

Notice of initiation of an interim review of the antidumping measures applicable to imports of ferro molybdenum originating in People's Republic of China

(2006/C 262/06)

The Commission has decided on its own initiative to initiate a full review pursuant to Article 11(3) of Council Regulation (EC) No 384/96 on protection against dumped imports from countries not members of the European Community ('the basic Regulation')⁽¹⁾.

1. Product

The product under review is ferro molybdenum, originating in People's Republic of China ('the product concerned'), currently classifiable within CN code 7202 70 00. This CN code is given only for information.

2. Existing measures

The measures currently in force are a definitive anti-dumping duty imposed by Council Regulation (EC) No 215/2002 of 28 January 2002⁽²⁾.

3. Grounds for the review

In the context of a potential suspension of measures, several interested parties provided evidence concerning different aspects of the adequacy of the measures, including dumping and injury. Altogether, the *corpus* of evidence at the Commission disposal indicates that the circumstances on the basis of which the existing measures were established have changed to an extent that the existing measures may no longer be adequate, and that certain of these changes appear to be of a lasting nature.

3.1. Dumping

Prima facie evidence indicates that significant dumping is likely to recur, albeit at a lower level than that found in the investigation on the basis of which the existing measures were established. This *prima facie* finding was based on a comparison between normal value for the People's Republic of China, established in accordance with the provisions of Article 2(7)(a) of the basic Regulation (analogue country) and export prices to the Community as well as to appropriate third countries.

3.2. Injury

Prima facie evidence indicates that a number of aspects appeared to have undergone lasting changes. Price increases emanating from changes in the demand-supply balance at world level, together with the current price and cost situation of a Community industry, which now has an additional producer, point

to likely injury margins which, though significant, are below the level of the duty in force.

At the same time, it appears that the existing measures and the decrease of Chinese imports, have allowed the Community industry to recover from the injurious dumping, but not to the extent that would have been expected in a context of a booming market.

For the reasons above, a full review of the measures is warranted. Such a review would also allow for the re-assessment of Community interest aspects, including the impact of measures on users. Indeed, the substantially higher price levels in the market may imply that the impact of measures on users may be much more significant than originally calculated.

4. Procedure

Having determined, after consulting the Advisory Committee, that sufficient evidence exists to justify the initiation of an interim review, the Commission hereby initiates a review in accordance with Article 11(3) of the basic Regulation.

4.1. Procedure for the determination of likelihood of dumping and injury

The investigation will determine the need for the continuation, removal or amendment of the existing measures.

(a) Sampling

In view of the apparent large number of parties involved in this proceeding, the Commission may decide to apply sampling in accordance with Article 17 of the basic Regulation.

(i) Sampling for exporters/producers in the People's Republic of China

In order to enable the Commission to decide whether sampling is necessary and, if so, to select a sample, all exporters/producers, or representatives acting on their behalf, are hereby requested to make themselves known by contacting the Commission and providing the following information on their company or companies within the time limit set in point 5(b)(i) and in the format indicated in point 6:

— name, address, e-mail address, telephone, and fax numbers and contact person,

⁽¹⁾ OJ L 56, 6.3.1996, p. 1. Regulation as last amended by Regulation (EC) No 2117/2005 (OJ L 340, 23.12.2005, p. 17.).

⁽²⁾ OJ L 35, 6.2.2002, p. 1.

- the turnover in local currency and the volume in tonnes of the product concerned sold for export to the Community during the period 1 October 2005 to 30 September 2006,
- the turnover in local currency and the sales volume in tonnes for the product concerned on the domestic market during the period 1 October 2005 to 30 September 2006,
- whether the company intends to claim an individual margin ⁽¹⁾ (individual margins can only be claimed by producers),
- the precise activities of the company with regard to the production of the product concerned,
- the names and the precise activities of all related companies ⁽²⁾ involved in the production and/or selling (export and/or domestic) of the product concerned,
- any other relevant information that would assist the Commission in the selection of the sample,

By providing the above information, the company agrees to its possible inclusion in the sample. If the company is chosen to be part of the sample, this will imply replying to a questionnaire and accepting an on-the-spot investigation of its response. If the company indicates that it does not agree to its possible inclusion in the sample, it will be deemed to not have co-operated in the investigation. The consequences of non-cooperation are set out in point 7 below.

In order to obtain the information it deems necessary for the selection of the sample of exporters/producers, the Commission will, in addition, contact the authorities of the exporting country, and any known associations of exporters/producers.

(ii) Final selection of the sample

All interested parties wishing to submit any relevant information regarding the selection of the sample must do so within the time limit set in point 5(b)(ii).

⁽¹⁾ Individual margins may be claimed pursuant to Article 17(3) of the basic Regulation for companies not included in the sample, article 9(5) of the basic Regulation concerning individual treatment in cases involving non market economy countries/economies in transition, and article 2(7)(b) of the basic Regulation for companies claiming market economy status. Note that claims for individual treatment necessitate an application pursuant to Article 9(5) of the basic Regulation and that claims regarding market economy status necessitate an application pursuant to Article 2(7)(b) of the basic Regulation.

⁽²⁾ For guidance on the meaning of related companies, please refer to Article 143 of Commission Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code (OJ L 253, 11.10.1993, p. 1).

The Commission intends to make the final selection of the sample after having consulted the parties concerned that have expressed their willingness to be included in the sample.

Companies included in the sample must reply to a questionnaire within the time limit set in point 5(b)(iii) and must cooperate within the framework of the investigation.

If sufficient co-operation is not forthcoming, the Commission may base its findings, in accordance with Articles 17(4) and 18 of the basic Regulation, on the facts available. A finding based on facts available may be less advantageous to the party concerned, as explained in point 7.

(b) Questionnaires

In order to obtain the information it deems necessary for its investigation, the Commission will send questionnaires to the Community industry and to any association of producers in the Community, to the sampled exporters/producers in People's Republic of China, to any association of exporters/producers, to the importers, to any association of importers which co-operated in the investigation leading to the measures subject to the present review or otherwise known to the Commission, and to the authorities of the exporting country concerned.

In any event, all interested parties should contact the Commission forthwith by fax in order to request, if necessary, a questionnaire within the time limit set in point 5(a)(i), given that the time limit set in point 5(a)(ii) applies to all interested parties.

Exporters/producers in People's Republic of China claiming an individual margin, with a view to the application of Articles 17(3) and 9(6) of the basic Regulation, must submit a completed questionnaire within the time limit set in point 5(a)(ii) of this notice. They therefore have to request a questionnaire within the time limit set in point 5(a)(i). However, such parties should be aware that if sampling is applied to exporters/producers, the Commission may nonetheless decide not to calculate an individual margin for them, if the number of exporters/producers is so large that individual examination would be unduly burdensome and would prevent the timely completion of the investigation.

(c) Collection of information and holding of hearings

All interested parties are hereby invited to make their views known, submit information other than questionnaire replies and to provide supporting evidence. This information and supporting evidence must reach the Commission within the time limit set in point 5(a)(ii).

Furthermore, the Commission may hear interested parties, provided that they make a request showing that there are particular reasons why they should be heard. This request must be made within the time limit set in point 5(a)(iii).

(d) *Selection of the market economy country*

In the previous investigation the United States of America was used as an appropriate market economy country for the purpose of establishing normal value in respect of the People's Republic of China. The Commission envisages using the United States of America again for this purpose. Interested parties are hereby invited to comment on the appropriateness of this country within the specific time limit set in point 5(c) of this notice.

(e) *Market economy status*

For those exporters/producers in the People's Republic of China which claim and provide sufficient evidence that they operate under market economy conditions, i.e. that they meet the criteria laid down in Article 2(7)(c) of the basic Regulation, normal value will be determined in accordance with Article 2 (7)(b) of the basic Regulation. Exporters/ producers intending to submit duly substantiated claims must do so within the specific time limit set in paragraph 5(d) of this notice. The Commission will send claim forms to all exporters/producers in the People's Republic of China who have requested an individual margin as well as to the authorities of the People's Republic of China.

4.2. *Procedure for the assessment of Community interest*

In accordance with Article 21 of the basic Regulation and in the event that the likelihood of a continuation or recurrence of dumping and injury is confirmed, a determination will be made as to whether to maintain, amend or repeal the anti-dumping measures would not be against the Community interest. For this reason the Community industry, importers, their representative associations, representative users and representative consumer organisations, provided that they prove that there is an objective link between their activity and the product concerned, may, within the time limits set in point 5(a)(ii), make themselves known and provide the Commission with information. The parties which have acted in conformity with the previous sentence may request a hearing, setting the particular reasons why they should be heard, within the time limit set in point 5(a)(ii). It should be noted that any information submitted pursuant to Article 21 will only be taken into account if supported by factual evidence at the time of submission.

5. **Time limits**

(a) *General time limits*

- (i) For parties to request a questionnaire or other claim forms

All interested parties who did not co-operate in the investigation leading to the measures subject to the present review should request a questionnaire or other claim forms as soon as possible, but not later than 10 days after the publication of this notice in the *Official Journal of the European Union*.

- (ii) For parties to make themselves known, to submit questionnaire replies and any other information

All interested parties, if their representations are to be taken into account during the investigation, must make themselves known by contacting the Commission, present their views and submit questionnaire replies or any other information within 40 days of the date of publication of this notice in the *Official Journal of the European Union*, unless otherwise specified. Attention is drawn to the fact that the exercise of most procedural rights set out in the basic Regulation depends on the party's making itself known within the aforementioned period.

Companies selected in a sample must submit questionnaire replies within the time limits specified in point 5(b)(iii).

- (iii) *Hearings*

All interested parties may also apply to be heard by the Commission within the same 40-day time limit.

(b) *Specific time limit in respect of sampling*

- (i) The information specified in point 4.1(a)(i) should reach the Commission within 15 days of the date of publication of this notice in the *Official Journal of the European Union*, given that the Commission intends to consult parties concerned that have expressed their willingness to be included in the sample on its final selection within a period of 21 days of the publication of this notice in the *Official Journal of the European Union*.

- (ii) All other information relevant for the selection of the sample as referred to in 4.1(a)(ii) must reach the Commission within a period of 21 days of the publication of this notice in the *Official Journal of the European Union*.

- (iii) The questionnaire replies from sampled parties must reach the Commission within 37 days from the date of the notification of their inclusion in the sample.

(c) *Specific time limit for the selection of the market economy country*

Parties to the investigation may wish to comment on the appropriateness of the United States of America which, as mentioned in point 4.1(d), is envisaged as a market-economy country for the purpose of establishing normal value in respect of the People's Republic of China. These comments must reach the Commission within 10 days of the date of publication of this notice in the *Official Journal of the European Union*.

(d) *Specific time limit for submission of claims for market economy status*

Duly substantiated claims for market economy status, as mentioned in paragraph 4.1(e) of this notice, must reach the Commission within 15 days of the date of publication of this notice in the *Official Journal of the European Union*.

6. **Written submissions, questionnaire replies and correspondence**

All submissions and requests made by interested parties must be made in writing (not in electronic format, unless otherwise specified) and must indicate the name, address, e-mail address, telephone and fax numbers of the interested party. All written submissions, including the information requested in this notice, questionnaire replies and correspondence provided by interested parties on a confidential basis shall be labelled as 'Limited (!)' and, in accordance with Article 19(2) of the basic Regulation, shall be accompanied by a non-confidential version, which will be labelled 'FOR INSPECTION BY INTERESTED PARTIES'.

Commission address for correspondence:

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Directorate General for Trade
Directorate B
Office: J-79 5/16
B-1049 Brussels
Fax (32-2) 295 65 05

7. **Non-co-operation**

In cases in which any interested party refuses access to or does not provide the necessary information within the time limits, or significantly impedes the investigation, findings, affirmative or negative, may be made in accordance with Article 18 of the basic Regulation, on the basis of the facts available.

Where it is found that any interested party has supplied false or misleading information, the information shall be disregarded and use may be made, in accordance with Article 18 of the basic Regulation, of the facts available. If an interested party does not cooperate or cooperates only partially, and use of facts available is made, the result may be less favourable to that party than if it had cooperated.

8. **Schedule of the investigation**

The investigation will be concluded, according to Article 11(5) of the basic Regulation within 15 months of the date of the publication of this notice in the *Official Journal of the European Union*.

(!) This means that the document is for internal use only. It is protected pursuant to Article 4 of Regulation (EC) No 1049/2001 of the European Parliament and of the Council regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43). It is a confidential document pursuant to Article 19 of the basic Regulation and Article 6 of the WTO Agreement on Implementation of Article VI of the GATT 1994 (Anti-dumping Agreement).