



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 13 February 2013**

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2013/0046 (NLE)**

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**ANTIDUMPING 8  
COMER 23**

**PROPOSAL**

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from: European Commission

dated: 13 February 2013

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No Cion doc.: COM(2013) 72 final

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Subject: Proposal for a Council Implementing Regulation extending the definitive anti-dumping duty imposed by Council Implementing Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China to imports of certain stainless steel fasteners consigned from the Philippines, whether declared as originating in the Philippines or not and terminating the investigation concerning possible circumvention of anti-dumping measures imposed by that regulation by imports of certain stainless steel fasteners and parts thereof consigned from Malaysia and Thailand, whether declared as originating in Malaysia and Thailand or not

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Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director, to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

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Encl.: COM(2013) 72 final



Brussels, 13.2.2013  
COM(2013) 72 final

2013/0046 (NLE)

Proposal for a

## **COUNCIL IMPLEMENTING REGULATION**

**extending the definitive anti-dumping duty imposed by Council Implementing Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China to imports of certain stainless steel fasteners consigned from the Philippines, whether declared as originating in the Philippines or not and terminating the investigation concerning possible circumvention of anti-dumping measures imposed by that regulation by imports of certain stainless steel fasteners and parts thereof consigned from Malaysia and Thailand, whether declared as originating in Malaysia and Thailand or not**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### **Grounds for and objectives of the proposal**

This proposal concerns the application of Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community ('the basic Regulation') in the investigation of possible circumvention of the anti-dumping measures imposed by Council Implementing Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China ('the PRC') by imports consigned from Malaysia, Thailand and the Philippines.

#### **General context**

This proposal is made in the context of the implementation of the basic Regulation and is the result of an investigation which was carried out in line with the substantive and procedural requirements laid out in the basic Regulation and in particular Article 13 thereof.

#### **Existing provisions in the area of the proposal**

The measures currently in force were imposed by Council Implementing Regulation (EU) No 2/2012 imposing a definitive anti-dumping duty on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China and Taiwan following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.

#### **Consistency with the other policies and objectives of the Union**

Not applicable.

### 2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

#### **Consultation of interested parties**

Interested parties concerned by the proceeding have had the possibility to defend their interests during the investigation, in line with the provisions of the basic Regulation.

#### **Collection and use of expertise**

There was no need for external expertise.

#### **Impact assessment**

This proposal is the result of the implementation of the basic Regulation.

The basic Regulation does not provide for a general impact assessment but contains an exhaustive list of conditions that have to be assessed.

### 3. LEGAL ELEMENTS OF THE PROPOSAL

## **Summary of the proposed action**

On 15 June 2012 the Commission, by Regulation (EU) No 502/2012, initiated *ex officio* an investigation concerning the possible circumvention of anti-dumping measures imposed by Council Implementing Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the PRC by imports consigned from Malaysia, Thailand and the Philippines, whether declared as originating in Malaysia, Thailand and the Philippines or not.

The Commission had in its disposal sufficient prima facie evidence that the anti-dumping measures on imports of certain stainless steel fasteners and the parts thereof were being circumvented by means of transshipment via Malaysia, Thailand and the Philippines.

The attached proposal for a Council Implementing Regulation is based on the findings of the investigation, which has confirmed that transshipment of certain Chinese-origin stainless steel fasteners was taking place via the Philippines and that all other criteria for the establishment of circumvention as set out in Article 13(1) of the basic Regulation are met.

It is therefore proposed to extend the anti-dumping measures in force on certain stainless steel fasteners and parts thereof originating in the PRC to imports of the same product consigned from the Philippines. The duty corresponds to the country-wide duty on imports of certain stainless steel fasteners and part thereof from the PRC (27,4%). The duty shall be levied from the date of initiation of the investigation.

Three Filipino companies came forward following the initiation, with a request for exemption from the possible extension of the measures as genuine producers in the Philippines. It is proposed to grant the exemption to two of them. The exemption request of the third company was rejected as during the investigation it was found that it was not a producer or exporter of the product concerned.

At the same time findings of the investigation has not confirmed that transshipment of certain Chinese-origin stainless steel fasteners was taking place via Malaysia and Thailand. It is therefore proposed to terminate the investigation with regard to these two countries.

The relevant Council Regulation should be published in the *Official Journal of the European Union* no later than 13 March 2013.

## **Legal basis**

Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community and in particular Article 13 thereof.

## **Subsidiarity principle**

The proposal falls under the exclusive competence of the Union. The subsidiarity principle therefore does not apply.

## **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

The form of action is described in the above-mentioned basic Regulation and leaves no scope for national decision.

Indication of how the financial and administrative burden falling upon the Union, national governments, regional and local authorities, economic operators and citizens is minimized and proportionate to the objective of the proposal is not applicable.

#### **Choice of instruments**

Proposed instruments: Regulation.

Other means would not be adequate for the following reason: The above-mentioned basic Regulation does not provide for alternative options.

#### **4. BUDGETARY IMPLICATION**

The proposal has no implication for the Union budget.

Proposal for a

## COUNCIL IMPLEMENTING REGULATION

**extending the definitive anti-dumping duty imposed by Council Implementing Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China to imports of certain stainless steel fasteners consigned from the Philippines, whether declared as originating in the Philippines or not and terminating the investigation concerning possible circumvention of anti-dumping measures imposed by that regulation by imports of certain stainless steel fasteners and parts thereof consigned from Malaysia and Thailand, whether declared as originating in Malaysia and Thailand or not**

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community<sup>1</sup> ('the basic Regulation'), and in particular Article 13 thereof,

Having regard to the proposal from the European Commission,

Whereas:

### 1. PROCEDURE

#### 1.1. Existing measures

(1) By Regulation (EU) No 2/2012<sup>2</sup> the Council imposed a definitive anti-dumping duty of 24,7% on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China ('the PRC') for all other companies than the ones mentioned in Article 1(2) of that Regulation, following the expiry review of the measures imposed by Council Regulation (EC) No 1890/2005<sup>3</sup> ('the original Regulation'). These measures will hereinafter be referred to as 'the measures in force' or 'original measures' and the investigation that led to the measures imposed by the original Regulation will be hereinafter referred to as 'the original investigation'.

#### 1.2. Initiation

(2) Having determined, after consulting the Advisory Committee, that sufficient *prima facie* evidence existed for the initiation of an investigation pursuant to Articles 13(3)

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<sup>1</sup> OJ L 343, 22.12.2009, p. 51.

<sup>2</sup> OJ L 5, 7.1.2012 p. 1.

<sup>3</sup> OJ L 302, 19.11.2005, p. 1.

and 14(5) of the basic Regulation, the European Commission ('the Commission') has decided, to investigate on its own initiative the possible circumvention of the anti-dumping measures imposed on imports of certain stainless steel fasteners and parts thereof originating in the PRC and to make imports of certain stainless steel fasteners and parts thereof consigned from Malaysia, Thailand and the Philippines, whether declared as originating in Malaysia, Thailand and the Philippines or not, subject to registration.

- (3) The investigation was initiated on 15 June 2012 by Commission Regulation (EU) No 502/2012<sup>4</sup> ('the initiating Regulation').
- (4) The *prima facie* evidence at the Commission's disposal was that following the imposition of the measures established in the original investigation a significant change in the pattern of trade involving exports from the PRC, Malaysia, Thailand and the Philippines to the Union occurred, for which there was no sufficient due cause or justification other than the imposition of the measures established in the original investigation. This change stemmed allegedly from the transshipment of certain stainless steel fasteners and parts thereof originating in the PRC via Malaysia, Thailand and the Philippines to the Union.
- (5) Furthermore, the evidence pointed to the fact that the remedial effects of the measures in force were being undermined both in terms of quantity and price. The evidence showed that these increased imports from Malaysia, Thailand and the Philippines were made at prices below the non-injurious price established in the original investigation, adjusted for the increase in the costs of the raw material.
- (6) Finally, there was evidence that the prices of certain stainless steel fasteners and parts thereof consigned from Malaysia, Thailand and the Philippines were dumped in relation to the normal value previously established during the original investigation, adjusted for the increase in the costs of the raw material.

### 1.3. Investigation

- (7) The Commission officially advised the authorities of the PRC, Malaysia, Thailand and the Philippines, the exporting producers in those countries, the importers in the Union known to be concerned and the Union industry of the initiation of the investigation.
- (8) Exemption forms were sent to the producers/exporters in Malaysia, Thailand and the Philippines known to the Commission or through the Missions of the countries concerned to the European Union. Questionnaires were sent to the producers/exporters in the PRC known to the Commission or through the Mission of the PRC to the European Union. Questionnaires were also sent to the known importers in the Union.
- (9) Interested parties were given the opportunity to make their views known in writing and to request a hearing within the time limit set in the initiating Regulation. All parties were informed that non-cooperation might lead to the application of Article 18 of the basic Regulation and to findings being based on the facts available.

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<sup>4</sup> OJ L 153, 14.6.2012, p.8.

- (10) Seven Malaysian, six Thai and three Filipino producers/exporters and their related companies in the PRC, where applicable, have submitted replies to the exemption forms. Submissions of two Malaysian, one Thai and one Filipino companies were rejected due to formal reasons as the companies in question were either found not to be producers of the product under investigation or they failed to cooperate after the submission of the exemption form or the exemption form was submitted in a very late stage of the investigation.
- (11) The questionnaire replies were submitted by two Chinese exporters and four Union importers/groups of importers.
- (12) The Commission carried out the verification visits at the premises of the following companies:
- MCP Precision Sdn. Bhd. (Malaysia)
  - Sofasco Industires (M) Sdn. Bhd. (Malaysia)
  - Tigges Fastener Technology Sdn. Bhd. (Malaysia)

and its related trading company Tigges Fastener Trading Sdn. Bhd. (Malaysia)

- Tong Heer Fasteners Co. Sdn. Bhd. (Malaysia)
- Well Union Metal Sdn. Bhd. (Malaysia)

and its related companies in Taiwan: Linkwell Industry and Linkfast Industry

- A.B.P. Stainless Steel Fastener Co., Ltd. (Thailand)
- Dura Fasteners Co., Ltd. (Thailand)
- Taiyo Fasteners Co., Ltd. (Thailand)
- Tong Heer Fasteners Co., Ltd. (Thailand)
- TPC Stainless & Steel Fasteners Co., Ltd. (Thailand)

and its related companies TPC Fasteners Co. Ltd, Thai Phaisarn Fastening Co. Ltd. and Phaisarn Fastening Ltd. Part. (Thailand)

- Multi-Tek Fastenres Inc. (the Philippines)

and its related company in Taiwan Multi-Tek Fasteners & Parts Manufacturer Inc.

- Phil Shin Works Corporation (the Philippines)
- Rosario Fasteners Corporation (the Philippines)

and its related company in Taiwan Lu Chu Shin Yee Works Co., Ltd.

#### 1.4. Reporting period and investigation period



- (13) The reporting period ('RP'), i.e. the period for which value added tests and dumping/underselling calculations were done, covered 12 months from 1 April 2011 to 31 March 2012. The investigation period ("IP"), i.e. the period for which analysis of changes in trade patterns were done and possible circumvention practices were examined, covered the period from the imposition of the original measures until the end of the RP.

## 2. RESULTS OF THE INVESTIGATION

### 2.1. General considerations

- (14) In accordance with Article 13(1) of the basic Regulation, the assessment of the existence of circumvention was made by analysing successively whether there was a change in the pattern of trade between the PRC, the three countries concerned and the Union; if this change stemmed from a practice, process or work for which there was insufficient due cause or economic justification other than the imposition of the duty; if there was evidence of injury or that the remedial effects of the duty were being undermined in terms of the prices and/or quantities of the product under investigation; and whether there was evidence of dumping in relation to the normal values previously established in the original investigation, if necessary in accordance with the provisions of Article 2 of the basic Regulation.

### 2.2. Product concerned and product under investigation

- (15) The product concerned by the possible circumvention is certain stainless steel fasteners and parts thereof, originating in the People's Republic of China, currently falling within CN codes 7318 12 10, 7318 14 10, 7318 15 30, 7318 15 51, 7318 15 61 and 7318 15 70 ('the product concerned').
- (16) The product under investigation is the same as that defined above, but consigned from Malaysia, Thailand and the Philippines, whether declared as originating in Malaysia, Thailand and the Philippines or not, currently falling within the same CN codes as the product concerned ('the product under investigation').
- (17) The investigation showed that stainless steel fasteners and parts thereof, as defined above, exported from the PRC to the Union and those consigned from Malaysia, Thailand and the Philippines to the Union have the same basic physical and technical characteristics and have the same uses, and are therefore to be considered as like products within the meaning of Article 1(4) of the basic Regulation.

### 2.3. Findings with regard to the Philippines

#### 2.3.1. Level of cooperation

- (18) As stated in recital (10) above, only three Filipino companies (one of them later found not to be a producer or exporter of the product under investigation) submitted an exemption form reply. Thus, the cooperating companies were representing 10% of the Filipino exports of the product under investigation to the Union in the RP.
- (19) A questionnaire reply was also submitted by two Chinese producers/exporters however, none of them was involved in export to the Philippines in the IP.

- (20) Taking into account the relatively low level of cooperation of the Filipino and Chinese companies the findings in respect of imports of certain stainless steel fasteners and parts thereof from the Philippines into the Union and exports of the product concerned from the PRC to the Philippines had to be made on the basis of facts available in accordance with Article 18(1) of the basic Regulation. In this case Eurostat data was used to determine overall import volumes from the Philippines to the Union and Chinese export statistics were used for the determination of the overall exports from the PRC to the Philippines.
- (21) With regard to the Chinese export statistics it should be noted that statistics of trade flows between the PRC and the Philippines cover whole HS codes that is a larger product group than the product concerned and the product under investigation. However, taking into account the very clear trend that existed, these data can be used to establish a change in pattern of trade.
- (22) Finally, as an additional source of information the data provided by the Filipino authorities were used. Although these data were not complete and detailed enough to be a sole basis for the analysis they were suitable to cross-check findings with regard to the pattern of trade.

### 2.3.2. Change in the pattern of trade

- (23) After the imposition of the original measures on the imports from the PRC, imports into the Union of the product under investigation from the Philippines increased suddenly and markedly. From the minimal level of below 100 MT yearly in 2004-2005 it raised to more than 12 thousand MT in the RP.

	2004	2005	2006	2007	2008	2009	2010	2011	RP
<b>Volume (MT)</b>	69	23	1 369	6 048	7 046	5 406	15 580	14 528	12 075

Source: Eurostat

- (24) At the same time exports from China to the Philippines were increasing sharply in the years 2004-RP from 1.1 thousand MT to more than 15 thousand MT.

	2004	2005	2006	2007	2008	2009	2010	2011	RP
<b>Volume (MT)</b>	1104	2022	2107	3727	3856	7513	11262	15553	15632

Source: Chinese export statistics (Global Trade Atlas Database)

- (25) The data clearly show that imports from the Philippines into the Union were negligible in 2004 and 2005. However, in 2006, following the imposition of the measures on the PRC, the imports surged suddenly and partly replaced the exports from the PRC on the Union market in terms of volume. Moreover, since the imposition of the measures in force, the decrease of the exports from the PRC to the Union has been significant (70%). Furthermore, it is noted that the data received from the Filipino authorities confirm that only small percentage of imports from the PRC was released for trade in the Filipino custom territory. Most of the import was directed to the special economic zones.

### 2.3.3. Nature of the circumvention practice

- (26) Article 13(1) of the basic Regulation requires that the change in the pattern of trade stems from a practice, process or work for which there is insufficient due cause or economic justification other than the imposition of the duty. The practice, process or work includes, *inter alia*, the consignment of the product subject to measures via third countries.
- (27) It is noted that Filipino exports of the cooperating companies amounted to some 10% of the total Filipino exports to the Union in the RP. The remaining exports can be attributed to the producers that have not cooperated with the investigation or by pure transshipment practises. The latter conclusion is supported by the information and data provided by the Filipino authorities, in particular the facts that i) most of the imports from the PRC of the product concerned was directed to special economic zones and did not enter the Filipino custom territories, ii) the number of genuine producers of the product under investigation in the Philippines is very limited.
- (28) The existence of transshipment of Chinese-origin products via the Philippines was therefore confirmed.

#### 2.3.4. Insufficient due cause or economic justification other than the imposition of the anti-dumping duty

- (29) The investigation did not bring to light any other due cause or economic justification for the transshipment than the avoidance of the measures in force on the product concerned. No elements were found, other than the duty, which could be considered as a compensation for the costs of transshipment, in particular regarding transport and reloading, of certain stainless steel fasteners and parts thereof originating in the PRC via the Philippines.

#### 2.3.5. Undermining of the remedial effect of the anti-dumping duty

- (30) To assess whether the imported product under investigation had, in terms of quantities and prices, undermined the remedial effects of the measures in force on imports of the product concerned, Eurostat data was used as the best data available concerning quantities and prices of exports by the non-cooperating companies in the Philippines. The prices so determined were compared to the injury elimination level established for Union producers in the original investigation. Given the substantial time difference between the original IP and the RP in the present investigation, the significant developments in the basic elements of costs of production had to be taken into account. This was reflected in the adjustment of the non-injurious price on the basis of the increase in the price of the basic raw-materials and, for the remaining elements of costs of manufacturing and sales, on the basis of the variation in the consumer price index in the Union.
- (31) The increase of imports from the Philippines to the Union from below 100 MT in 2004 to over 12 thousand MT in the RP was considered to be significant in terms of quantities.
- (32) The comparison of the adjusted injury elimination level and the weighted average export price showed underselling.
- (33) It was therefore concluded that the remedial effects of the measures in force are being undermined in terms of both quantities and prices.

### 2.3.6. Evidence of dumping

- (34) Finally, in accordance with Article 13(1) of the basic Regulation it was examined whether there was evidence of dumping in relation to the normal value established in the original investigation.
- (35) In the original Regulation the normal value was established on the basis of prices in Taiwan, which in that investigation was found to be an appropriate market economy analogue country for the PRC. However, given the substantial time difference between the original IP and the RP in the present investigation, the significant developments in the basic elements of costs of production had to be taken into account. This was reflected in the adjustment of the normal value on the basis of the increase in the price of the basic raw-materials and, for the remaining elements of costs of manufacturing and sales, on the basis of the variation in the consumer price index in Taiwan.
- (36) The export price from the Philippines was based on facts available, i.e. on the average export price of certain stainless steel fasteners and parts thereof during the RP as reported in Eurostat. The use of facts available was due to the minimal level of cooperation by producers of the product under investigation in the Philippines. The average export price used for the calculation was cross-checked with the level of export prices of the two cooperating Filipino exporters and it appeared to be compatible with them.
- (37) For the purpose of a fair comparison between the normal value and the export price, due allowance, in the form of adjustments, was made for differences which affect prices and price comparability in accordance with Article 2(10) of the basic Regulation. Accordingly, adjustments were made for differences in transport, insurance and for non-refundable VAT on export sales in the PRC. Given that there was limited cooperation from the producers in the Philippines and the PRC, the adjustments had to be established on the basis of the best facts available. Thus, the adjustments for transport and insurance were based on per tonne transport and insurance cost established in the original investigation.
- (38) In accordance with Articles 2(11) and 2(12) of the basic Regulation, dumping was calculated by comparing adjusted weighted average normal value as established in the original Regulation and the corresponding weighted average export prices of the Filipino import during this investigation's RP, expressed as a percentage of the CIF price at the Union frontier duty unpaid.
- (39) The comparison of the weighted average normal value and the weighted average export price as established showed dumping.

## 2.4. Findings with regard to Malaysia

### 2.4.1. Level of cooperation

- (40) As stated in recital (10) above, seven Malaysian companies submitted exemption form replies. One of these companies appeared not to be the producer of the product under investigation, while the other submitted its incomplete reply in the late stage of the investigation which made it impossible to supplement deficiencies and verify the submitted information and data. Therefore, these two exemption form replies had to be

disregarded. Nevertheless, the remaining five cooperating Malaysian companies represented 93% of the Malaysian exports of the product under investigation to the Union in the RP.

#### 2.4.2. Change in pattern of trade

- (41) After the imposition of the original measures on the imports from the PRC, imports into the Union of the product under investigation from Malaysia was increasing steadily. From the level of below 2 thousand MT yearly in 2004-2005 it raised to more than 13 thousand MT in the RP.

	2004	2005	2006	2007	2008	2009	2010	2011	RP
<b>Volume (MT)</b>	1 701	1 849	7 930	13 548	13 712	9 809	9 615	13 498	13 363

Source: Eurostat

- (42) However, it should be stressed that following the verification visits it was confirmed that this increase in Malaysian exports to the Union can be explained by the increase of genuine production in Malaysia over the same period. Cooperating companies, which were found to be Malaysian producers not involved in the circumvention practices, represent 93% of the export to the Union. The investigation revealed that only one of these companies was transshipping the product concerned but this practice concerned small part of its sales and ended in 2009. None of the cooperating companies was also found to be involved in the assembling operations where the Chinese-origin parts or semi-products would be used.
- (43) Taking into account the above it is concluded that increased imports from Malaysia are justified by increase in the domestic production. Therefore, the change in the pattern of trade between Malaysia and the Union does not result from circumvention practices.

#### 2.5. Findings with regard to Thailand

##### 2.5.1. Level of cooperation

- (44) As stated in recital (10) above, six Thai companies submitted exemption form replies. One of these companies failed to cooperate in the further procedure which made it impossible to supplement deficiencies and held on spot verification of the submitted information and data. Therefore, this exemption form reply was disregarded. Nevertheless, the remaining five cooperating Thai companies represented 67% of the Thai exports of the product under investigation to the Union in the RP.

##### 2.5.2. Change in the pattern of trade

- (45) After the imposition of the original measures on the imports from the PRC, imports into the Union of the product under investigation from Thailand showed the following trend:

	2004	2005	2006	2007	2008	2009	2010	2011	RP
<b>Volume (MT)</b>	5 373	3 308	1 290	850	453	128	367	5 546	6 715

Source: Eurostat

- (46) Analyses of the exports from Thailand into the Union have to be made against the background of the fact that from November 2005 on Thailand, like the PRC, was subject to the Union anti-dumping measures<sup>5</sup>. These measures lapsed in November 2010. Following that, there was a sharp increase in Thai exports to the Union – from 367 MT in 2010 to more than 5.5 thousand MT in 2011 and more than 6.7 thousand MT in the RP.
- (47) However, it should be noted that the Thai exports of the product under investigation to the Union in the RP are in absolute terms not much higher than in 2004 before the anti-dumping measures were imposed on the PRC and Thailand. In relative terms (as share in the total Union imports) imports from Thailand even dropped from almost 12% to 7%.
- (48) The investigation did not reveal any transshipping or assembling operations where the Chinese-origin parts or semi-products would be used. Taking into account the fact that before the imposition of anti-dumping measures the exports from Thailand were definitely of genuine Thai production it is difficult to conclude that the current level of export which is similar in volume would have different origin. It should be also stressed that the two biggest Thai producers cooperating in this investigation were also present in the original investigation against Thailand.
- (49) Taking into account the above it is concluded that increased imports from Thailand are to a large extent justified by domestic production. Therefore, the change in the pattern of trade between Thailand and the Union does not result from circumvention practices.

### 3. MEASURES

- (50) Given the above, it was concluded that the definitive anti-dumping duty imposed on imports of certain stainless steel fasteners and the parts thereof originating in the PRC was circumvented by transshipment via the Philippines within the meaning of Article 13(1) of the basic Regulation.
- (51) In accordance with the first sentence of Article 13(1) of the basic Regulation, the measures in force on imports of the product concerned, should be extended to imports of the product under investigation, i.e. the same product but consigned from the Philippines, whether declared as originating in the Philippines or not.
- (52) In light of the low level of the cooperation in this investigation, the measures to be extended should be the measures established in Article 1(2) of Regulation (EU) No 2/2012 for "all other companies" from the PRC, which is presently a definitive anti-dumping duty of 27,4% applicable to the net, free-at-Union-frontier price, before duty.
- (53) In accordance with Articles 13(3) and 14(5) of the basic Regulation, which provide that any extended measure should apply to imports which entered the Union under registration imposed by the initiating Regulation, duties should be collected on those registered imports of certain stainless steel fasteners and parts thereof consigned from the Philippines.

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<sup>5</sup> OJ L 302, 19.11.2005, p. 1.

#### 4. TERMINATION OF THE INVESTIGATION IN RESPECT OF IMPORTS FROM MALAYSIA AND THAILAND

- (54) In view of the findings regarding Malaysia and Thailand, the investigation concerning possible circumvention of anti-dumping measures by imports of certain stainless steel fasteners and parts thereof consigned from Malaysia and Thailand should be terminated and the registration of imports of certain stainless steel fasteners and parts thereof consigned from Malaysia and Thailand, introduced by the initiating Regulation, should be discontinued.

#### 5. REQUESTS FOR EXEMPTION

- (55) As explained in the recital (10), 16 companies located in Malaysia, Thailand and the Philippines submitted exemption form responses requesting an exemption from the possible extended measures in accordance with Article 13(4) of the basic Regulation.
- (56) The exemption requests of the Malaysian and Thai companies were not assessed as the measures are not extended on these two countries.
- (57) One of the three Filipino companies requesting exemption was found not to produce and export the product under investigation during the IP and no conclusions could be drawn as to the nature of its operations. Therefore, an exemption to this company can not be granted at this stage. However, should it appear, after extension of the anti-dumping measures in force, that the conditions in Article 11(4) and 13(4) of the basic Regulation are fulfilled, the company may request a review of its situation.
- (58) Following the verification visits it was confirmed that the remaining two Filipino exporting producers were genuine. It is therefore concluded that they were not engaged in circumvention practices and therefore exemptions to these companies can be granted.
- (59) It is considered that special measures are needed in this case in order to ensure the proper application of such exemptions. These special measures are the requirement of the presentation to the customs authorities of the Member States of a valid commercial invoice, which shall conform to the requirements set out in the Annex to this Regulation. Imports not accompanied by such an invoice shall be made subject to the extended anti-dumping duty.
- (60) Other Filipino producers which did not come forward in this proceeding and did not export the product under investigation during the IP, which intend to lodge a request for an exemption from the extended anti-dumping duty pursuant to Articles 11(4) and 13(4) of the basic Regulation will be required to complete an exemption form in order to enable the Commission to assess such a request. The Commission would normally also carry out an on-spot verification visit. Provided that the conditions set in Articles 11(4) and 13(4) of the basic Regulation are met, an exemption may be warranted. Where an exemption is warranted, the Commission may, after consultation of the Advisory Committee, authorise by decision, the exemption of imports from companies which do not circumvent the anti-dumping measures imposed by Regulation (EU) No 2/2012, from the duty extended by this regulation.

#### 6. DISCLOSURE

- (61) All interested parties were informed of the essential facts and considerations leading to the above conclusions and were invited to comment. Following disclosure, no comments were received.

HAS ADOPTED THIS REGULATION:

#### *Article 1*

1. The definitive anti-dumping duty applicable to "all other companies" from the PRC imposed by Article 1(2) of Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China, is hereby extended to imports of certain stainless steel fasteners and parts thereof consigned from the Philippines, whether declared as originating in the Philippines or not, currently falling under CN codes ex 7318 12 10, ex 7318 14 10, ex 7318 15 30, ex 7318 15 51, ex 7318 15 61 and ex 7318 15 70 (TARIC codes 7318 12 10 11, 7318 12 10 91, 7318 14 10 11, 7318 14 10 91, 7318 15 30 11, 7318 15 30 61, 7318 15 30 81, 7318 15 51 11, 7318 15 51 61, 7318 15 51 81, 7318 15 61 11, 7318 15 61 61, 7318 15 61 81, 7318 15 70 11, 7318 15 70 61 and 7318 15 70 81), with the exception of those produced by the companies listed below:

<b>Company</b>	<b>Additional Taric Code</b>
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Multi-Tek Fasteners Inc, Clark Freeport Zone, Pampanga, Philippines	B355
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Rosario Fasteners Corporation, Cavite Economic Area, Philippines B356

2. The application of exemptions granted to the companies specifically mentioned in paragraph 1 of this Article or authorised by the Commission in accordance with Article 3(2) shall be conditional upon presentation to the customs authorities of the Member States of a valid commercial invoice, which shall conform to the requirements set out in the Annex. If no such invoice is presented, the anti-dumping duty as imposed by paragraph 1 of this Article shall apply.

3. The duty extended by paragraph 1 of this Article shall be collected on imports consigned from the Philippines, whether declared as originating in the Philippines or not, registered in accordance with Article 2 of Regulation (EU) No 2/2012 and Articles 13(3) and 14(5) of Regulation (EC) No 1225/2009 with the exception of those produced by the companies listed in paragraph 1.

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

#### *Article 2*

The investigation concerning possible circumvention of anti-dumping measures imposed by Regulation (EU) No 2/2012 on imports of certain stainless steel fasteners and parts thereof originating in the People's Republic of China, by imports of certain stainless steel fasteners and parts thereof consigned from Malaysia and Thailand, whether declared as originating in Malaysia and Thailand or not, is hereby terminated.



### *Article 3*

1. Requests for exemption from the duty extended by Article 1 shall be made in writing in one of the official languages of the European Union and must be signed by a person authorised to represent the entity requesting the exemption. The request must be sent to the following address:

European Commission  
Directorate-General for Trade  
Directorate H  
Office: N-105 08/20  
1049 Brussels  
Belgium  
Fax (32 2) 295 65 05

2. In accordance with Article 13(4) of Regulation (EC) No 1225/2009 the Commission, after consulting the Advisory Committee, may authorise, by decision, the exemption of imports from companies which do not circumvent the anti-dumping measures imposed by Regulation (EU) No 2/2012, from the duty extended by Article 1.

### *Article 4*

Customs authorities are hereby directed to discontinue the registration of imports, established in accordance with Article 2 of Regulation (EU) No 2/2012.

### *Article 5*

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,

*For the Council*  
*The President*

## ANNEX

A declaration signed by an official of the entity issuing the commercial invoice, in the following format, must appear on the valid commercial invoice referred to in Article 1(2):

- (1) the name and function of the official of the entity issuing the commercial invoice;
- (2) the following declaration: 'I, the undersigned, certify that the (volume) of (product concerned) sold for export to the European Union covered by this invoice was manufactured by (company name and address) (TARIC additional code) in (country concerned). I declare that the information provided in this invoice is complete and correct';
- (3) date and signature.