domestic prices of electricity. Under several State policies, large key users of electricity are allowed to purchase a certain quantity of electricity directly from power generators (direct purchasing agreements, with or without a contract) at prices that are lower than those offered by the grid providers.

— As provided in the Report, all land in the PRC is owned by the State (collectively-owned rural land and State-owned urban land) and its allocation remains solely dependent on the State. There are legal provisions to allocate land use rights in a transparent manner and at market prices, for instance by introducing bidding procedures. However, these provisions are regularly not respected, with certain buyers obtaining their land for free or below market rates. Moreover, authorities often pursue specific political goals including the implementation of the economic plans when allocating land. That has the effect that SRC producers, too, are subject to the top-down distortions arising from the discriminatory application of property laws.

— Wage costs in the steel sector, including also SRC, are equally distorted as previously confirmed by the Commission in the Report. The mobility of the Chinese workforce is restricted by the household registration system, which limits access to the full range of social security and other benefits to local residents of a given administrative area. This typically results in workers who are not in possession of the local residence registration finding themselves in a vulnerable employment position and receiving lower income than the holders of the residence registration. Those elements lead to the distortion of wage costs in the PRC. The SRC sector is affected by the distortions of wage costs both directly (when making the product under review or the main raw material for its production) as well as indirectly (when having access to capital or inputs from companies subject to the same labour system in the PRC).

—Access to finance and capital, as referred in the Report, is granted by institutions which implement public policy objectives or otherwise do not act independently of the State. Access is therefore subject to various distortions in the sense of Article 2(6a)(b) sixth indent of the basic Regulation. The Chinese financial system is characterised by the strong position of State-owned banks, which, when granting access to finance, take into consideration criteria other than the economic viability of a project. Similarly to non-financial SOEs, the banks remain connected to the State not only through ownership but also via personal relations (the top executives of large State-owned financial institutions are ultimately appointed by the CCP). Furthermore, bond and credit ratings are often distorted for a variety of reasons including the fact that the risk assessment is influenced by the firm's strategic importance to the GOC and the strength of any implicit guarantee by the government. Borrowing costs have been kept artificially low to stimulate investment growth. This is illustrated by the recent growth in corporate leverage in the State sector despite a sharp fall in profitability, which suggests that the mechanisms at work in the banking system do not follow normal commercial responses. Due to their status, the SRC industry appears to have easy access to financial lending by Chinese State-owned banks.

(58)In conclusion, the request took the position that there is ample compelling evidence that the Chinese SRC industry is subject to interventions by the GOC that have led to significant distortions. Thus, it claimed, that existence of these significant distortions justifies the establishment of the normal value and the dumping margin by reference to Article 2(6a) of the basic Regulation.

(59)The GOC did not comment or provide evidence supporting or rebutting the existing evidence on the case file, including the Report and the additional evidence provided by the applicant, on the existence of significant distortions and/or appropriateness of the application of Article 2(6a) of the basic Regulation in the case at hand.

(60)Specifically in the sector of the product under review -the iron and steel sector, a substantial degree of ownership by the GOC persists in the sense of Article 2(6a)(b), first indent of the basic Regulation. Both public and privately owned enterprises in the sector are subject to policy supervision and guidance. Examples entail the Ansteel Group [25] and Baowu Steel Group [26] – which are SOEs under the central SASAC – and Baowu's subsidiaries Chongqing Iron & Steel Company Ltd. [27] and Maanshan Iron & Steel Company Limited [28]; the Baotou Steel Group – an SOE held by the Inner Mongolian Government [29] –, the Angang Steel Group – an SOE under the central SASAC [30], as well as the Shougang Group – an SOE 100 % held by the Beijing State-Owned Asset Management Ltd [31]. Since there was no cooperation from Chinese exporters of the product under review, the exact ratio of the private and state-owned producers could not be determined. However, while specific information may not be available for the product under review, the sector represents a sub-sector of the iron and steel industry and the findings concerning the iron and steel sector are therefore deemed indicative also for the product under review.

(61) The latest Chinese policy documents concerning the iron and steel sector confirm the continued importance which GOC attributes to the sector, including the intention to intervene in the sector in order to shape it in line with the government policies. This is exemplified by the MIIT Guiding Opinion on Fostering a High Quality Development of Steel Industry which calls for further consolidation of the industrial foundation and significant improvement in the modernisation level of the industrial chain ([32]), by the 14th FYP on Developing the Raw Material Industry according to which the sector will 'adhere to the combination of market leadership and government promotion' and will 'cultivate a group of leading companies with ecological leadership and core competitiveness' ([33]), or by the 2023 Work Plan on the Stable Growth of the Steel Industry ([34]) which sets the following objectives: 'In 2023, […] the investment in fixed assets in the entire industry shall maintain a steady growth, and the economic benefits shall be significantly improved; the industry's R&D investment shall eventually reach 1,5 %; the industry's added value growth shall reach about 3,5 %; in 2024, the industry development environment and industry structure shall be further optimised, the move towards high-end, intelligent, and green products shall continue, and the industry added value growth shall exceed 4 %', and which foresees government mandated corporate consolidation of the steel sector: '[e]ncourage industry-leading enterprises to implement mergers and acquisitions, build world-class super-large iron and steel enterprise groups, and foster the optimal layout of national iron and steel production capacity. Support specialised enterprises with leading power in particular steel market segments to further integrate resources and create a steel industry ecosystem. Encourage iron and steel enterprises to carry out cross-regional […] mergers and reorganisations […]. Consider giving greater policy support for capacity replacement to iron and steel enterprises that have completed substantive mergers and reorganisations.'

(62) Similar examples of the intention by the Chinese authorities to supervise and guide the developments of the sector can be seen at the provincial level, such as in Hebei which plans to 'steadily implement the group development of organisations, accelerate the reform of mixed ownership of state-owned enterprises, focus on promoting the cross-regional merger and reorganisation of private iron and steel enterprises, and strive to establish 1-2 world-class large groups, 3-5 large groups with domestic influence as the support' and to 'further expand the recycling and circulation channels of scrap steel, strengthen the screening and classification of scrap steel' ([35]). Moreover, Hebei's plan in the steel sector states: 'Adhere to structural adjustment and highlight product diversification. Unswervingly promote the structural adjustment and layout optimisation of the iron and steel industry, promote the consolidation, reorganisation, transformation and upgrading of enterprises, and comprehensively promote the development of the iron and steel industry in the direction of large-scale enterprises, modernisation of technical equipment, diversification of production processes, and diversification of downstream products'.

(63) Similarly, the Henan Implementation Plan for the Transformation and Upgrade of the Steel Industry during the 14th FYP foresees the 'construction of characteristic steel production bases […], build 6 characteristic steel production bases in Anyang, Jiyuan, Pingdingshan, Xinyang, Shangqiu, Zhouou, etc., and improve the scale, intensification, specialisation and specialisation of the industry. Among them, by 2025, the production capacity of pig iron in Anyang will be controlled within 14 million tons, and the production capacity of crude steel will be controlled within 15 million tons' ([36]).

(64) Further industrial policy objectives can also be seen in the planning documents of other provinces, such as Jiangsu ([37]), Shandong ([38]), Shanxi ([39]), Liaoning Dalian ([40]) or Zhejiang ([41]).

(65) Another example of effective steering by the plans is that the Ansteel Group issued a Notice of Ansteel Group Co., Ltd.'s Party Committee on conscientiously studying, publicising and implementing the spirit of the Party's 20th National Congress ([42]). The notice claims that the Ansteel group will conscientiously implement the guiding plans and better introduce them to the party members, cadres and employees of the entire group.

(66) As to the GOC being in a position to interfere with prices and costs through State presence in firms in the sense of Article 2(6a)(b), second indent of the basic Regulation, due to the lack of cooperation from the side of the exporting producers, it was impossible to systematically establish existence of personal connections between producers of the product under review and the CCP. However, there are some specific examples available concerning the product under review. Moreover, given that the product under review represents a subsector of the steel sector, information available with respect to steel producers is relevant also to the product under review.

(67) For instance, the chairman of the Board of Directors of the Baotou Steel Union, belonging to the Baotou Steel Group serves also as the company's Party secretary, with the chairman of the company's trade union being the deputy Party secretary ([43]). In the same vein, within the Shougang Group, the chairman of the Board of Directors serves as the Party Committee secretary while the Deputy Executive Manager is a member of the Party Committee ([44]). Likewise, a leading figure of the Hongguang Handan Company stated publicly that without the care and support not least through guarantees provided by the GOC and CCP, which is involved with more than 20 members in Hongguang Casting Co., Ltd., the undertaking would not have succeeded the way it did ([45]). A further example of CCP allegiance can be found in Article 3 of the China Foundry Association pursuant to which it accepts the business guidance, supervision and management by the respective party entities, e.g. the SASAC and Ministry of Civil Affairs, and provides the necessary conditions for its participation ([46]).

(68) Other examples of such connections can be found in Jiangsu Fasten Holding ([47]) and Ansteel Group ([48]). In the former the Chairman of the Board of Directors of the holding group and actual controller of the Group is the secretary of the Party Committee ([49]). While the latter group's Executive Director and Deputy Executive Director are Members of the Party Standing Committee, while Chairman of the board of Directors is also the Secretary of the Party Committee.

(69) Further, policies discriminating in favour of domestic producers or otherwise influencing the market in the sense of Article 2(6a)(b), third indent of the basic Regulation are in place in the sector of the product under review. The investigation identified further documents showing that the industry benefits from governmental guidance and intervention into the iron and steel sector, given that the product under review represents one of its subsectors.

(70) The iron and steel industry keeps being regarded as a key industry by the GOC [50]. This is confirmed in the numerous plans, directives and other documents focused on the sector, which are issued at national, regional and municipal level. Under the 14th FYP, the GOC earmarked the iron and steel industry for transformation and upgrade, as well as optimisation and structural adjustment [51]. Similarly, the 14th FYP on Developing the Raw Materials Industry, applicable also to the iron and steel industry, lists the sector as the 'bedrock of the real economy' and 'a key field that shapes China's international competitive edge' and sets a number of objectives and working methods which would drive the development of the sector in the time period 2021-2025, such a technological upgrade, improving the structure of the sector (not least by means of further corporate concentrations) or digital transformation [52]. Moreover, the abovementioned (see recital (61)) Work Plan on the Stable Growth of the Steel Industry demonstrates how the focus of the Chinese authorities on the sector is put into the wider context of the GOC steering the Chinese economy: '[s]upport steel companies to closely follow the needs of new infrastructure, new urbanisation, rural revitalisation, and emerging industries, dock with major engineering projects related to the "14th Five-Year Plan" in various regions, and make every effort to ensure steel supply. Establish and deepen upstream and downstream cooperation mechanisms between steel and key steel-using sectors such as shipbuilding, transportation, construction, energy, automobiles, home appliances, agricultural machinery, and heavy equipment, carry out production-demand docking activities, and actively expand steel application fields' [53].

(71) In addition, with respect to iron ore – a raw material used for the production of the product under review – according to the 14th FYP on Developing the Raw Materials Industry, the State plans to 'rationally develop domestic mineral resources. Strengthen the exploration of iron ore […], implement preferential tax policies, encourage the adoption of advanced technology and equipment to reduce the generation of mining solid waste' [54] leading to the establishment of a system for the reserves of iron ore output and mineral lands that will 'become an important measure to stabilise the iron ore market price and ensure the safety of the industrial chain' [55]. In provinces, such as Hebei, the authorities foresee the following for the sector: 'new project investment discount subsidy; explore and guide financial institutions to provide low-interest loans for iron and steel enterprises to switch to new industries, and at the same time, the government will provide discount subsidies' [56]. In sum, the GOC has measures in place to induce operators to comply with the public policy objectives of supporting encouraged industries, including the production of the main raw materials used in the manufacturing of the product under review. Such measures impede market forces from operating freely.

(72) The product under review is also affected by the distortions of wage costs in the sense of Article 2(6a)(b), fifth indent of the basic Regulation, as also referred to above in recitals

(54) and (57). Those distortions affect the sector both directly (when producing the product under review or the main inputs), as well as indirectly (when having access to inputs from companies subject to the same labour system in the PRC) ([57]).

(73) Moreover, no evidence was submitted in the present investigation demonstrating that the sector of the product under review is not affected by the government intervention in the financial system in the sense of Article 2(6a)(b), sixth indent of the basic Regulation, as also referred to above in recital (54). The abovementioned (see recital (61)) Work Plan on the Stable Growth exemplifies also this type of government intervention very well: 'Encourage financial institutions to actively provide financial services to steel companies that implement mergers and reorganisations, layout adjustments, transformation and upgrading, in accordance with the principles of risk control and business sustainability.' Therefore, the substantial government intervention in the financial system leads to the market conditions being severely affected at all levels.

(74) Finally, the Commission recalls that in order to produce the product under review, a number of inputs is needed. When the producers of the product under review purchase/contract these inputs, the prices they pay (and which are recorded as their costs) are clearly exposed to the same systemic distortions mentioned before. For instance, suppliers of inputs employ labour that is subject to the distortions. They may borrow money that is subject to the distortions on the financial sector/capital allocation. In addition, they are subject to the planning system that applies across all levels of government and sectors.

(75) As a consequence, not only the domestic sales prices of the product under review are not appropriate for use within the meaning of Article 2(6a)(a) of the basic Regulation, but all the input costs (including raw materials, energy, land, financing, labour, etc.) are also affected because their price formation is affected by substantial government intervention, as described in Parts I and II of the Report. Indeed, the government interventions described in relation to the allocation of capital, land, labour, energy and raw materials are present throughout the PRC. This means, for instance, that an input that in itself was produced in the PRC by combining a range of factors of production is exposed to significant distortions. The same applies for the input to the input and so forth.

(76) In sum, the evidence available showed that prices or costs of the product under review, including the costs of raw materials, energy and labour, are not the result of free market forces because they are affected by substantial government intervention within the meaning of Article 2(6a)(b) of the basic Regulation, as shown by the actual or potential impact of one or more of the relevant elements listed therein. On that basis, and in the absence of any cooperation from the GOC, the Commission concluded that it is not appropriate to use domestic prices and costs to establish normal value in this case. Consequently, the Commission proceeded to construct the normal value exclusively on the basis of costs of production and sale reflecting undistorted prices or benchmarks, that is, in this case, on the basis of corresponding costs of production and sale in an appropriate representative country, in accordance with Article 2(6a)(a) of the basic Regulation, as described in the following section.

3.3.2. *Representative country*

3.3.2.1. General remarks

(77) The choice of the representative country was based on the following criteria pursuant to Article 2(6a) of the basic Regulation:

— A level of economic development similar to the PRC. For this purpose, the Commission used countries with a gross national income per capita similar to PRC on the basis of the database of the World Bank [58],

— Production of the product under review in that country [59],

— Availability of relevant public data in the representative country;

— Where there is more than one possible representative country, preference should be given, where appropriate, to the country with an adequate level of social and environmental protection.

(78) As explained in recitals (47), the Commission issued a Note for the file on the sources for the determination of the normal value (the 'Note'). This Note described the facts and evidence underlying the relevant criteria. The Note informed interested parties of its intention to consider Türkiye as an appropriate representative country in the present case if the existence of significant distortions pursuant to Article 2(6a) of the basic Regulation would be confirmed.

A level of economic development similar to the PRC

(79) In line with the criteria listed under Article 2(6a) of the basic Regulation, the Commission identified Türkiye as a country with a similar level of economic development as the PRC as it was suggested by the applicant in the request for review. Türkiye is classified by the World Bank as 'upper-middle income' country on a gross national income basis. It is thus considered to have a similar level of economic development as the PRC.

Availability of relevant public data in the representative country

(80) The Commission established that Türkiye met all the criteria set out in Article 2(6a) of the basic Regulation and that all relevant public data were readily available and accessible, including import statistics, as well as data on costs of raw materials and labour.

(81) In particular, the Commission found publicly available financial information for one producer in Türkiye, Celik Halat, covering the months of January to September of the financial year 2022, which covered part of the review investigation period. Celik Halat showed a reasonable level of SG&A and profit.

(82) The Commission found that the prices of electricity in Türkiye increased in the first half of 2022 at a rate that by far outpaced the inflation rate in the country. In addition, the information on prices of electricity in the second half of 2022 have not been published by the Turkish Statistical Institute. Therefore, given the absence of data for the second half of 2022, the Commission based the undistorted cost of electricity on publicly available data published by the Malaysian electricity company Tenaga Nasional Berhad [60], the Brazilian Ministry of Mining and Energy in Brazil [61], and the Metropolitan electricity Authority of Thailand [62] for the calculation of the energy benchmark.

(83)The Commission also analysed the imports of the main factors of production into Türkiye. The analysis of import data showed that the imports into Türkiye of the major factors of production were not materially affected by imports from the PRC or any of the countries listed in Annex I to Regulation (EU) 2015/755 of the European Parliament and of the Council [63].

(84)Interested parties were invited to comment on the appropriateness of Türkiye as a representative country and of Celik Halat as producer in the representative country.

(85)Following the Note, no interested party made any comments regarding the selection of Türkiye as a representative country.

Level of social and environmental protection

(86)Finally, given the absence of cooperation and having established that Türkiye was an appropriate representative country, based on all of the above elements, there was no need to carry out an assessment of the level of social and environmental protection in accordance with the last sentence of Article 2(6a)(a) first indent of the basic Regulation.

3.3.2.2. Conclusion

(87)In view of the insufficient cooperation, as proposed in the expiry review request and given that Türkiye met the criteria laid down in Article 2(6a)(a), first indent of the basic Regulation, the Commission selected Türkiye as the appropriate representative country.

3.3.3. *Sources used to establish undistorted costs*

(88)In the Note, the Commission, listed the factors of production determined on the questionnaire reply of one Union producer, such as materials, electricity and labour used in the production of the product under review by the exporting producers and invited the interested parties to comment and propose publicly available information on undistorted values for each of the factors of production mentioned in that note. The Commission established the list of factors of production and their consumption ratios on the information provided in the request and subsequent information submitted by the applicant and collected during the verification visits at one of the sampled Union producers. The Commission also stated that, in order to construct the normal value in accordance with Article 2(6a)(a) of the basic Regulation, it would use GTA to establish the undistorted cost of most of the factors of production, notably the main raw materials. In addition, the Commission stated that it would use publicly available data from the Turkish Statistical Institute published by the Turkish government for establishing undistorted costs of labour [64].

(89)As described in recital (82), the Commission used a basket of countries at a level of economic development similar to the PRC typically used as representative countries in other investigations which also produced steel ropes and cables for the calculation of the energy benchmark, considering that the prices of electricity increased in the first half of 2022 at a rate that outpaced the inflation.

(90) In the Note, the Commission also informed the interested parties that due to the negligible weight of the value of some raw materials in the total cost of production, these items were grouped under ‘consumables’. Further, the Commission informed that it would calculate the percentage of the consumables of the total cost of raw materials and apply this percentage to the recalculated cost of raw materials when using the established undistorted benchmarks in the appropriate representative country.

3.3.3.1. Undistorted costs and benchmarks

3.3.3.1.1. Factors of production

(91) Considering all the information based on the request and subsequent information submitted by the applicant and collected during the verification visits at one of the sampled Union producers with the highest production volume, the following factors of production, consumption ratios and their sources have been identified in order to determine the normal value in accordance with Article 2(6a)(a) of the basic Regulation:

Table 1

Factors of production of steel ropes and cables

Factor of Production	Commodity Code in Türkiye	Undistorted value (CNY)	Unit of measurement	Source of information
Raw materials				
Steel wire	72171090	12,67	KG	Global Trade Atlas (65) (GTA)
Synthetics	5402630010 and 5402630020	19,49	KG	GTA
Plastics	39021000 0011	12,48	KG	GTA
Strands	73121065	22,97	KG	GTA
All other raw materials and consumables (i.e. lubricants, zinc), packaging, utilities.	n.a.	7,3 % on raw materials	Fixed amount	
Labour				
Labour cost per man-hour	N/A	41,15	Man-hour	Turkish statistical institute
Energy				
Electricity	N/A	0,74	kWh	Average of the benchmark

				calculated based on data of: — Ministry of Mining and Energy in Brazil – Brazil — Tenaga Nasional Berhad – Malaysia — Metropolitan electricity Authority – Thailand

3.3.3.1.2. Raw materials

(92) In order to establish the undistorted price of raw materials as delivered at the gate of a representative country producer, the Commission used as a basis the weighted average CIF import price to the representative country as reported in the GTA to which import duties and freight costs were added. An import price in the representative country was determined as a weighted average of unit prices of imports from all third countries excluding the PRC and countries which are not members of the WTO, listed in Annex 1 of Regulation (EU) 2015/755 of the European Parliament and the Council [66]. The Commission decided to exclude imports from the PRC into the representative country as it concluded in Section 3.3.1 that it is not appropriate to use domestic prices and costs in the PRC due to the existence of significant distortions in accordance with Article 2(6a)(b) of the basic Regulation. Given that there is no evidence showing that the same distortions do not equally affect products intended for export, the Commission considered that the same distortions affected export prices. After excluding imports from the PRC into the representative country, the volume of imports from other third countries remained representative.

(93) For a number of factors of production, the actual costs incurred by the cooperating Union producer represented a negligible share of total raw material costs in the review investigation period. As the value used for these had no appreciable impact on the dumping margin calculations, regardless of the source used, the Commission decided to include those costs into consumables as explained in recital (90).

(94) Normally, domestic transport cost should also be added to these import prices. However, considering the nature of expiry review investigations, which are focused on finding whether dumping continued during the review investigation period or could reoccur, rather than finding its exact magnitude, the Commission decided that adjustments for domestic transport, in this case, were unnecessary. Such adjustments would only result in increasing the normal value and hence of the dumping margin.

3.3.3.1.3. Labour

(95) To establish the benchmark for labour costs the Commission used the most recent statistics published by the Turkish Statistical Institute [67]. This institute publishes detailed information on labour costs in different economic sectors in Türkiye. The Commission established the benchmark based on hourly labour costs for 2020 of the economic activity Manufacture of basic metals' NACE code C.24 according to the NACE Rev.2 classification. The values were further adjusted for inflation using the domestic producer price index [68] to reflect the costs for the review investigation period.

3.3.3.1.4. Electricity

(96) As mentioned in recital (82), electricity prices in Türkiye were subject to an increase at a rate that by far outpaced the inflation rate of the country in 2022 and publicly available prices were only partially available for the review investigation period. Therefore, the Commission based the undistorted cost of electricity on the benchmarks of a basket of countries at a level of economic development similar to the PRC, namely Brazil, Malaysia, and Thailand and on the consumption data of one Union producer [69].

Brazil

(97) The electricity prices were publicly available on the website of the Ministry of Mining and Energy in Brazil (Ministério de Minas e Energia) [70]. The Commission used the data of industrial electricity prices in the corresponding consumption band in kWh based on the monthly reports that covered the review investigation period. The Commission used the average industrial tariff corresponding to 1,01 CNY/kWh.

Malaysia

(98) The electricity prices were publicly available on the website of the electricity company Tenaga Nasional Berhad (TNB) [71] in its regular press releases. The Commission used the data of the industrial electricity prices in the corresponding consumption band in kWh covering the review investigation period.

(99) The Commission used tariffs applicable for customers in the 'medium voltage' category. The final electricity price consisted of charge for electricity power (kW) and charge for consumption (kWh). The information available indicates an average tariff for the RIP corresponding to 0,58 CNY/kWh.

Thailand

(100) The electricity prices were publicly available on the website of the 'Metropolitan electricity Authority' of Thailand, which covered the whole of Thailand [72]. The Commission used the average industrial tariff corresponding to 0,86 CNY/kWh [73].

(101) Subsequently, the Commission calculated a simple average undistorted cost of electricity applicable for the selected basket of countries, which amounted to 0,824 CNY/kWh.

3.3.3.1.5. Manufacturing overhead costs, SG&A expenses, profits and depreciation

(102) According to Article 2(6a)(a) of the basic Regulation, ‘the constructed normal value shall include an undistorted and reasonable amount for administrative, selling and general costs and for profits’. In addition, a value for manufacturing overhead costs needs to be established to cover costs not included in the factors of production referred to above.

(103) In order to establish an undistorted value of the manufacturing overheads and given the absence of cooperation from the exporting producers, the Commission used facts available in accordance with Article 18 of the basic Regulation. Therefore, based on the data of one sampled Union producer, the Commission established the ratio of manufacturing overheads to the total manufacturing and labour costs. This percentage was then applied to the undistorted value of the cost of manufacturing to obtain the undistorted value of manufacturing overheads, depending on the model produced.

3.3.3.2. Calculation of the normal value

(104) On the basis of the above, the Commission constructed the normal value on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.

(105) First, the Commission established the undistorted manufacturing costs. In the absence of cooperation by the exporting producers, the Commission relied on the information provided by the applicant in the review request and on the consumption ratio data of one sampled Union producer for each factor (materials, electricity, and labour) for the production of steel ropes and cables.

(106) Once the undistorted manufacturing cost were established, the Commission added the manufacturing overheads, SG&A costs and profit as noted in recitals (102) to (103). Manufacturing overheads were determined based on data provided by one Union producer. SG&A costs and for profit were determined based on the financial statements of the Turkish producer Celik Halat for quarters 1-3 2022, as reported in the company’s accounts [74] (see Section 3.3.2.1). The Commission found that the rate of profit found for Celik Halat for quarters 1-3 2022 was unreasonable within the meaning of Article 2(6a)(a) of the basic Regulation. This finding is based on the fact that the rate of profit found appears to be too low as compared to the average profit in the sector of the product concerned, based on the information provided in the review request and also as compared to the target profit for the product concerned as mentioned in recital (186). However, given that this is an expiry review, the Commission noted that adding any amount for profit could only increase the amount of dumping, which, even with no amount for profit added, was found to be substantial. The Commission added the following items to the undistorted costs of manufacturing:

— Manufacturing overheads, which accounted in total for [13-18] % of the direct costs of manufacturing,

— SG&A and other costs, which accounted for 11,07 % of the Costs of Goods Sold (‘COGS’) of Celik Halat, and

(107) On that basis, the Commission constructed the normal value on an ex-works basis in accordance with Article 2(6a)(a) of the basic Regulation.

3.4. Export price

(108) As mentioned above in recital (32), due to the non-cooperation of the Chinese exporting producers, the export price was based on facts available, in accordance with Article 18 of the basic Regulation, i.e. on the information from Eurostat.

(109) In the absence of cooperation by exporting producers from the PRC, the export price was determined based on the available statistics, namely the Comext database (Eurostat). Exports from China during the RIP were made under both the inward processing procedure ('IPP') and the normal regime, as shown in recital (137). Calculations were performed on the export price under both regimes, as reasonably available information about the export price to the Union. Since the prices in Comext are recorded at Cost, Insurance, Freight ('CIF') level, the ex-works level was established based on the evidence provided in the request for transport cost, handling, ocean and inland freight.

3.5. Comparison

(110) The Commission compared the constructed normal value established in accordance with Article 2(6a)(a) of the basic Regulation and the export price on an ex-works basis as established above.

3.6. Dumping

(111) On this basis, the export price was found to be significantly lower (by 50 %) than the constructed normal value. It was therefore concluded that dumping continued during the review investigation period.

4. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF DUMPING

(112) Further to the finding of the existence of dumping during the review investigation period, the Commission investigated, in accordance with Article 11(2) of the basic Regulation, the likelihood of continuation or recurrence of dumping, should the measures be allowed to lapse. The following additional elements were analysed: (1) the production capacity and spare capacity in the PRC, and (2) the attractiveness of the Union market and export prices to third countries, as well as the possible absorption capacity of third country markets and trade defence measures in other export markets.

(113) As a consequence of the non-cooperation of Chinese exporting producers and of the GOC, the Commission based its assessment on the facts available in accordance with Article 18 of the basic Regulation, namely on information provided in the expiry review request, publicly available information, and information from the GTA database.

4.1. Production capacity and spare capacity in the PRC

(114) In the request, the applicant provided estimates regarding the production, production capacity and spare capacity of steel ropes and cables in the PRC [75]. These estimates were based on the Global Steel Wire Rope Market Research Report, Segment by Major Players, Types, Applications and Regions, 2017-2027 (the 'Report') [76]. The Chinese production

of SRC was estimated at 3,6 million tonnes in 2022, with a growth of close to 10 % since 2019. The production capacity of SRC in the PRC in 2022 was estimated at approximately 6,0 million tonnes, representing 75 % of the estimated global SRC production capacity in 2022. The domestic SRC consumption in China in 2022 was estimated at approximately 3,1 million tonnes. After deducting the estimated exports from China to all countries (estimated at around 0,5 million tonnes), the Chinese spare capacity was estimated at around 2,4 million tonnes. Considering that the Union free market consumption amounted to 0,18 million tonnes (see Section 5.2 below) during the review investigation period, the Chinese spare capacity was more than ten times the Union consumption in the free market.

(115) The Commission also compared the spare capacity in the PRC during the review investigation period with the spare capacity during the previous expiry review investigation and noted a significant increase. While the Chinese spare capacity was estimated at around 1,8 million tonnes in the previous expiry review ([77]), it is estimated at 2,4 million tonnes during the review investigation period of the current investigation. This means that the increase in spare capacity since the last expiry review alone exceeds the entire Union demand. Furthermore, the applicant has provided information that despite the already significant spare capacities, Chinese SRC producers are continuing to add further production capacity ([78]). There is no indication that such increased spare capacity could be absorbed by the Chinese domestic market, or any third country market.

(116) Excess in production capacities is an incentive to continue exporting at dumped prices. It is reasonable to assume that Chinese SRC industry must exploit all existing possibilities to increase production to fully benefit from the significant investments made in installed capacities. The most obvious way is to penetrate the Union market that, for prices and dimension, is the most attractive one, as explained below in Section 4.2, and it is demonstrated by the continuous dumping practices of the Chinese exporting producers, as established in recital (111).

(117) Based on the above facts and considerations, the Commission concluded that the Chinese exporting producers have significant spare capacities, which would likely be used for exporting steel ropes and cables at dumped prices to the Union if the measures were allowed to lapse.

4.2. Attractiveness of the Union market and export prices to third country markets

(118) The Commission examined whether it was likely that Chinese exporting producers would increase their export sales to the Union market at dumped prices should measures be allowed to lapse. Therefore, the Commission analysed the price level of Chinese exports to third country markets and compared them to the price level of Chinese exports to the Union market, to determine whether the Union market was attractive in terms of price levels. The Chinese export prices and the attractiveness of the Union market were established based on facts available in accordance with Article 18 of the basic Regulation, namely GTA data and information in the request.

(119) In the absence of cooperation by Chinese exporting producers, the Commission used data from the GTA database based on the product category (HS code 7312 10) of the product concerned, as reasonably available information, and focused on five main export markets for China, namely India, South Korea, Thailand, USA, and Vietnam. Exports to these five countries represented more than 50 % of all Chinese exports in the product category mentioned above. It was found that during the review investigation period, the average price of Chinese exports into the Union in that product category was higher than the average Chinese export price to any of these other export markets. The above findings based on GTA statistics for the product category corroborated the information provided in the expiry review request showing that import prices of Chinese SRC to customers in the Union market were higher than in any other main trading partner's market ([79]).

(120) Based on the available information, as explained in recital (119) above, it was found that exporting producers from the PRC can achieve higher prices in the Union market than in other third countries. This would suggest that the Union market is a highly attractive market given that Chinese exporting producers can generate higher profits on sales to the Union than on their sales to other export markets. Furthermore, given the significant spare capacities of the Chinese SRC producers, as established in recital (114) above, Chinese exporters need to access both large and smaller markets to ensure a certain level of capacity utilisation of the SRC plants. According to the information on the file, Chinese exporting producers of SRC sell to over 80 countries ([80]). It is reasonable to assume that it is more attractive to increase exports to a single market that can absorb a significant part of the Chinese excess capacity than to several smaller markets, given that selling to large customers in the same region can also reduce shipping, logistics and organisational costs.

(121) In addition, based on the available information, the Union market is home to essentially all main SRC user industries, such as fishing, maritime, shipbuilding, oil and gas, mining, forestry, aerial transport, automotive, civil engineering, construction, and elevators, indicating a large market potential for Chinese exporting producers; whereas many of China's export destinations lack the know-how needed for certain SRC uses ([81]).

(122) In addition, as referred to above in Section 1.1, Chinese exporting producers have been found to circumvent the anti-dumping measures in force. The circumvention attempts and the fact that despite the existence of anti-dumping measures, Chinese SRC producers still maintain a certain presence on the Union market, testify of the attractiveness of the large Union market to Chinese exporting producers.

(123) Furthermore, according to the WTO database ([82]), anti-dumping duties were applicable in 2023 on imports of Chinese SRC into Mexico, Türkiye, Ukraine and the United Kingdom.

(124) Given the Chinese exporters' difficulties to sell to these markets, if the current measures were allowed to expire, the Union market would become even more attractive to Chinese exporters seeking to export their excess production and use spare capacity.

(125) Based on the foregoing and considering in particular the level of Chinese export prices to the Union compared to other export markets and the broad base of SRC user industries in the Union, it follows that Chinese exporters would have a strong incentive to continue

exporting at dumped prices to the Union in significantly higher quantities if the measures were allowed to lapse, considering also that other export markets would not be able to absorb the massive volumes of Chinese SRC that could be produced.

4.3. Conclusion on the likelihood of continuation or recurrence of dumping

(126) The investigation showed that Chinese imports, despite the relatively low import volumes compared to Union consumption, continued to enter the Union market at dumped prices during the RIP.

(127) Moreover, the dumped prices found are confirmed by the analysis of Chinese export prices to other third countries. The Commission also found that sales by the Chinese exporting producers to their most important export markets are made at considerably lower prices than to the Union, and that several countries have imposed trade defence measures against Chinese exports of SRC.

(128) Further to the above, the Commission found that the spare capacity in China alone was more than ten times the Union consumption during the review investigation period and that the Union market is very attractive to Chinese exporting producers in view of its size and prices. Considering the significant spare capacity in the PRC and the attractiveness of the Union market, the Commission concluded that should the measures lapse, it was likely that the Chinese exporting producers would activate the spare capacity and likely even redirect exports from third countries towards the Union market at dumped prices and in significant volumes.

(129) Consequently, in view of the continued dumping during the review investigation period, the pricing behaviour of the Chinese exporters in third markets, the existing spare capacity in PRC, the size of the Union market and the prevailing prices on that market, and trade defence measures in force against exports of SRC originating in the PRC on other important markets, the Commission concluded that there is a strong likelihood that dumping from PRC would continue or, in any event, would recur with significantly increased volumes, should the measures be allowed to lapse.

5. INJURY

5.1. Definition of the Union industry and Union production

(130) The like product was manufactured by around 25 producers in the Union during the period considered. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.

(131) The total Union production during the review investigation period was established at 137 910 tonnes. The Commission established the figure on the basis of the verified macro data in the questionnaire reply provided by EWRIS. As indicated in recital (25), three Union producers were selected in the sample representing 21 % of the total Union production of the like product.

5.2. Union consumption

(132) The Commission established the total Union consumption (captive and free markets) on the basis of the verified macro data in the questionnaire reply provided by EWRIS (for total sales in the Union market) and of Eurostat data (for imports into the Union).

(133) Union consumption developed as follows:

Table 2

Union consumption (tonnes)

	2019	**2020**	**2021**	**Review Investigation period**
Total Union consumption	167 316	152 636	158 423	176 498
Index	100	91	95	105
Union free market consumption	165 917	148 919	156 756	175 298
Index	100	90	94	106
Union captive consumption	1 398	3 717	1 668	1 200
Index	100	266	119	86
Source: Eurostat and macro data supplied by EWRIS.				

(134) Union free market consumption decreased by 10 % in 2020 and then it increased to a level higher than 2019. By the review investigation period it had increased by 6 % as compared to 2019. Total consumption followed a very similar trend.

(135) The decline in 2020 followed by subsequent increase in consumption is explained by the general economic downturn caused by the restrictions imposed in 2020 in relation to the COVID-19 pandemic as well as the subsequent economic recovery following the lifting of these measures in the course of 2021. Most of the main user sectors of the product under review tended to influence consumption according to the general economic situation on the Union market.

(136) Captive consumption amounted to only about 1 % in three out of four years of the period considered. The Commission considered this share as not material and therefore did not affect the overall conclusions on consumption nor did it have a significant impact on the situation of the Union industry.

5.3. Imports from the country concerned

(137) The Commission established the volume of imports on the basis of Comext data. Also, the market share of the imports was established on the basis of import data from Comext and Union free market consumption. Imports into the Union from the country concerned developed as follows:

Table 3

Import volume (tonnes) and market share

	2019	2020	2021	Review Investigation period
Total volume of imports from China (tonnes)	2 301	2 875	2 177	2 052
Index	100	125	95	89
Market share	1,4 %	1,9 %	1,4 %	1,2 %
Index	100	139	100	84
Normal import regime				
Total volume of imports from China (tonnes)	759	987	824	1 230
Index	100	130	108	162
Market share	0,5 %	0,7 %	0,5 %	0,7 %
Index	100	145	115	153
Inward processing procedure (IPP)				
Volume of imports from China (tonnes)	1 542	1 887	1 353	821
Index	100	122	88	53
Size relative to the Union market	0,9 %	1,3 %	0,9 %	0,5 %
Index	100	136	93	50
Source: Comext.				

(138) During the period considered, the total import volumes from China fluctuated from year to year and overall import quantities decreased by 11 % during the period considered.

(139) The market share of imports from China decreased by 0,2 percentage points over the period considered. The market share of imports from China remained therefore at a slightly declining but overall stable level during the period considered.

(140) The product concerned was imported from China under the normal import regime, subject to anti-dumping duties, and under the inward processing procedure (IPP), not subject to anti-dumping duties.

(141) Imports under IPP increased by 22 % between 2019 and 2020 and then decreased by 56 % from 2020 to the review investigation period. Overall, imports under IPP from China decreased by 47 % during the period considered, representing 0,5 % market share in the review investigation period. Imports under this regime would be integrated into downstream constructions before being re-exported. An example being large engineering contracts. As such large fluctuations in quantities are considered normal.

(142) Imports under the normal regime increased by 62 % during the period considered. However, in terms of market share these imports only rose from 0,5 % in 2019 to 0,7 % in the review investigation period.

5.3.1. *Prices of the imports from the country concerned and price undercutting*

(143) The Commission established the prices of imports from China on the basis of Comext data as there was no co-operation with the investigation by the Chinese exporting producers.

(144) The weighted average price of imports into the Union from the country concerned developed as follows:

Table 4

Import prices (EUR/ tonnes)

	2019	**2020**	**2021**	**Review Investigation period**
Total imports				
PRC	1 883	1 663	1 897	2 576
Index	100	88	101	137
Normal regime				
PRC	2 161	2 014	2 343	2 883
Index	100	93	108	133
Inward processing procedure (IPP)				
PRC	1 746	1 479	1 625	2 117
Index	100	85	93	121
Source: Comext.				

(145) The average price of total imports from China for the product concerned increased by 37 % over the period considered. The trend of prices was similar for both the normal regime and imports under the IPP.

(146) The increase in overall prices as shown in table 9 and import prices from other countries as shown at table 5 followed the trend of Union market prices as evidenced by the Union industry prices.

(147) The Commission determined the price undercutting during the review investigation period by comparing:

— the weighted average sales prices of the sampled Union producers charged to unrelated customers on the Union market, adjusted to an ex-works level,

— with the corresponding weighted average prices of the imports from Comext, with appropriate adjustments for post-importation costs.

(148) The result of the comparison was expressed as a percentage of the sampled Union producers' turnover during the review investigation period. It showed a weighted average undercutting margin of 20,4 % by the imports from the country concerned on the Union market when anti-dumping duties were taken into account, and 41,3 % without anti-dumping duties.

(149) Following an analysis of the Comext Trade statistics, most of Chinese imports were declared under a TARIC code of types with diameters below 12 millimetres. The Commission compared the prices for these imports with similar product types of the Union industry. The result of the comparison showed an even higher undercutting margin (41,2 % with anti-dumping duties and 55,4 % without anti-dumping duties).

5.4. Imports from third countries

(150) The imports of the product under review from third countries were mainly from the Republic of Korea, India, Türkiye and Thailand. The quantities and prices were obtained from Comext.

(151) The total volume of imports into the Union as well as the market share and price trends for imports of the product under review from other third countries developed as follows:

Table 5

Imports from third countries

Country		**2019**	**2020**	**2021**	**Review Investigation period**
Republic of Korea	Volume (tonnes)	25 702	20 787	20 707	22 944
	Index	100	81	81	89
	Market share	15,5 %	14,0 %	13,2 %	13,1 %
	Average price (EUR/tonnes)	2 126	1 995	2 154	2 780
	Index	100	94	101	131
India	Volume (tonnes)	13 993	12 157	16 941	22 202
	Index	100	87	121	159
	Market share	8,4 %	8,2 %	10,8 %	12,7 %
	Average price (EUR/tonnes)	1 367	1 235	1 352	1 814
	Index	100	90	99	133
Türkiye	Volume (tonnes)	16 517	13 439	13 452	18 696
	Index	100	81	81	113

	Market share	10,0 %	9,0 %	8,6 %	10,7 %
	Average price (EUR/tonnes)	1 421	1 395	1 549	1 944
	Index	100	98	109	137
Thailand	Volume (tonnes)	7 803	10 866	8 115	12 215
	Index	100	139	104	157
	Market share	4,7 %	7,3 %	5,2 %	7,0 %
	Average price (EUR/tonnes)	1 716	1 387	1 618	2 224
	Index	100	81	94	130
Other third countries	Volume (tonnes)	14 887	13 459	18 293	19 913
	Index	100	90	123	134
	Market share	9,0 %	9,0 %	11,7 %	11,4 %
	Average price (EUR/tonnes)	1 996	1 953	2 289	3 092
	Index	100	98	115	155
Total of all third countries except PRC	Volume (tonnes)	78 901	70 708	77 508	95 970
	Index	100	90	98	122
	Market share	47,6 %	47,5 %	49,4 %	54,7 %
	Average price (EUR/tonnes)	1 779	1 649	1 850	2 388
	Index	100	93	104	134
Source: Comext.					

(152) Total imports from all third countries except China increased by 22 % over the period considered.

(153) The share of these imports on total imports increased from 47,6 % in 2019 to 54,7 % in the review investigation period while the import prices increased by 34 % over the period considered.

(154) While the share of imports from the Republic of Korea on total imports decreased and the one of imports from Türkiye remained stable during the period considered, the share of imports from India increased from 8 % to 13 % and from Thailand from 4,7 % to 7 %.

(155) As outlined in recital (6), the anti-dumping duties in force on imports of the product concerned from China were extended to cover imports of the product under review consigned from Morocco and the Republic of Korea following anti-circumvention investigations. It should be noted that the imports from Morocco were negligible in the

period considered. In addition, the imports from the Republic of Korea in the period considered were from exporting producers exempted from the measures by Implementing Regulation (EU) No 400/2010.

(156)During the review investigation period, average prices of imports from third countries except China were lower than the Union industry's average price and slightly lower than import prices from China under the normal regime (as shown at tables 4 and 5).

5.5. Economic situation of the Union industry

5.5.1. *General remarks*

(157)The assessment of the economic situation of the Union industry includes an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.

(158)For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of data contained in the questionnaire reply provided by EWRIS and related to all Union producers. The Commission evaluated the microeconomic indicators on the basis of data contained in the verified questionnaire replies from the sampled Union producers. Both sets of data were found to be representative of the economic situation of the Union industry.

(159)The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity, magnitude of the dumping margin, and recovery from past dumping.

(160)The microeconomic indicators are: average unit prices, unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

5.5.2. *Macroeconomic indicators*

5.5.2.1. Production, production capacity and capacity utilisation

(161)The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 6

Production, production capacity and capacity utilisation

	2019	**2020**	**2021**	**Review Investigation period**
Production volume (tonnes)	144 183	130 921	133 927	137 910
Index	100	91	93	96
Production capacity (tonnes)	225 263	225 411	225 263	228 194
Index	100	100	100	101

Capacity utilisation	64 %	58 %	59 %	60 %
Index	100	91	93	94
Source: Macro data from EWRIS.				

(162) The production volume decreased by 9 % between 2019 and 2020 and then increased by 5,3 % between 2020 and the review investigation period. Overall, the production volume decreased by 4 % during the period considered.

(163) The production capacity of the Union industry was stable during the period considered.

(164) The capacity utilisation decreased during the period considered by 6 % reflecting the falling trend of production as set out in table 6.

(165) The Commission noted that the production capacity would vary depending on the mix of product types being produced. Capacity was calculated based on the recent mix of products being produced.

5.5.2.2. Sales volume and market share

(166) The Union industry's sales volume and market share developed over the period considered as follows:

Table 7

Sales volume and market share (tonnes)

	2019	**2020**	**2021**	**Review Investigation period**
Union industry sales volume on the Union free market	84 715	75 336	77 070	77 276
Index	100	89	91	91
Market share	51,1 %	50,6 %	49,2 %	44,1 %
Index	100	99	96	86
Source: Macro data from EWRIS.				

(167) Overall, the sales volume of the Union industry on the Union market decreased by 9 % during the period considered.

(168) The market share of the Union industry in the Union market decreased by 14 % or 7 percentage points during the period considered, falling to 44,1 % during the review investigation period compared with 51,1 % in 2019.

(169) The size of the decline of the market share of the Union industry during the period considered is similar to the increase of the market share of third countries, other than China, as set out in table 5.

5.5.2.3. Growth

(170) The Union industry market position contracted over the period considered. This view was based on the fall in sales volume and market share as shown in table 7.

5.5.2.4. Employment and productivity

(171) Employment and productivity developed over the period considered as follows:

Table 8

Employment and productivity

	2019	2020	2021	Review Investigation period
Number of employees	3 291	3 063	3 097	3 186
Index	100	93	94	97
Productivity (unit/employee)	44	43	43	43
Index	100	98	99	99
Source: Macro data from EWRIS.				

(172) The number of employees in the Union industry decreased over the period considered by 3 %. The main reduction took place between 2019 and 2020 by 7 % and subsequently increased by the review investigation period. This trend followed the trend of production and sales volume as described in tables 6 and 7. The decrease of the employment between 2019 and 2020 can be explained by the drop of production following the restrictions imposed in relation to the COVID 19 pandemic. Following the lifting of these measures, employment increased again but did not reach the number of employees in 2019.

(173) Productivity remained stable over the period decreasing slightly by 1 % between 2019 and the review investigation period.

5.5.2.5. Magnitude of the dumping margin and recovery from past dumping

(174) The dumping margin established during the review investigation period was significantly above the de minimis level. At the same time, the level of imports during the review investigation period represented 1,2 % of Union free market consumption. Therefore, the impact of the magnitude of the actual margins of dumping on the Union industry was rather limited.

(175) Due to the impact of large quantities of imports from third countries and developments in the overall Union economic situation, the Union industry did not recover from the effects of past dumping over the period considered.

5.5.3. Microeconomic indicators

5.5.3.1. Prices and factors affecting prices

(176) The weighted average unit sales prices of the sampled Union producers to unrelated customers in the Union developed over the period considered as follows:

Table 9

Sales prices and cost of production in the Union (EUR/tonnes)

	2019	**2020**	**2021**	**Review investigation period**
Average unit sales price in the Union on the total market	3 172	3 453	3 734	4 439
Index	100	109	118	140
Unit cost of production	3 102	3 205	3 346	3 911
Index	100	103	108	126
Source: Sampled Union producers.				

(177)The average unit sales prices of the sampled Union producers to unrelated customers in the Union increased by 40 % in the review investigation period as compared to 2019.

(178)The unit cost of production increased by 26 % during the period considered. More than half of this increase occurred between 2021 and the review investigation period.

(179)The increase of unit costs of production is caused primarily by the increase of the costs of the main raw material for producers being wire, or for SRC producers producing their own wire, wire rod. This increase in costs started following the economic recovery after the lifting of the COVID measures and continued after the outbreak of the war in Ukraine. Moreover, energy costs also increased following the Russian war of aggression on Ukraine.

5.5.3.2. Labour costs

(180)The average labour costs of the sampled Union producers developed over the period considered as follows:

Table 10

Average labour costs per employee

	2019	**2020**	**2021**	**Review investigation period**
Average labour costs per employee (EUR)	40 841	40 880	43 611	45 430
Index	100	100	107	111
Source: Sampled Union producers.				

(181)Labour costs increased by 11 % during the period considered reflecting also salary adjustments to rising inflation.

5.5.3.3. Inventories

(182) Stock levels of the sampled Union producers developed over the period considered as follows:

Table 11

Inventories

	2019	2020	2021	Review investigation period
Closing stocks (tonnes)	7 012	6 799	6 051	5 764
Index	100	97	86	82
Closing stocks as a percentage of production	5 %	5 %	5 %	4 %
Index	100	100	100	80
Source: Sampled Union producers.				

(183) The level of inventories decreased by 18 % over the period considered. In relation to production, the closing stocks as percentage of the production was reduced by 1 percentage point.

5.5.3.4. Profitability, cash flow, investments, return on investments and ability to raise capital

(184) Profitability, cash flow, investments and return on investments of the sampled Union producers developed over the period considered as follows:

Table 12

Profitability, cash flow, investments and return on investments

	2019	2020	2021	Review Investigation period
Profitability of sales in the Union to unrelated customers (percentage of sales turnover)	-3 %	-3 %	2 %	4 %
Index	100	100	266	333
Cash flow (EUR)	432 391	1 357 148	3 545 014	2 560 077
Index	100	314	820	592
Investments (EUR)	4 126 772	2 578 009	1 703 064	4 362 268
Index	100	62	41	106
Return on investments	–3,1 %	–2,2 %	1,9 %	5,0 %

Index	100	129	261	361
Source: Sampled Union producers.				

(185)The Commission established the profitability of the sampled Union producers by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. Due to a difficult market situation in certain user sectors at the beginning of the period (e.g. gas and oil mining) followed by the economic downturn in relation to the COVID-19 pandemic, the Union industry made losses in 2019 and 2020. The Union industry then made small profits in 2021 and the review investigation period. This was because of increased demand in certain user sectors (e.g. industrial applications, maritime sector) and also due to the general recovery of the economy. This improved demand meant that the price increases in 2021 and the review investigation period were in excess of the increases in raw material costs, as pointed out in table 9.

(186)However, the profitability rate in all four years of the period considered remained below the 5 % target profit for this industry as set out in previous investigations (Implementing Regulation (EU) 2018/607 recital (162)) as well as the minimum 6 % target profit set out in Article 7(2c) of the basic Regulation.

(187)The net cash flow is the ability of the Union producers to self-finance their activities. The net cash flow improved following the reduction of inventories and the trend of profitability in the course of the period considered.

(188)Total annual investments were modest and relatively stable during the period considered. Investments were mostly limited to maintenance and replacement of existing equipment.

(189)The return on investments is the profit in percentage of the net book value of investments. It followed the trend of profitability in that it was negative in 2019 and 2020 and improved to small positive figures in 2021 and the review investigation period.

5.6. Conclusion on injury

(190)Imports on the Union market over the period considered were dominated by third countries, in particular those from the Republic of Korea, India and Türkiye. In addition, imports from other third countries rose from around 78 thousand to around 96 thousand tonnes in the review investigation period as shown in table 5. The market share of these imports increased from around 47,6 % in 2019 to 54,7 % in the review investigation period. In contrast, imports from China did not exceed 1,9 % throughout the period considered and were at 1,2 % of consumption during the review investigation period as shown in table 3.

(191)In the first years of the period considered, the macro indicators of the Union industry were heavily impacted by the economic downturn, caused by the measures taken in relation to the COVID-19 pandemic, as well as the difficult economic situation in certain user sectors. Following the economic recovery, after the phasing out of the lockdown measures, the macro indicators improved to a certain degree but overall, the macro indicators demonstrate a continuing injurious situation, both in terms of absolute figures for production and sales and in terms of market share which fell from 51,1 % to 44,1 % in the period considered. The captive market in the review investigation period was around 1 % of total consumption and developments in this market had no real impact on the Union industry.

(192) In terms of the micro indicators, the Union industry situation in 2021 and the review investigation was slightly improved as compared to 2019 and 2020. Despite an increase in costs, the industry benefitted from a period of improved market conditions following the phasing out of the COVID-19 pandemic in 2021, whereby it could raise its prices enough, so that its profitability, return on investment and cash flow improved. Nevertheless, the profitability of the industry was still below the target profit set in the original investigation (5 %).

(193) Taking into account both the macro and micro indicators and especially the decreasing market share, lack of growth, low capacity utilisation and inadequate profitability, the Commission concluded that the Union industry continued to suffer material injury during the period considered within the meaning of Article 3(5) of the basic Regulation.

(194) The purpose of the injury assessment is to determine whether material injury continued, and if so, whether this injury was caused by imports from China. The Commission concluded that the material injury found was not caused by imports from China being low during the period considered, but by rising imports from third countries gaining significant market share in the context of unfavourable market conditions as explained in recitals (191) and (192).

6. LIKELIHOOD OF RECURRENCE OF INJURY

6.1. Analysis

(195) In accordance with Article 11(2) of the basic Regulation, the Commission examined whether material injury originally from Chinese imports would recur should measures against the PRC be allowed to lapse. The investigation has shown that the imports from the PRC were made at dumped price levels during the RIP (Section 3.6, recital (111)) and that there was a likelihood of continuation of dumping should measures be allowed to lapse (Section 4.3).

(196) To establish the likelihood of recurrence of injury the following elements were analysed: (i) the production capacity and spare capacity available in the PRC; (ii) possible price levels of Chinese imports should measures be allowed to lapse; (iii) the behaviour of Chinese exporting producers in other third countries; (iv) the attractiveness of the Union market; and (v) the impact of Chinese imports on the situation of the Union industry should measures be allowed to lapse.

6.1.1. *Production capacity and spare capacity available in the PRC*

(197) As explained in recitals (114) and (115) producers in the PRC have significant production capacity in China and, as a result spare capacity, which largely exceeds not only the export quantity to the Union during the RIP, but the total Union consumption during the RIP by

more than ten times. The Commission also noted that only the capacities added since the last expiry review by the Chinese producers exceeded already largely the entire Union consumption in the RIP.

(198) In addition, as stated in recitals (115) and (116) there were no elements found that could indicate any significant increase of domestic demand of SRC in the PRC or in any other third country market in the near future. The Commission therefore concluded that domestic demand in China or in other third country markets could not absorb the available spare capacity.

6.1.2. *Possible price levels of Chinese imports*

(199) As mentioned in recital (119) the Chinese export volumes and the attractiveness of the Union market were established based on facts available in accordance with Article 18 of the basic Regulation and based on GTA data and information in the request.

(200) As explained in recital (120), export prices from the PRC to the five main export markets for China, namely India, South Korea, Thailand, USA and Vietnam, were below the Chinese export prices to the Union based on the analysis of available global trade statistics, as set out in recital (119) and (120). These export prices were well below the Union industry prices (by about 60 %). On that basis, it was concluded that the Chinese exporting producers could reduce export prices to the Union even further.

(201) Also regarding prices, the undercutting margin of the Chinese imports to the Union market was over 40 %, without taking anti-dumping duties into account, as set out in recital (148). This would indicate that the Chinese imports, at increased volumes, would impose substantial price pressure on the Union industry in the absence of measures.

6.1.3. *Attractiveness of the Union market*

(202) Taking under consideration this price analysis in the previous recital and recital (120) if the measures were allowed to lapse, the Chinese exporting producers would have a high incentive to divert their exports to the Union where they would achieve higher prices, while still being able to significantly undercut the Union industry sales price. In addition, they would be able to use their spare capacities to increase export quantities to the Union market.

(203) In addition, based on available information, the Union market is one of the largest in the world and is home to a wide range of SRC user industries including fishing, maritime, shipbuilding, oil and gas, mining, forestry, aerial transport, automotive, civil engineering, construction and elevators. This demonstrates the attractiveness of the Union market.

(204) Furthermore, as pointed out in recital (122), it can reasonably be concluded that it is more attractive to increase exports to a single market than to several smaller markets, given that selling to large customers in the same region can reduce shipping, logistics and organisational costs, and can also ensure a certain level of capacity utilisation of SRC plants.

(205) The attractiveness of the Union market is also clear in terms of prices given that Chinese exporting producers can generate higher profits on sales to the Union than on their sales to other export markets.

(206) Another indication of the Union market's attractiveness is the fact that since the beginning of the imposition of the measures, there were attempts for circumvention from Chinese exporters as explained in Section 1.1.

(207) It is therefore concluded that the exporting producers in the PRC have the potential and incentive to substantially raise the volume of their exports of SRC to the Union at dumped prices substantially undercutting the prices of the Union industry, should measures be allowed to lapse.

6.1.4. *Impact on the Union industry*

(208) The Union industry, under the scenario that it keeps the current price level, will not be able to maintain their sales volume and market share against the low priced imports from China. It is highly likely that the Chinese market share would increase rapidly if the measures were allowed to lapse. This would be most likely at the expense of the Union industry since their price level is the highest, especially compared also to the price of imports from China without anti-dumping duties as set out in recital (149). Losing sales volume would lead to an even lower utilisation rate and an increase in the average cost of production. This would lead to a further deterioration of the financial situation of the Union industry and increase the risk of a loss-making situation that already materialised during the period considered.

(209) In case the Union industry would decide to lower its price levels in an attempt to keep its sales volume and market share, its financial situation will almost immediately deteriorate and the loss-making situation already observed at the beginning of the period considered is likely to reappear again and even worsen.

(210) Under both scenarios, the impact of the expiry of the measures is likely to have a negative impact on the Union industry, including for employment. During the period considered the Union industry was already forced to reduce the product-related employment by 3 % (see table 8). Further deterioration of the Union industry's situation increases the risk of shutdown of whole producing units.

(211) Therefore, it can be concluded that there is a strong likelihood that the expiry of the existing measures would lead to a recurrence of injury caused by Chinese imports of SRC and that the already injurious situation of the Union industry will be likely to further deteriorate.

(212) It is acknowledged that SRC imports from the Republic of Korea and other third countries, given their high and increasing volume, are factors contributing to the injury suffered by the Union industry. However, this investigation was, in accordance with Article 11(2) of the basic Regulation, limited to assessing whether there is a likelihood of continuation or recurrence of injury from injuriously-priced Chinese SRC imports should the current anti-dumping measures expire. Given the fragile situation of the Union industry, any

significant increase in Chinese imports would worsen that situation due to the significant spare capacities in the PRC, the attractiveness of the Union market and the possible low price levels of Chinese SRC exports to the Union.

(213) The Chinese SRC imports are currently entering the Union market in much lower volumes than before the imposition of measures. The import prices, including the anti-dumping duties, have successfully re-established undistorted competitive conditions between Chinese exporters of the product under review and the Union industry. The fact that imports from third countries undercut Chinese imports subject to anti-dumping duties, does not undermine the Commission's obligations to remain within the framework of this investigation. As set out in (211), the Commission has demonstrated that there is a strong likelihood that the expiry of the measures would lead to recurrence of injury.

6.2. Conclusion

(214) On the basis of the analysis above the Commission concludes that repeal of the measures would in all likelihood result in a significant increase of Chinese dumped SRC imports at prices undercutting the Union industry prices, therefore further aggravating the injury suffered by the Union industry. As a consequence, the viability of the Union industry would be at serious risk.

7. UNION INTEREST

(215) In accordance with Article 21 of the basic Regulation, the Commission examined whether maintaining the existing anti-dumping measures would be against the interest of the Union as whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers, users and suppliers.

(216) All interested parties were given the opportunity to make their views known pursuant to Article 21(2) of the basic Regulation.

(217) It should be recalled that, in the previous expiry review, the continuation of measures was considered not to be against the interest of the Union. Furthermore, the fact that the present investigation is an expiry review, thus analysing a situation in which anti-dumping measures have already been in place, allows the assessment of any undue negative impact on the parties concerned by the current anti-dumping measures.

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

7.1. Interest of the Union industry

(219) The investigation has shown that should the measures expire, this would likely have a significant negative effect on the Union industry and its currently injurious situation would deteriorate further. The expiry of the measures would seriously threaten the viability of

the Union industry to the extent that certain Union producers would have to close (or partially close) their operations rendering the Union market more dependent on SRC imports.

(220) Therefore, maintaining the anti-dumping measures in force is in the interest of the Union industry.

7.2. Interest of importers

(221) As indicated in recital (29), no importer cooperated in this investigation. It is recalled that in the previous investigations it was found that the impact of the imposition of measures on importers would not be significant. In the absence of evidence suggesting otherwise, it can accordingly be confirmed that the measures currently in force had no substantial negative effect on their financial situation and that the continuation of the measures would not unduly affect importers.

7.3. Interest of users

(222) The product under review is used in a wide variety of applications such as fishing, maritime/shipping, oil and gas industries, mining, forestry, aerial transport, civil engineering, construction, and elevators.

(223) As indicated in recital (223), no user cooperated in this investigation. Some of the users of the SRC industry made themselves known supporting the continuation of measures pointing out the importance of a reliable supply chain for SRC products in the EU.

(224) Therefore, and in the light of the lack of compelling argumentation to the contrary, it was concluded, that the measures currently in force do not have any substantial negative effect on the economic situation of users, and that thus the continuation of measures would not unduly affect the situation of the user industries.

7.4. Interest of suppliers

(225) Some of the suppliers of the SRC industry, for example wire producers and producers of packaging material, such as wooden cable drums, also came forward supporting the continuation of the measures pointing out also the strategic importance of the SRC industry located in the EU for other sectors, such as the steel industry.

7.5. Conclusion on Union interest

(226) Therefore, the Commission concluded that there are no compelling reasons of Union interest against the maintenance of the definitive anti-dumping measures on imports of SRC originating in the PRC.

8. ANTI-DUMPING MEASURES

(227) On the basis of the conclusions reached by the Commission on continuation of dumping, recurrence of injury and Union interest, the anti-dumping measures on SRC from the PRC should be maintained.

(228) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to recommend that the existing measures be maintained on imports of SRC originating in the PRC. They were also granted a period to make representations subsequent to this disclosure. No comments were received from any of the parties.

(229) As outlined in recital (6), the anti-dumping duties in force on imports of SRC from the PRC were extended to cover, in addition, imports of SRC consigned from Morocco and the Republic of Korea, whether declared as originating in Morocco or the Republic of Korea or not. The anti-dumping duty to be maintained on imports of the SRC originating in the PRC should continue to be extended to imports of SRC consigned from Morocco and the Republic of Korea, whether declared as originating in Morocco and the Republic of Korea or not. The exporting producer in Morocco exempted from the measures as extended by Regulation (EC) No 1886/2004 should also be exempted from the measures imposed by this Regulation. The 15 exporting producers in the Republic of Korea exempted from the measures as extended by Implementing Regulation (EU) No 400/2010 should also be exempted from the measures imposed by this Regulation.

(230) In view of Article 109 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council [83] when an amount is to be reimbursed following a judgment of the Court of Justice of the European Union, the interest to be paid should be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the *Official Journal of the European Union* on the first calendar day of each month.

(231) The measures provided for in this regulation are in accordance with the opinion of the Committee established by Article 15(1) Regulation (EU) 2016/1036,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of steel ropes and cables including locked coil ropes, excluding ropes and cables of stainless steel, with a maximum cross-sectional dimension exceeding 3 mm, currently falling under CN codes ex 7312 10 81, ex 7312 10 83, ex 7312 10 85, ex 7312 10 89 and ex 7312 10 98 (TARIC codes 7312108112, 7312108113, 7312108119, 7312108312, 7312108313, 7312108319, 7312108512, 7312108513, 7312108519, 7312108912, 7312108913, 7312108919, 7312109812, 7312109813 and 7312109819).

2. The rate of the definitive anti-dumping duty applicable to the CIF net, free-at-Union-frontier price, before duty, of the product described in paragraph 1 and originating in the PRC shall be 60,4 %.

3. The definitive anti-dumping duty applicable to imports originating in the PRC, as set out in paragraph 2, is hereby extended to imports of the same steel ropes and cables consigned from Morocco, whether declared as originating in Morocco or not (TARIC codes 7312108112, 7312108312, 7312108512, 7312108912 and

7312109812) with the exception of those produced by Remer Maroc SARL, Zone Industrielle, Tranche 2, Lot 10, Settat, Morocco (TARIC additional code A567) and to imports of the same steel ropes and cables consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not (TARIC codes 7312108113, 7312108313, 7312108513, 7312108913 and 7312109813), with the exception of those produced by the companies listed below:

Country	**Company**	**TARIC additional code**
The Republic of Korea	Bosung Wire Rope Co., Ltd, 568,Yongdeok-ri, Hallim-myeon, Gimae-si, Gyeongsangnam-do, 621-872	A969
	Chung Woo Rope Co., Ltd, 1682-4, Songjung-Dong, Gangseo-Gu, Busan	A969
	CS Co., Ltd, 31-102, Junam maeul 2-gil, Yangsan, Gyeongsangnam-do	A969
	Cosmo Wire Ltd, 4-10, Koyeon-Ri, Woong Chon-Myon Ulju-Kun, Ulsan	A969
	Dae Heung Industrial Co., Ltd, 185 Pyunglim – Ri, Daesan-Myun, Haman – Gun, Gyungnam	A969
	Daechang Steel Co., Ltd, 1213, Aam-daero, Namdong-gu, Incheon	C057
	DSR Wire Corp., 291, Seonpyong-Ri, Seo-Myon, Suncheon-City, Jeonnam	A969
	Goodwire MFG. Co. Ltd, 984-23, Maegok-Dong, Yangsan-City, Kyungnam	B955
	Kiswire Ltd, 37, Gurak-Ro, 141 Beon-Gil, Suyeong-Gu, Busan, Korea 48212	A969
	Manho Rope & Wire Ltd, Dongho Bldg, 85-2 4 Street Joongang- Dong, Jong-gu, Busan	A926
	Line Metal Co. Ltd, 1259 Boncho-ri, Daeji-Myeon, Changnyeong-gun, Gyeongnam	B926
	Seil Wire and Cable, 47-4, Soju-Dong, Yangsan-Si, Kyungsangnamdo	A994
	Shin Han Rope Co., Ltd, 715-8, Gojan-Dong, Namdong-gu, Incheon	A969
	Ssang Yong Cable Mfg. Co., Ltd, 1559-4 Song-Jeong Dong, Gang-Seo Gu, Busan	A969

	YOUNGWIRE, 71-1 Sin-Chon Dong, Changwon City, Gyungnam (84)	A969

Article 2

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

Article 3

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

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

Done at Brussels, 6 June 2024.

For the Commission

The President

Ursula VON DER LEYEN