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AD525: Anti-dumping proceeding concerning imports of certain iron or steel fasteners originating in the People's Republic of China

Proposal to impose definitive measures

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1.	PROCEDURE.....	4
1.1.	Initiation	4
1.2.	Non-imposition of Provisional measures	4
1.3.	Parties concerned by the proceeding.....	4
1.4.	Sampling	5
1.4.1.	<i>Sampling of exporting producers in the PRC</i>	5
1.4.2.	<i>Sampling of Community producers</i>	6
1.4.3.	<i>Sampling of Community importers</i>	7
1.5.	Market Economy Treatment ('MET') and Individual Treatment ('IT').....	7
1.6.	Questionnaires and verification visits	8
1.7.	Investigation period.....	9
2.	PRODUCT CONCERNED AND LIKE PRODUCT	10
2.1.	Product concerned.....	10
2.2.	Like product	11
3.	DUMPING.....	12
3.1.	Market economy treatment (MET).....	12
3.1.1.	<i>Sampled companies</i>	13
3.1.2.	<i>Companies granted individual examination</i>	16
3.2.	Individual treatment (IT).....	16
3.2.1.	<i>Sampled companies</i>	16
3.2.2.	<i>Companies granted individual examination</i>	17
3.3.	Determination of normal value for the exporting producers in the PRC not granted MET	18
3.3.1.	<i>Analogue country</i>	18
3.3.2.	<i>Normal value</i>	18
3.3.3.	<i>Export prices</i>	19
3.3.4.	<i>Comparison</i>	19
3.4.	Dumping margins.....	20
3.4.1.	<i>For the sampled cooperating exporting producers granted IT</i>	20
3.4.2.	<i>For the cooperating exporting producers granted individual examination</i>	21
3.4.3.	<i>For all other exporting producers</i>	21
4.	INJURY	21
4.1.	Community production	21
4.2.	Definition of the Community industry	22
4.3.	Community consumption	22
4.4.	Imports into the Community from the country concerned	23
4.4.1.	<i>Volume and market share of imports concerned</i>	23
4.4.2.	<i>Prices of imports and undercutting</i>	23

4.5.	Situation of the Community industry	24
4.5.1.	<i>Production, production capacity and capacity utilisation</i>	24
4.5.2.	<i>Stocks</i>	25
4.5.3.	<i>Sales, market share, growth and average unit prices in the Community</i>	26
4.5.4.	<i>Profitability and cash flow</i>	27
4.5.5.	<i>Investments, return on investments, and ability to raise capital</i>	27
4.5.6.	<i>Employment and productivity</i>	28
4.5.7.	<i>Wages</i>	28
4.5.8.	<i>Magnitude of the actual margin of dumping and recovery from past dumping</i>	29
4.5.9.	<i>Conclusion on injury</i>	29
5.	CAUSATION	30
5.1.	Preliminary remark.....	30
5.2.	Effect of the imports from the PRC.....	30
5.3.	Effect of other factors.....	32
5.3.1.	<i>Imports from other third countries</i>	32
5.3.2.	<i>Export performance of the Community industry</i>	33
5.3.3.	<i>Increase in raw material prices</i>	34
5.3.4.	<i>Conclusion on causation</i>	34
6.	COMMUNITY INTEREST	35
6.1.	General considerations	35
6.2.	Interest of the Community industry.....	35
6.3.	Interest of unrelated importers/traders in the Community.....	36
6.4.	Interest of users and consumers	37
6.5.	Interest of steel suppliers.....	38
6.6.	Competition and trade distorting effects	38
6.7.	Developments after the IP	38
6.8.	Conclusion on Community interest.....	39
7.	DEFINITIVE MEASURES	39
7.1.	Injury elimination levels.....	39
8.	CONCLUSIONS AND PROPOSED COURSE OF ACTION.....	40
	ANNEX	42

1. PROCEDURE

1.1. Initiation

- (1) On 26 September 2007, the Commission received a complaint lodged pursuant to Article 5 of Council Regulation (EC) No 384/96 on protection against dumped imports from countries not members of the European Communities¹ ('the basic Regulation') by the European Industrial Fasteners Institute (EIFI, 'the complainant') on behalf of producers representing a major proportion, in this case more than 25%, of the total Community production of certain iron or steel fasteners.
- (2) This complaint contained evidence of dumping of certain iron or steel fasteners from the People's Republic of China ('PRC') and of material injury resulting therefrom, which was considered sufficient to justify the opening of a proceeding.
- (3) On 9 November 2007, the proceeding was initiated by the publication of a notice of initiation² in the *Official Journal of the European Union* (the 'Notice of Initiation').

1.2. Non-imposition of Provisional measures

- (4) Given the need to further examine certain aspects of the investigation, it was decided to continue the investigation without the imposition of provisional measures on imports of certain iron or steel fasteners from the PRC.
- (5) On 4 August 2008, all interested parties were provided with an information document detailing the preliminary findings of the investigation at that stage of the investigation ("the information document") and invited the parties to comment on those findings.
- (6) Subsequent to that date, the investigation was continued with regard to, *inter alia*, Community interest aspects and a detailed analysis of the product scope/product comparability carried out, as it had been disputed by various interested parties.

1.3. Parties concerned by the proceeding

- (7) The complainant Community producers, other Community producers, the exporting producers, the importers, users, associations known to be concerned and representatives of the government of the PRC were officially advised of the initiation of the proceeding. Interested parties were given an opportunity to make their views known in writing and to request a hearing within the time limit set in the notice of initiation.

¹ OJ L 56, 6.3.1996, p.1.

² OJ C 267, 9.11.2007, p. 31.

- (8) A number of interested parties made their views known in writing, in particular concerning the choice of analogue country, the type and quality differences between Chinese fasteners and those produced and sold by the Community producers, standing of the complainants and injury and Community interest aspects. Moreover, all interested parties who so requested and showed that there were particular reasons why they should be heard, were granted a hearing.
- (9) All interested parties (Community producers, Community importers and Chinese exporting producers) that had made submissions regarding the product scope attended a hearing organised in accordance with Article 6(6) of the basic Regulation under the auspices of the Hearing Officer on 18 September 2008.
- (10) Given the large number of known exporting producers in the PRC, as well as the large number of known Community producers and importers, sampling for the determination of dumping and injury was provided for in the Notice of Initiation, in accordance with Article 17 of the basic Regulation.

1.4. Sampling

1.4.1. Sampling of exporting producers in the PRC

- (11) As stated above, in view of the large number of exporting producers in the PRC, sampling was proposed in the Notice of Initiation in accordance with Article 17(1) of the basic Regulation.
- (12) In order to enable the Commission's services to decide whether sampling would be necessary and, if so, to select a sample, exporting producers were requested to make themselves known within 15 days from the date of the initiation of the investigation and to provide basic information on their exports and domestic sales, and the names and activities of all their related companies involved in the production and/or selling of the product concerned. The authorities in the PRC were also consulted.
- (13) A total of 120 companies or groups of companies in the PRC came forward and provided the requested information within the given deadline. However, it appeared from the data provided that some of these companies or groups did not produce fasteners themselves and some reported exports to the Community of fasteners produced by related companies. Those companies or groups that produced and exported the product concerned to the Community during the investigation period and expressed a wish to be included in the sample were considered as cooperating companies and were taken into account in the selection of the sample. These companies accounted for 110 out of the total of 120 companies or groups that made themselves known after initiation.
- (14) Exporting producers which did not make themselves known within the aforesaid period were considered as not cooperating with the investigation.
- (15) According to Article 17(1) of the basic Regulation, the exporters with the largest exported volume to the Community were selected so as to achieve the largest representative volume of exports which could reasonably be investigated within the time available.

- (16) On this basis, a sample of nine Chinese exporting producers or groups was selected. The selected companies represented around 60% of the exports of the product concerned to the Community from the PRC.
- (17) In accordance with Article 17(2) of the basic Regulation, the cooperating exporting producers and the authorities of the PRC were given the opportunity to comment on the selection of the sample.
- (18) A number of Chinese exporters argued that they should have been included in the sample because of particular circumstances regarding their companies, such as the fact that they manufactured specific product types allegedly not produced by the companies selected for the sample. However, the types of the iron or steel fasteners manufactured by exporters were not part of the criteria used to select the sample. As stated in point (15) above, the criterion used was the exporters with the largest exported volume to the Community. This is in line with the requirements of Article 17(1) of the basic Regulation.
- (19) Questionnaires were sent for completion to the sampled companies and replies from all of them were received within the given deadlines.
- (20) Five companies not selected in the sample submitted replies to the questionnaire with a view to requesting individual examination in application of Articles 9(6) and 17(3) of the basic Regulation. Four of these requests were accepted. Since the other company did not produce the product concerned itself, its request was refused.

1.4.2. Sampling of Community producers

- (21) As stated above, in view of the large number of producers in the Community, sampling was proposed in the Notice of Initiation in accordance with Article 17(1) of the basic Regulation.
- (22) In order to enable the Commission's services to decide whether sampling would be necessary and if so to select a sample, Community producers were requested to make themselves known within 15 days from the date of the initiation of the investigation and to provide basic information on their production and sales, and the names and activities of all their related companies involved in the production and/or selling of the product concerned.
- (23) A total of 46 Community producers that produced the product concerned in the Community during the investigation period and expressed a wish to be included in the sample within the aforesaid period were considered as cooperating companies and were taken into account in the selection of the sample.
- (24) These Community producers represented over 30% of the estimated production in the Community in 2006. These producers are considered to constitute the Community industry as mentioned in point (105) below.
- (25) The issue of the standing of the Community industry was questioned by some importers in the Community and also by some exporting producers. Indeed, certain interested parties provided, after the publication of the Notice of Initiation, lists of Community producers that allegedly had not been consulted as to their

support or otherwise for the proceeding. A questionnaire was subsequently sent to all such producers. Moreover, several companies came forward on their own initiative without having received a questionnaire. However, none of the responses received from these producers has reduced the level of standing mentioned in the preceding point. In fact, many of these companies supported the complaint.

- (26) In accordance with Article 17(1) of the basic Regulation, the Community producers, from among those that constitute the Community industry, with the largest production volume were selected in the sample so as to achieve the largest representative volume of production of wood screws, bolts and washers which could reasonably be investigated within the time available.
- (27) On this basis, a sample of seven producers was selected. The selected companies accounted for around 48,2% of the production of the Community industry.
- (28) In accordance with Article 17(2) of the basic Regulation, the cooperating Community producers were given the opportunity to comment on the selection of the sample. No comments were received that warranted changes to the sample.
- (29) Questionnaires were sent for completion to the sampled companies and replies from all of them were received within the given deadlines.

1.4.3. Sampling of Community importers

- (30) As stated above, in view of the large number of importers in the Community, sampling was proposed in the Notice of Initiation in accordance with Article 17(1) of the basic Regulation.
- (31) In order to enable the Commission's services to decide whether sampling would be necessary and if so to select a sample, Community importers were requested to make themselves known within 15 days from the date of the initiation of the investigation and to provide basic information on their imports and sales, and the names and activities of all their related companies involved in the production and/or selling of the product concerned.
- (32) A total of 45 companies or groups of companies in the Community came forward and provided the requested information within the given deadline representing close to 29% of the total imported volume in the Community.
- (33) According to Article 17(1) of the basic Regulation, the Community importers with the largest sales volume were selected so as to achieve the largest representative volume. Therefore, the 7 largest importers in terms of volumes of sales were selected to be part of the sample. Questionnaires were sent for completion to the sampled companies and replies from all of them were received within the given deadlines.

1.5. Market Economy Treatment ('MET') and Individual Treatment ('IT')

- (34) In order to allow exporting producers in the PRC to submit a claim for MET or IT, if they so wished, claim forms were sent to the Chinese exporting producers

known to be concerned, to the known associations of exporters and to the authorities of the PRC. 106 exporting producers requested MET pursuant to Article 2(7) of the basic Regulation. All these companies also claimed IT should the investigation establish that they did not meet the conditions for MET. Two other companies claimed only IT. As mentioned in point (16) above, all the nine companies selected in the sample claimed MET and IT.

1.6. Questionnaires and verification visits

- (35) Questionnaires were sent to the sampled exporting producers in the PRC and the four exporting producers in the PRC who requested and were granted individual examination, the sampled Community producers and importers as well as to users in the Community. Replies were received from all 9 sampled exporting producers in the PRC, the 4 exporting producers granted individual examination, one exporter in the PRC not selected in the sample who requested but was eventually refused individual examination as mentioned in point (20) above, 7 sampled Community producers, 7 sampled unrelated importers, 3 users, and 2 producers in the analogue country, India.
- (36) The Commission's services sought and verified all the information deemed necessary for a determination of dumping, resulting injury and Community interest and carried out verifications at the premises of the following companies:
- (a) Community producers
- *A. Agrati SpA, Milano, (Italy)*
 - *Societa Bulloneria Europea SpA, Monfalcone and Reggio Emilia, (Italy)*
 - *Fontana Luigi SpA and LOBO SpA, Milano, (Italy)*
 - *Finnveden Bulten, AB Göteborg, (Sweden)*
 - *Srubex Fabryca Lancut S.A, Lancut, (Poland)*
 - *Growermetal SRL, Lecco, (Italy)*
 - *Invitea SpA, Milano, (Italy)*
- (b) Exporting producers and their related companies in the PRC
- *Changshu City Standard Parts Factory Co. Ltd. and Changshu British Shanghai International Fastener Co. Ltd., Changshu*
 - *Zhangjiagang City Jinli Standard Fastener Co. Ltd., Zhangjiagang, and*
 - *Ningbo Yonghong Fasteners Co., Ltd., Ningbo*
 - *Ningbo Jinding Fastening Piece Co., Ltd., Ningbo*
 - *Kunshan Chenghe Standard Component Co., Ltd., Kunshan*
 - *Pol Shin Fastener (ZheJiang) Co., Ltd., Jiashan*

- *Biao Wu Tensile Fasteners Co., Ltd and Shanghai Prime Machinery Co., Ltd. , Shanghai*
 - *Zhejiang Zhapu Industrial Co., Ltd, Jiaxing Washan Fasteners Co., Ltd and Zhejiang WB Auto Fasteners Co., Ltd, Jiaxing*
 - *Eastport Fastener Manufacturing Co., Ltd, Ningbo*
 - *CELO Suzhou Precision Fasteners Co., Ltd, Taicang*
 - *Golden Horse (Dong Guan) Metal Manufactory Co., Ltd, Dongguan City*
 - *Yantai Agrati Co., Ltd, Yantai*
 - *Zhejiang Guanglong Hardware and Plastic Co., Ltd, and Zhejiang Guanglong Plating Machinery & Product Co., Ltd, Anji*
- (c) Related companies in the Community
- *Celo S.A., Barcelona, Spain*
- (d) Related company in Taiwan
- *Sunny Corp., Taipei*
- (e) Unrelated importers in the Community
- *Adolf Würth GmbH, Kunzelsau, Germany*
 - *Chaves Bilbao, S.A., Larrabetzu, Spain*
 - *FM Bulloneria Viterie SpA, Reggio Emilia, Italy*
 - *F. Reyher Nchfg. GmbH & CO KG, Hamburg, Germany*
 - *Hexstone Ltd t/a Owlett Jatou, Stone, UK*
 - *VIPA SpA, Reggio Emilia, Italy*
- (37) In view of the need to establish a normal value for exporting producers in the PRC to which MET might not be granted, a verification to establish normal value on the basis of data from the analogue country (India) took place at the premises of the following companies:
- (f) Producers in the analogue country, India
- *Pooja Forge Ltd., Faridabad*
 - *Mohindra Fasteners Ltd, New Delhi*

1.7. Investigation period

- (38) The investigation of dumping and injury covered the period from 1 October 2006 to 30 September 2007 ('investigation period' or 'IP'). With respect to the trends

relevant for the injury assessment, data covering the period from 1 January 2003 to the end of the investigation period ('period considered') was analysed.

2. PRODUCT CONCERNED AND LIKE PRODUCT

2.1. Product concerned

- (39) The product concerned is certain iron or steel fasteners, other than of stainless steel, i.e. wood screws (excluding coach screws); , self-tapping screws; , other screws and bolts with heads (whether or not with their nuts or washers, but excluding screws turned from bars, rods, profiles or wire, of solid section, of a shank thickness not exceeding 6 mm and excluding screws and bolts for fixing railway track construction material), and washers, originating in the People's Republic of China (all together hereinafter 'fasteners' or 'product concerned').
- (40) The product concerned is normally declared within CN codes 7318 12 90, 7318 14 91, 7318 14 99, 7318 15 59, 7318 15 69, 7318 15 81, 7318 15 89, ex 7318 15 90, ex 7318 21 00 and ex 7318 22 00.
- (41) Fasteners are used to mechanically join two or more elements in construction, engineering, etc and are used in a wide variety of industrial sectors, as well as by consumers. Based on their basic physical and technical characteristics and end uses, all fasteners are considered to constitute a single product for the purpose of the proceeding. Within the same national or international standards, fasteners should comply with the same basic physical and technical characteristics including notably strength, tolerance, finishing and coating.
- (42) One Community distributor argued that fasteners destined for the do-it-yourself ('DIY') market segment should be excluded from the scope of the investigation as allegedly they were not substitutable with fasteners produced by the Community industry, notably because of their different end-use and type of packing. Firstly, it should be noted that DIY fasteners are not fundamentally distinct from other fasteners destined for a more professional use, and all of these fasteners share the same essential physical characteristics. With regard to packing, it was considered that packing standards were not a criterion in determining whether fasteners destined for the DIY market segment should be removed from the product scope. As stated above, it was found that, based on their basic physical and technical characteristics and end-uses, all fasteners are considered to constitute a single product for the purpose of the proceeding. The argument therefore had to be dismissed.
- (43) One Community distributor argued that wood screws should be excluded from the scope of the investigation as allegedly they i) were not manufactured in large quantities by the Community industry, ii) those Community producers who specialise in wood screws were not in support of the proceeding. However, the investigation has shown that there is a significant production of wood screws among Community producers, including some of those supporting the proceeding. Moreover, it is recalled that the minimum level of support stipulated in the basic Regulation is not required for each product type, and that this cannot

serve as a basis for defining the product scope of the investigation. Therefore, the arguments above had to be dismissed.

- (44) Community importers of so-called drop-in-anchors (i.e. a pre-assembled plug and its nail screw) and nail-screws used in the production of drop-in-anchors argued that to the best of their knowledge there is no production capacity of nail screws in the Community. They further claimed that nail screws should not be included in the product scope as they cannot be used as a normal screw. However, the investigation has shown that nail-screws share the same basic physical characteristics as other fasteners and are also being produced by the Community industry. Accordingly, there were no reasons to exclude these products from the product scope.

2.2. Like product

- (45) A number of importers and exporting producers claimed that the fasteners manufactured in the PRC for export to the Community were not alike those manufactured by the Community industry, as the latter have different physical and technical characteristics and are used in applications which differed from fasteners produced in the PRC, and thus they were not in direct competition with them. In particular, they claimed that the majority of fasteners produced in the PRC i) are standard products (mainly ranging between 4.8 and 8.8 class of resistance) having no special characteristics regarding raw material, resistance, coating, or certification/safety related aspects; ii) they are destined for lower-end applications (non-professional use and general distribution) as opposed to high tech applications; and iii) they do not meet the strict requirements of specific end-users such as the automotive industry.
- (46) To support their claim, they pointed out that fasteners manufactured in the PRC were sold at consistently lower price levels compared to those produced by the Community industry, and that this demonstrated that the Chinese and Community-produced fasteners were destined for different applications. Also to support their claim, they noted that the Community industry had been able to increase the volume of its sales and the average unit selling price as well as to double its profits during the period considered, even though the imports from the PRC had increased significantly during the same period.
- (47) As far as the alleged differences in physical and technical characteristics are concerned, the investigation showed that despite the wide range of product types on the market, many of the types manufactured in the PRC for export to the Community and those manufactured by the Community industry were marketed under the same industry standards such as, for example, Deutsches Institut für Normung ("DIN") or German Institute for Standardisation standards. In this respect, it is recalled that fasteners manufactured and classified under the same DIN standards, in principle, must satisfy all requirements in terms of the mechanical properties of the raw material used, form, tolerances etc. While it is recognised that not all types of fasteners are used for all applications, it was found that, within the same standard, all types of fasteners were found to be interchangeable for at least some significant applications. Moreover, notwithstanding the lower prices observed in the PRC, the European Association of the Iron and Steel Industry ('Eurofer') confirmed that there is no major quality

difference between the steel produced in the PRC and the steel produced in the Community when the steel corresponds to a standardised grade. As a result, it is concluded that raw material quality differences do not affect the comparability between fasteners exported from the PRC and those produced and sold in the Community. As far as the different price levels are concerned, it is considered that price differences between products *per se* do not justify the conclusion that a certain product type should be considered as a different product. As it has been found that all types of fasteners within the same standard had similar basic characteristics and end-uses, the above argument had to be rejected.

- (48) It was also argued by some importers and exporting producers that the fasteners produced in the analogue country, India, are mostly high-value product types destined for the automotive and similar applications, and therefore are not alike to the fasteners exported to the Community by the PRC producers. The investigation has shown, however, that standard products are also produced and sold in India which, as explained above, have been found to have the same basic physical and technical characteristics as products exported from the PRC.
- (49) It is therefore concluded that the fasteners produced and sold by the Community industry in the Community, fasteners produced and sold on the domestic market in the PRC and on the domestic market in India, which served as an analogue country, and fasteners produced in the PRC and sold to the Community are alike within the meaning of Article 1(4) of the basic Regulation.

3. DUMPING

3.1. Market economy treatment (MET)

- (50) Pursuant to Article 2(7)(b) of the basic Regulation, in anti-dumping investigations concerning imports originating in the PRC, normal value is determined in accordance with paragraphs 1 to 6 of the said Article for those producers which are found to meet the criteria laid down in Article 2(7)(c) of the basic Regulation.
- (51) Briefly, and for ease of reference only, the MET criteria are set out in summarised form below:
- (1) Business decisions and costs are made in response to market conditions and without significant State interference;
 - (2) Firms have one clear set of basic accounting records which are independently audited in line with international accounting standards and are applied for all purposes;
 - (3) There are no significant distortions carried over from the former non-market economy system;
 - (4) Bankruptcy and property laws guarantee legal certainty and stability; and
 - (5) Exchange rate conversions are carried out at market rates.

3.1.1. *Sampled companies*

- (52) As mentioned in point (34), 106 exporting producers, including all the nine sampled companies claimed MET.
- (53) The Commission's services verified all information submitted in these companies' or groups' MET applications at the premises of the nine sampled companies or groups.
- (54) Of the nine companies or groups inspected for MET, four were deemed to have provided false or misleading information. The four companies or groups concerned were notified of this and given an opportunity to comment in accordance with Article 18 of the basic Regulation. However, no new evidence or information was received from any of the four companies that would prevent the application of Article 18 of the basic Regulation to these companies. Given the application of the said article to these four companies, no MET determination was made.
- (55) All five of the remaining sampled companies or groups were denied MET on the grounds that the costs of the major input, steel wire rod, did not substantially reflect market values, as required by Article 2(7)(c) of the basic Regulation. It was found that the prices of steel wire rod, or in some cases, drawn steel wire, charged on the Chinese market were significantly lower than those charged on other markets, such as Europe, India, North America and Japan³. Given that China has to import the majority of its iron ore at international market prices, it is clear that it does not benefit from any natural comparative advantage, which would explain these abnormally low prices of steel wire rod on the Chinese domestic market. At the same time various studies⁴, and even the annual reports of some large steel wire rod producers⁵ (which supply producers of fasteners with their raw material, albeit mostly via traders) point to significant State interference in this sector. . For instance according to the audited financial statements of the producers referred to above, both of them obtained significant Government subsidies in 2006 and 2007. Moreover, thanks to various tax concessions and grants one of the above companies paid only around 4.5% of tax on its profit of 2.8 billion CNY in 2007 instead of the standard corporate income tax of 33%. One of the reports referred to above, "Money for Metal", summarises the various types and amounts of Government subsidies received by the major Chinese steel producers over the last decade. The same report identifies more than 393 billion CNY in subsidies granted to Chinese steel producers and concludes that this has

³ Source: Steel Bulletin Board and data obtained from and verified at the companies investigated.

⁴ For instance "Money for Metal: A detailed Examination of Chinese Government Subsidies to its Steel Industry" by Wiley Rein LLP, July 2007, "China Government Subsidies Survey" by Anne Stevenson-Yang, February 2007, "Shedding Light on Energy Subsidies in China: An Analysis of China's Steel Industry from 2000-2007" by Usha C.V. Haley, "China's Specialty Steel Subsidies: Massive, Pervasive and Illegal" by the Specialty Steel Industry of North America and "The China Syndrome: How Subsidies and Government Intervention Created the World's Largest Steel Industry" by Wiley Rein & Fielding LLP, July 2006.

⁵ Annual Reports 2007 of Maanshan Iron & Steel Co., Ltd and Baoshan Iron & Steel Co., Ltd.

resulted in artificial growth of China's steel capacity and production at the expense of its international competitors.

- (56) The interested parties were given an opportunity to comment on the above findings.
- (57) Several exporting producers argued that the decision to refuse MET to all sampled companies under Article 2(7)(c) of the basic Regulation, based on distorted raw material costs, was a misinterpretation of this Article, which they claimed should be understood to apply to companies individually, rather than to the sector in general. In addition some companies argued that market values referred to in the said article should be interpreted as market values in the PRC rather than international market values.
- (58) In reply to these arguments, it is noted that Article 2(7)(c) of the basic Regulation requires, *inter alia*, that the costs of major inputs substantially reflect market values. The main input of fasteners, steel wire rod, accounts for around 50% of the cost of manufacturing. Based on data obtained and verified during the investigation as well as from independent market sources, such as the "Steel Bulletin Board", it is undisputable that prices of steel wire rod on the Chinese domestic market are significantly below prices on other markets. Given that the PRC does not benefit from any natural comparative advantage with regard to iron ore, which it imports at international market prices, it is considered that there is no justification for the abnormally low prices of steel wire rod, which do not substantially reflect market values. This conclusion applies equally to the sector as a whole as well as individually to all of the investigated sampled companies. Therefore criterion 1 of Article 2(7)(c) is not considered to be met.
- (59) As regards the interpretation of "market value", "market value" has to be understood as a non-distorted market price. In this regard, as mentioned above, there are several sources and studies which point to State interference in the Chinese steel sector. Moreover, as mentioned above, some of the largest Chinese producers of steel wire rod received various types of subsidies in 2006 and 2007, as evidenced by their audited financial statements. It should also be borne in mind that it is up to the exporting producers to demonstrate that they operate under market economy conditions and that the costs of their major inputs substantially reflect market values. This has not been demonstrated in this case.
- (60) Some exporting producers have also argued that even if there was a price difference between raw material prices on the Chinese domestic market and other international markets, this difference could be explained by quality differences. It is clear however, that even if some quality differences existed, they could not explain the huge price gap found for steel of similar grades used by the Chinese exporting producers and the Community and Indian producers. Moreover, the difference between Chinese prices of steel wire rod and prices on other markets, as apparent from published sources, and referring to the same type of wire rod is very significant; according to data published by the Steel Bulletin Board, Chinese domestic prices of steel wire rod were in the range of 300-350 EUR/MT in the IP whereas prices in North America, Europe and Japan ranged between 400 and 500 EUR/MT for the same quality. Data obtained and verified during the investigation at the sampled exporting producers and Community producers is in line with the above published data. Therefore it is maintained, that, even if there were any

quality differences, these could not explain the huge price difference between raw material prices found on the Chinese domestic market and those charged on other international markets.

- (61) Some exporting producers also argued that any distortions in raw material prices should be dealt with by adjusting the normal value in the dumping calculation rather than denying MET. However, in this case, given the high proportion of steel wire rod in the total cost, it is clear that Article 2(7)(c), which requires, *inter alia*, that the "*costs of major inputs substantially reflect market values*" is not met. Hence, any adjustment in the dumping calculations in order to address the distorted input costs would render Article 2(7)(c) largely meaningless.
- (62) One exporting producer group disputed the conclusion that MET should be refused also because it was found that the Chinese State (with a 47.18% shareholding) was in a position to either significantly influence or block any decisions regarding the company, and submitted evidence in this regard. In particular, it argued that decisions on prices, costs and inputs were taken by the general manager and vice general managers, appointed by the Board of Directors and not by the share-holders. Therefore it claimed that the fact that certain decisions were adopted by the shareholder meeting with a 2/3 majority was irrelevant, as none of those decisions concerned business decisions regarding prices, costs and inputs.
- (63) It is considered that the fact that the Board of Directors, appointed by the controlling shareholder, remained unchanged during the privatisation process casts doubts over the independence of the Board members vis-à-vis the State. It is also noteworthy that the composition of the Board of Directors did not reflect the proportion of shareholding in the group following the privatisation. Therefore it cannot be excluded that business decisions were indirectly influenced by the State and the company was unable to provide any evidence to the contrary.
- (64) Therefore the initial finding that MET should be denied to this group also on this ground is maintained.
- (65) A second exporting producer which was denied MET disputed the initial findings regarding its accounting standards and distortions carried over from the former non-market economy system and submitted arguments that these findings should not be a basis to deny them MET. These findings have been analysed in detail. As regards the accounting standards, it is still undisputed that the company did not comply with international and Chinese accounting standards with regard to the depreciation of a fixed asset. As regards the distortions carried over from the former non-market economy system linked to the privatisation of the company prior to the IP, the company did not submit any new evidence which would alter the initial conclusions as to the privatisation process.
- (66) Therefore the initial finding that MET should be denied to this company on these further two grounds is maintained.
- (67) A third exporting producer argued that the fact that a majority of its capital was controlled through a Trade Union did not imply that the first MET criterion was not fulfilled. However, the company could not demonstrate how the shareholders were able to exert control over the company freely and according to their share

capital, as is the case in a market economy environment. Therefore, State interference cannot be excluded. The same company disputed the finding that it had received financial support from the State on especially favourable conditions, given that its debts to the State carried a certain interest rate which was close to the prevailing market rates. However, not only was the agreed interest rate below market levels, but also the debts to the State had not been serviced in accordance with the agreed schedules. This company also claimed that only Chinese accounting standards should be used as a criterion for granting MET.

- (68) However, Article 2(7)(c) of the basic Regulation requires that companies are audited in line with international accounting standards, as mentioned above. Moreover, this company's accounting practices were also found not to be in line with Chinese accounting regulations. Their claims therefore had to be dismissed.

3.1.2. Companies granted individual examination

- (69) As mentioned above, four exporting producers not selected in the sample requested and were granted individual examination in accordance with Article 17(3) of the basic Regulation.
- (70) One producer group provided misleading information and thus the provisions of Article 18(1) of the basic Regulation were applied. MET was denied to two of the remaining three companies on the same grounds as described above for the sampled companies, i.e. they did not meet the first MET criterion under Article 2(7)(c) of the basic Regulation as costs of their major input, steel wire, did not substantially reflect international market values. As for the fourth company, MET was denied as this company did not fulfil the second and third MET criteria.
- (71) One of the companies granted individual examination disputed the finding that MET should be refused to it based on the failure to fulfil the first MET criterion, claiming that steel wire was not a main input in its production process and in addition, part of it had been sourced from sources other than Chinese steel mills. However, this company's costs in the IP were inflated by start-up costs, hence making the proportion of steel wire in the total cost appear less significant than it would be in normal circumstances. As regards the proportion of steel wire sourced from Chinese steel mills, it accounted for the majority of steel wire purchased in the IP. These claims were therefore rejected.

3.2. Individual treatment (IT)

3.2.1. Sampled companies

- (72) Pursuant to Article 2(7)(a) of the basic Regulation, a country-wide duty (if any) is established for countries falling under that Article, except in those cases where companies are able to demonstrate, in accordance with Article 9(5) of the basic Regulation, that their export prices and quantities as well as the conditions and terms of sales are freely determined; that exchange rates are carried out at market rates; and that any State interference is not such as to permit circumvention of measures if exporters are given different rates of duty.

- (73) All five exporting producers in the sample which were denied MET also claimed IT in the event that they were not granted MET. On the basis of the information available it was initially found that four of these companies met all of the requirements to be granted IT in accordance with Article 9(5) of the basic Regulation.
- (74) As disclosed to the interested parties in the information document setting out the preliminary findings of the investigation, it was initially intended not to grant IT to the fifth company on the grounds that it could not demonstrate that foreign shareholders were free to repatriate capital and profits, as required by the basic Regulation. Following disclosure of the preliminary findings, however, the company submitted additional explanations, which were confirmed during a hearing with a representative of the foreign shareholder. It is therefore accepted that there were no restrictions to the repatriation of capital and profits, and the company can thus be granted IT.
- (75) It was therefore concluded that of the nine sampled exporting producers in the PRC, IT should be granted to the following ones:
- Biao Wu Tensile Fasteners Co., Ltd.
 - Changshu City Standard Parts Factory Co., Ltd. and Changshu British Shanghai International Fastener Co., Ltd.
 - Kunshan Chenghe Standard Components Co., Ltd.
 - Ningbo Yonghong Fasteners Co., Ltd.
 - Ningbo Jinding Fastener Co., Ltd.

3.2.2. Companies granted individual examination

- (76) All of the three exporting producers denied MET also claimed IT in the event that they were not granted MET. On the basis of the information available it was found that they met all of the requirements to be granted IT in accordance with Article 9(5) of the basic Regulation.
- (77) It was therefore concluded that IT should be granted to the following three exporting producers in the PRC:
- CELO Suzhou Precision Fasteners Co., Ltd
 - Golden Horse (Dong Guan) Metal Manufactory Co., Ltd
 - Yantai Agrati Co., Ltd

3.3. Determination of normal value for the exporting producers in the PRC not granted MET

3.3.1. Analogue country

- (78) According to Article 2(7)(a) of the basic Regulation, normal value for the exporting producers not granted MET has to be established on the basis of the prices or constructed value in an analogue country.
- (79) In the Notice of Initiation, the intention was indicated to use India as an appropriate analogue country for the purpose of establishing normal value for the PRC and interested parties were invited to comment on this.
- (80) Several importers in the Community and exporting producers in the PRC opposed the choice of India, arguing that its product range is not comparable with that of the Chinese exporting producers. Most of those parties suggested using Taiwan instead.
- (81) The Commission's services actively sought cooperation from known producers of fasteners worldwide, including in Taiwan. However, none of the Taiwanese producers agreed to cooperate. Neither did any other third country producers offer to cooperate in the proceeding. By contrast, two Indian producers offered their cooperation by replying to the questionnaire intended for producers in the analogue country. The data submitted in their questionnaire replies were verified at the premises of these two companies. However only one of the companies provided sufficiently detailed data to be used as a basis for establishing normal value.
- (82) In view of the foregoing, considering the conditions of competition and openness of the Indian market, and the fact that cooperating Indian producer sold product types comparable to those exported by the PRC exporting producers, it was concluded that India was a suitable market economy third country within the meaning of Article 2(7) of the basic Regulation.

3.3.2. Normal value

- (83) Pursuant to Article 2(7)(a) of the basic Regulation, normal value for the exporting producers not granted MET was established on the basis of verified information received from the producer in the analogue country as set out below.
- (84) It was examined whether each type of the product concerned sold in representative quantities on the Indian domestic market could be considered as being sold in the ordinary course of trade pursuant to Article 2(4) of the basic Regulation. This was done by establishing for each product type the proportion of profitable sales to independent customers on the domestic market during the investigation period.
- (85) Where the sales volume of a product type, sold at a net sales price equal to or above the calculated cost of production, represented more than 80 % of the total sales volume of that type, and where the weighted average price of that type was

equal to or above the cost of production, normal value was based on the actual domestic price. This price was calculated as a weighted average of the prices of all domestic sales of that type made during the IP, irrespective of whether these sales were profitable or not.

- (86) Where the volume of profitable sales of a product type represented 80 % or less of the total sales volume of that type, or where the weighted average price of that type was below the cost of production, normal value was based on the actual domestic price, calculated as a weighted average of profitable sales of that type only.
- (87) Depending on the product type, normal value was established based on weighted average sales prices of all sales or weighted average sales prices of profitable sales only, on the domestic market of the analogue country based on the verified data of one producer in that country.
- (88) One of the companies granted individual examination and some importers claimed that the normal value obtained from a single producer in India, which allegedly does not produce similar types of fasteners as the company in question, would not provide for the best basis for a proper comparison. Therefore it suggested that, as provided for by Article 2(7)(a) of the basic regulation, the normal value should be calculated "on any other reasonable basis", in this case on the basis of the exporters' own figures, adjusted for the alleged distortions in raw material costs.
- (89) The above claim was rejected, since it was found that the Indian producer, as mentioned in point (82), also sold types of fasteners which were comparable to those exported by the PRC exporting producers. In addition, as explained in point (94) below, appropriate adjustments affecting price comparability were made to the normal value.

3.3.3. Export prices

- (90) In all cases where the product concerned was exported to independent customers in the Community, the export price was established in accordance with Article 2(8) of the basic Regulation, namely on the basis of export prices actually paid or payable.
- (91) As regards two exporting producers, all or part of their export sales to the Community were made via related companies located in the Community and subsequently resold to unrelated companies in the Community. In these cases the export price was constructed, pursuant to Article 2(9) of the basic Regulation, on the basis of the price at which the imported products were first resold to an independent buyer, duly adjusted for all costs incurred between importation and resale, and profits. The profit margin was established on the basis of the information available from cooperating unrelated importers.

3.3.4. Comparison

- (92) The normal value and export prices were compared on an ex-works basis. For the purpose of ensuring a fair comparison between the normal value and the export

price, due allowance in the form of adjustments was made for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation.

- (93) The price comparison between the fasteners exported from the PRC and those sold on the Indian market by the Indian cooperating producer was made by distinguishing between standard and special fastener types.
- (94) In addition, based on evidence collected on the spot, the quality control procedures applied by the Indian producer whose data was used for establishing the normal value were more advanced than those observed at the Chinese cooperating exporting producers who produced and exported mainly standard types of fasteners. In these cases an adjustment based on the cost of quality control found at the Indian producer was made to the Indian normal value
- (95) In addition to the above, appropriate adjustments concerning transport, insurance, handling and ancillary costs, packing, credit, and bank charges were granted in all cases where they were found to be reasonable, accurate and supported by verified evidence.

3.4. Dumping margins

3.4.1. For the sampled cooperating exporting producers granted IT

- (96) For the four sampled companies granted IT, dumping margins were established by comparing the weighted average normal value established for the Indian producer who cooperated fully with each company's weighted average export price to the Community, as provided for in Article 2(11) of the basic Regulation.
- (97) The sample average was calculated as a weighted average of the dumping margins of all five co-operating sampled companies, with or without IT, in accordance with Article 9(6) of the basic Regulation.
- (98) The definitive dumping margins, expressed as a percentage of the CIF import price at the Community border, duty unpaid, are the following:

Company	Dumping margin
Biao Wu Tensile Fasteners Co., Ltd.	69,9%
Changshu City Standard Parts Factory and Changshu British Shanghai International Fastener Co., Ltd.	63,1%
Kunshan Chenghe Standard Components Co., Ltd.	93,2%
Ningbo Jinding Fastener Co., Ltd.	74,5%
Ningbo Yonghong Fasteners Co., Ltd.	105,3%

Cooperating exporting producers not selected to form part of the sample	78,1%
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3.4.2. For the cooperating exporting producers granted individual examination

- (99) Dumping margins were established as described above, in point (98).
- (100) The definitive dumping margins, expressed as a percentage of the CIF import price at the Community border, duty unpaid, are the following:

Company	Dumping margin
CELO Suzhou Precision Fasteners Co., Ltd	0,0%
Golden Horse (Dong Guan) Metal Manufactory Co., Ltd	26,5%
Yantai Agrati Co., Ltd	0,0%

3.4.3. For all other exporting producers

- (101) In order to calculate the country-wide dumping margin applicable to all other exporters in the PRC, the level of cooperation was first established. The degree of cooperation can be considered low, i.e. approximately 53% of total imports from the PRC. Therefore the dumping margin for the non-cooperating companies was established as an average of the value found from Eurostat data and the highest margins found for product types sold in a representative quantity by the cooperating exporting producer with the highest dumping margin.
- (102) On this basis the country-wide dumping margin amounts to 115,4% of the CIF Community frontier price, duty unpaid.

4. INJURY

4.1. Community production

- (103) The investigation established that the like product is manufactured by a high number of producers in the Community, estimated at over 300 mostly small and medium-sized enterprises but including a few larger companies. A majority of Community producers did not make themselves known following the publication of the Notice of Initiation. The complaining producers on whose behalf the complaint was lodged co-operated with the investigation, although one of the companies, selected in the sample, did not provide sufficient information during the on-spot verification to be considered as cooperating. This company was therefore excluded from the data relating to the Community industry. A number of other producers, either supporting or opposing the complaint, supplied general data on their volume of production and sales. Since many producers in the Community, mostly small enterprises, did not cooperate with the investigation, it

was not possible to define precisely the total volume of Community production on the basis of individual company data.

- (104) Consequently, the volume of Community production has been estimated by using Eurostat industrial production data. Based on this data, the total Community production in 2006 was found to be 1.431.602. MT.

4.2. Definition of the Community industry

- (105) The production of the Community producers that supported the complaint and fully cooperated in the investigation represents 27,0 % of the production of the product concerned in the Community. It is therefore considered that these companies constitute the Community industry within the meaning of Articles 4(1) and 5(4) of the basic Regulation.
- (106) It was alleged by some Community importers and exporting producers, and confirmed by the investigation, that a number of the co-operating Community producers, in addition to their own manufacturing facilities in the Community had also imported significant quantities of the product concerned from the PRC for resale on the Community market.
- (107) Moreover, it was argued that three of the co-operating Community producers had partly relocated their production by establishing production sites in the PRC and that, therefore, should be excluded from the standing calculation. However, it was found that the Chinese subsidiaries of these producers were established predominantly to serve the PRC market and the centre of interest of these companies had remained in the Community.
- (108) As far as the volume of imports by the co-operating manufacturers in the Community is concerned, the investigation revealed that some companies imported relatively low quantities of the product concerned originating in the PRC, when compared to the sales of their own production in the Community. Those sales, through related and unrelated companies, were in much lower quantities than what was alleged by the aforementioned parties.
- (109) The investigation revealed that the centre of interest of these companies was undoubtedly in the Community, and that despite their imports from the PRC they should all be considered as part of the Community production.

4.3. Community consumption

- (110) Community consumption in 2006 was established on the basis of the total production volume reported to Eurostat by the Member States authorities, plus imports and minus exports. The apparent consumption was found to be in line with that mentioned in the complaint. Therefore, in the absence of any other information, the data found in the complaint for 2004-2005 were also used. For the years between 2003 and the IP the import and export volumes were based on Eurostat data. For 2003 no data were available and therefore an estimate of the Community consumption and market shares was not possible.

- (111) On the basis of these data, it was found that between 2004 and the IP demand for the product concerned in the Community increased by 29%.

Sources: Eurostat, Comext, complaint	2003	2004	2005	2006	IP
Community consumption (MT)	N/A	1.761.838	1.744.473	2.104.425	2.272.981
<i>Index 2004 = 100</i>	<i>N/A</i>	<i>100</i>	<i>99</i>	<i>119</i>	<i>129</i>

4.4. Imports into the Community from the country concerned

4.4.1. Volume and market share of imports concerned

- (112) The volume of imports from the PRC was obtained from Eurostat data. In terms of volume and market share, the evolution of imports from the PRC has been the following:

Source : Eurostat	2003	2004	2005	2006	IP
Import volumes from PRC (MT)	216.085	295.227	387.783	485.435	601.887
Index	<i>100</i>	<i>137</i>	<i>179</i>	<i>225</i>	<i>279</i>
Market share PRC	N/A	17%	22%	23%	26%

- (113) While consumption of the product concerned increased by 29% between 2004 and the IP, imports from the PRC rose continuously, by 103% during the same period. Consequently, the market share of the PRC during the period considered increased from 17% to 26% in the same period.

4.4.2. Prices of imports and undercutting

- (114) The following table shows the development of average import prices from the PRC. Over the period considered, these prices remained fairly stable, with a slight increase until 2005 and a decrease in 2006.

Source : Eurostat	2003	2004	2005	2006	IP
Import prices from the PRC EUR/MT	938,70	968,11	992,56	931,30	958,28
<i>Index</i>	<i>100</i>	<i>103</i>	<i>106</i>	<i>99</i>	<i>102</i>

- (115) Concerning the selling price on the Community market of the product concerned during the IP, a comparison was made between the prices of the sampled Community producers and those of the sampled exporting producers in the PRC. The relevant sales prices of the Community industry were those to independent customers, adjusted where necessary to an ex-works level, i.e. excluding freight costs in the Community and after deduction of discounts and rebates. These prices

were compared with the sales prices charged by the Chinese exporting producers net of discounts and adjusted where necessary to CIF Community frontier prices with an appropriate adjustment for the customs clearance costs and post-importation costs. Given that the Community industry sells its production both to distributors and end-users, whereas the Chinese goods are sold via related or unrelated importers and/or traders, an adjustment to the import price was made where appropriate to ensure that the comparison is made at the same level of trade.

- (116) As mentioned above, Community importers and exporting producers submitted that the Chinese products are mostly standard fasteners of basic quality, while the Community industry tends to cater to the most expensive fasteners market segments. Therefore, it was claimed that any price comparisons based on average prices would be misleading. In this respect, it should be noted that the undercutting margin was established on the basis of company data by product type, which takes into consideration the characteristics of the products being compared. In particular, a similar method was used as the one described in points (93) and (94) and standard fasteners, which constitute the vast majority of the Chinese exports, were distinguished from special fastener types.
- (117) The comparison shows that, during the IP, imports of the product concerned were sold in the Community at prices which undercut the Community industry's prices, when expressed as a percentage of the latter, by an average of more than 40 %.

4.5. Situation of the Community industry

- (118) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports from the PRC on the Community industry included an analysis of all economic factors and indices having a bearing on the state of the industry from 2003 to the IP. The analysis of the situation of the Community industry was carried out for the sampled companies as mentioned above, except for production, sales, market share, employment and productivity, where the figures are for the total Community industry and are based on the information provided by the co-operating Community producers.

4.5.1. Production, production capacity and capacity utilisation

- (119) The evolution of production, production capacity and capacity utilisation for the Community industry was the following:

Total Community Industry	2003	2004	2005	2006	IP
Production in volume (MT)	379.354	407.185	371.884	387.057	403.040
<i>Index</i>	100	107	98	102	106
Production Capacity (MT)	712.567	726.171	731.200	742.901	768.689
<i>Index</i>	100	102	102	104	108
Capacity utilisation (%)	53%	56%	51%	52%	52%

- (120) Despite the significant increase in demand of 29% between 2004 and the IP, the Community industry's production volume fluctuated throughout the period considered and was only 6% higher in the IP compared to 2003.
- (121) Production capacity grew only slightly over the period considered, which means that capacity utilisation remained at a very low level of 52 to 53% throughout the period. Some Community importers claimed that the figures regarding production capacities had been overestimated, for example by assuming continuous production (24 hours/365 days) or by underestimating the time necessary to switch the tooling for new production types or by including old equipment. However, capacity was calculated on the basis of 3 shifts on 220 days, with due regard to the production bottlenecks which in most cases were found to be in the heat treatment line. The number of cold forging machines available has been verified, and the average time needed to adapt the tooling to new production batches (which can range between 2 hours and 12 hours) has been taken into account in the calculation of the capacity available.
- (122) The evolution of production and capacity indicators of the Community industry can be explained as follows:
- The Community industry maintained or tried to improve its presence into the market segments of higher quality product (special products), which command a higher unit price, but are also produced in smaller quantities.
 - The Community industry had therefore to upgrade their equipment and adapt production patterns in order to produce these more specialised product types, which explains the slight increase in overall capacity and also the high percentage of idle capacity, previously dedicated to the production of standard types.
- (123) Community unrelated importers also argued that, had the Community producers additionally produced the equivalent quantities that were imported from the PRC in the period considered, the impact upon capacity utilisation would have been very small and it would have remained below 60%. In this respect, it should be noted that the quantities imported from the PRC during the period considered are significant as they represent about 26,9% of the total Community production in 2006. Consequently, the positive effect on capacity utilisation would have been more significant than alleged if these quantities had been produced in the Community, for which the capacity was available.

4.5.2. Stocks

- (124) The figures below represent the Community industry's volume of stocks at the end of each period.

Sampled Community Industry	2003	2004	2005	2006	IP
Stock in volume of finished goods	78.722	82.275	77.293	72.360	74.859
<i>Index</i>	100	105	98	92	95

- (125) Stocks decreased by 5 % during the period considered, despite the 7% increase in production. This is mainly related to the decreasing share of standard products in the Community industry's portfolio. However, considering that the production of the like product in the Community is predominantly by order, the level of inventories is not considered to be a very meaningful indicator for this product.

4.5.3. Sales, market share, growth and average unit prices in the Community

- (126) The figures below represent the Community industry's sales to independent customers in the Community.

Total Community industry	2003	2004	2005	2006	IP
Sales of the Community industry in the Community (000 €)	722.974	739.563	754.101	816.532	874.380
<i>Index</i>	100	102	104	113	121
Sales of the Community industry in the Community (MT)	338.417	383.625	351.296	378.650	377.966
<i>Index</i>	100	113	104	112	112
Unit selling price of the Community industry in the Community (€/MT)	2.136	1.928	2.147	2.156	2.313
<i>Index</i>	100	90	100	101	108
Market share of Community Industry in (MT)	N/A	22%	20%	18%	17%
<i>Index</i>	N/A	100	92	83	76

- (127) The sampled companies' sales volumes increased by 12 % during the period considered and by 21% in value as a result of the increasing share of special products based on customers' drawings.
- (128) At the same time, it was found that average sales prices to unrelated buyers in the Community market increased during the period considered. This price increase should be seen in the light of the significant increase in raw material prices and the fact that the Community industry has concentrated its efforts on the higher segment of the market (special products) which was less affected by the dumped imports. High quality products, meeting specific needs from the customers, as opposed to standard products, are generally more expensive on a unit-selling price basis. Hence, the increase in sales prices reflects both the increase in raw material costs but also the changes in the product range produced by the Community industry.
- (129) For the period considered, the increase in sales of the Community producers was only 21%. At the same time, Community consumption increased by 29% meaning that the Community industry was unable to take advantage of the increase in Community consumption and thus that the market share of the Community producers declined by 24% in less than 3 years. In all likelihood the drop in the

Community producers' market share, if calculated for the whole period considered (i.e. including 2003), would be even higher.

- (130) It was thus found that the Community industry could not benefit from the growth of the market resulting from the increase in Community consumption as dumped imports from the PRC deprived Community producers of the opportunity to continue production of standard products on a larger scale.

4.5.4. Profitability and cash flow

Sampled Community industry	2003	2004	2005	2006	IP
Profitability of sales of the like product in the Community	2.1%	4.7%	3.4%	2.9%	4.4%
Cash flow from sales of the like product in the Community 000€	60,772	69,501	80,874	73,372	65,200
<i>Index</i>	100	114	133	121	107

- (131) The levels of profits from the sale of the like product by the Community industry fluctuated throughout the period considered while only reaching moderately positive levels.
- (132) Profitability was at its lowest level in 2003 (2.1%) but it has since improved, which is linked partly to the efforts of the Community industry to reduce manufacturing costs and increase productivity and the fact that they concentrated their efforts on the supply of high quality products generating higher revenues than standard products, the former being less affected by dumped imports from the PRC than the latter.
- (133) It should be noted that the overall positive profitability during the period under consideration coincided with an expanding market during a expansion phase of the economic cycle which took place during 2004 and beginning of 2008, and it is likely to deteriorate significantly when these trends are reversed. Indeed, as a widespread industrial product, fasteners are highly sensitive to the variations of the general economic situation and the industrial production in particular.
- (134) The evolution of the cash flow from the sales in the Community of the like product increased by 33% up to 2005, but returned in the IP to close to its initial level.

4.5.5. Investments, return on investments, and ability to raise capital

- (135) The production of fasteners is relatively capital intensive. The Community industry has argued that the optimisation of production is needed to respond to a more and more challenging market environment. In order to achieve this flexibility, the Community industry has maintained relatively high levels of investment, which has declined somewhat during the period considered but still remains at a significant level. This investment was mainly for the purchase of new machinery to optimise production.

Sampled Community industry	2003	2004	2005	2006	IP
Total investments in the PC (000 EUR)	35,294	23,965	31,373	30,634	31,442
<i>Index</i>	100	68	89	87	89

- (136) During the period considered, the return on investment, expressed as a percentage of net sales, increased by 7 percentage points between 2003 and the IP. This was explained by the fact that the Community industry has tried to maximise the use of its existing production capacities without making large scale investments. As shown during the investigation, all sampled producers have developed their internal tooling resources so as to adapt their production facilities to their new customer base (special products based on customers' drawings).

Sampled Community industry	2003	2004	2005	2006	IP
Return on investment	6%	16%	12%	12%	13%

- (137) No evidence was found in respect of a reduced or increased ability to raise capital over the period considered.

4.5.6. *Employment and productivity*

- (138) The evolution of employment, productivity and labour costs in the Community industry were as follows:

Total Community industry	2003	2004	2005	2006	IP
Number of employees	5.600	6.353	6.359	6.272	6.257
<i>Index</i>	100	113	114	112	112
Productivity (MT/employee)	68	64	58	62	64
<i>Index</i>	100	95	86	91	95

- (139) The Community industry increased its number of employees between 2003 and the IP. This was a result of both an effort to maintain production volume and production of more diversified complex products requiring a constant flexibility of tooling and machineries. The results of this strategic process within the Community industry was also reflected in productivity, which remained stable during the period considered although they had to adapt to their new customer base (special products based on customers' drawings) requiring more human resources.

4.5.7. *Wages*

- (140) Average wage levels increased moderately during the period considered.

Total Community industry	2003	2004	2005	2006	IP
Labour costs per employee for the PC	30.478	32.042	32.089	34.232	35.662
<i>Index</i>	<i>100</i>	<i>105</i>	<i>105</i>	<i>112</i>	<i>117</i>

4.5.8. Magnitude of the actual margin of dumping and recovery from past dumping

- (141) As indicated in point above, the dumping margins found are clearly above *de minimis*. Furthermore, given the volume and the price of the dumped imports, the impact of the actual margin of dumping cannot be considered negligible.
- (142) The Community is not recovering from the effects of past dumping since no investigations have been carried out prior to the current one.

4.5.9. Conclusion on injury

- (143) Between 2003 and the IP the volume of dumped imports of the product concerned from the PRC increased by almost 180 %, reaching a 26 % market share in the IP. Moreover, in the IP, the sales prices of the Community industry were substantially undercut by those of the dumped imports of the product concerned. On a weighted average basis, price undercutting was over 40%.
- (144) At the same time, while the Community consumption increased by 29 %, the sales volume of the Community industry only increased by 16,8 %. Its market share fell by 6,8 % and it could not fully pass on the global increase in raw material prices to its customers, resulting in continuing low levels of profitability.
- (145) As a consequence, production did not increase at the same pace as Community consumption, and capacity utilisation remained very low, at around 50%, during the period considered. This has also had a negative impact on profitability, as it kept the industry from fully taking advantage of economies of scale.
- (146) The impact of the dumped imports upon the profitability of the Community industry was somewhat mitigated during the period under consideration by the Community market expansion and the favourable economic cycle. However, this situation could be reversed when this cycle comes to an end.
- (147) Notwithstanding the industry's considerable efforts to maintain production volume, through flexible production throughout the period considered and its continuing efforts to increase productivity and competitiveness, its profitability, cash flow and return on investment did not reflect the continuing increase of the Community demand for the product concerned. This trend could severely impact the Community industry's capacity to maintain the production of high quality parts.
- (148) Subsequent to the disclosure of the information document, exporting producers in China and the Community importers argued that since some indicators such as sales volume, prices, and profit show a positive evolution during the period

considered, it should be concluded that the Community industry has not suffered material injury.

- (149) The Community industry, on the other hand, has argued that the current low levels of profitability are increasingly affecting its ability to maintain and improve the production equipment at a level which would allow them to maintain a significant presence in the higher end of the market. Hence, the loss of high production volumes of standard products is also affecting the Community industry capacity to continue to provide high quality products.
- (150) The investigation has since confirmed that material injury resulted from the significant displacement of Community products by Chinese imports in some important market segments, with a negative impact on capacity utilisation and profitability, although this impact has been somewhat attenuated by the fact that the industry managed to compensate lower production volumes by focusing on market segments and products generating higher revenues.
- (151) In the light of the foregoing, it is concluded that the Community industry suffered material injury within the meaning of Article 3 of the basic Regulation.

5. CAUSATION

5.1. Preliminary remark

- (152) In accordance with Articles 3(6) and (7) of the basic Regulation, it was examined whether there was a causal link between the dumped imports from the PRC and the material injury suffered by the Community industry. Known factors other than the dumped imports, which could at the same time have injured the Community industry, were also examined to ensure that the possible injury caused by these other factors was not attributed to the dumped imports.

5.2. Effect of the imports from the PRC

- (153) Between 2004 and the IP, the apparent Community consumption increased by 29% (in volume), while the Community producers' sales only increased by 17%. The Community producers therefore lost over 6,8 percentage points of market share in the same period.
- (154) Community unrelated importers argued that if sales were expressed in value rather than quantities, the picture would be significantly different, as the unit selling price of Community produced fasteners is significantly higher than PRC products and has increased during the period considered. However, when analysing the impact of low-priced imports on the Community market, it was considered appropriate, in line with past practice, to assess import trends and market shares primarily by volumes and not values. Sales values furthermore are affected by changes in the product mix, as is the case here where the Community industry moved to higher value products. Finally, it should be noted that trends in sales are only one of the injury factors and is not decisive as such.

- (155) The significant increase in the volume of the dumped imports from the PRC by over 170 % between 2003 and the IP and of their market share in volume of the Community market from 17% to 26% between 2004 and the IP coincided with the continuously declining loss of market share of the Community producers.
- (156) In the period considered, the prices of the dumped imports remained relatively stable and low, in spite of the increase in raw material prices experienced at a world wide level. Unlike PRC exporters, the selling prices applied by Community producers followed the upward trend in raw material costs.
- (157) In reaction to the increasing quantities of imports of standard products originating in the PRC, the Community industry has developed its production activities of special parts (based on drawings from customers), thus managing to maintain its production volumes and avoid a further deterioration of profitability. However, these products, belonging to the higher end of the market cannot fully compensate for the loss of high volumes of production of standards products.
- (158) In addition, the prices of the dumped imports significantly undercut those of the Community industry exerting a strong downward pressure at a time when the costs of raw materials increased significantly. The investigation showed that the Community industry was not in a position to pass on all cost increases to its customers due to the fierce price pressure exerted by the significant volumes of dumped products imported from the PRC. This led to a lack of sufficient levels of profitability, and low return on investment and cash flow.
- (159) A number of exporters, importers and their associations submitted that the Chinese exports are not in competition with the Community industry products since they are in different, and complementary, product categories. While it seems to be the case that Chinese exports during the IP were concentrated in some market segments such as standard screws and bolts, it should be borne in mind that there is nevertheless a significant market overlap between products produced and sold by the Community industry and Chinese exporters, and that this is a dynamically evolving situation. The Community industry has already lost most of its market share to imports in some market segments, but it could also lose the market in its current strong products, if the present trends continue.
- (160) Moreover, Eurostat data showed substantial quantities of production in the Community for each CN code, in competition with imports from the PRC. Some importers have argued that although there is Community production in all CN codes, this is not the case for some product types and qualities within each CN code. However, no data were provided to support this statement. Moreover, as shown in section D.5.1, Community producers are currently using about one-half of their production capacity, and are technically capable of producing all kinds of fasteners if justified by market conditions.
- (161) It is therefore concluded that the pressure exerted by the dumped imports, which significantly increased their volume and market share from 2003 onwards, and which were made at dumped prices, played a determining role in the injury suffered by the Community industry.

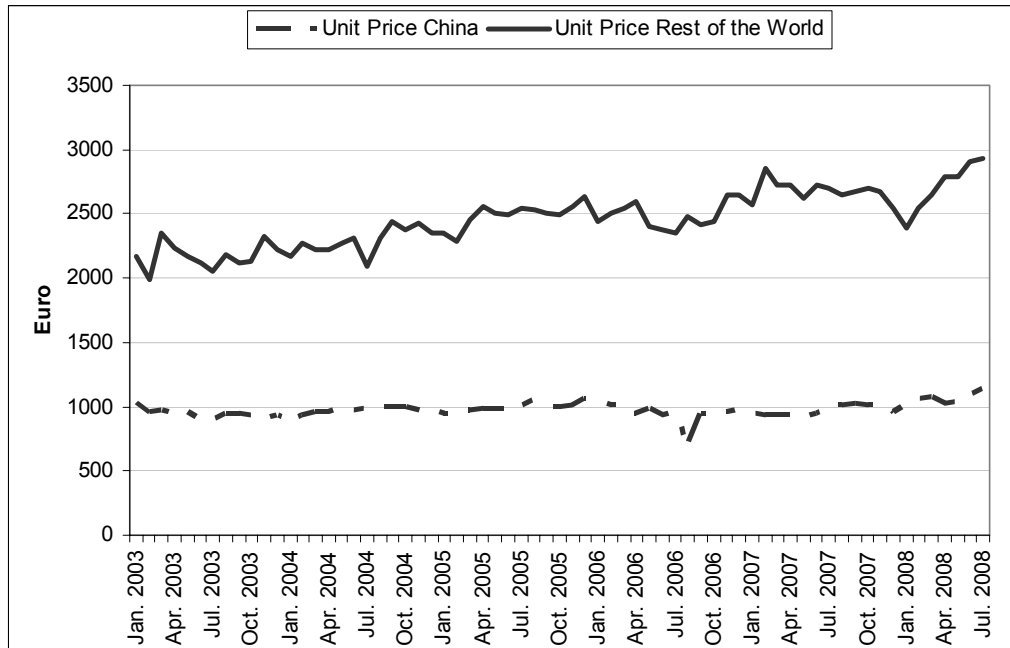
5.3. Effect of other factors

5.3.1. Imports from other third countries

(162) As mentioned above, the PRC was the most significant exporter of the like product to the Community market during the period considered. The share of imports from the PRC of the product concerned out of the total imports from the rest of the world increased by 20% during the period considered reaching 61% at the end of the IP.

Source : Comext	2003	2004	2005	2006	IP
Total imports from the rest of the world (excluding PRC) - MT	321.059	337.402	306.525	359.860	391.590
<i>Index</i>	<i>100</i>	<i>105</i>	<i>95</i>	<i>112</i>	<i>122</i>
Total imports from the rest of the world (excluding PRC) - 000 EURO	725.264	799.161	825.250	929.873	1.052.993
<i>Index</i>	<i>100</i>	<i>110</i>	<i>114</i>	<i>128</i>	<i>145</i>
Unit Price: (EURO/MT)	2.258	2.368	2.692	2.583	2.689
<i>Index</i>	<i>100</i>	<i>105</i>	<i>119</i>	<i>114</i>	<i>119</i>
Share of PRC Imports out of Total rest of the world (%)	40,23%	46,67%	55,85%	57,43%	60,58%

(163) Furthermore, as shown in the graph below (*source: Comext*), it was found that the average unit selling prices (in Euro) of imports from the rest of the world did not follow the same trend as imports from the PRC, as the former increased by 19% during the period considered against 2% for the imports from the PRC. The average unit price (in Euro) per MT of the rest of the world was 180% higher than the average unit price per MT imported from the PRC.



(1)

(164) Accordingly, it is considered that imports originating in other third countries could not have contributed to the injury suffered by the Community industry. More specifically, the table below which includes information for the main exporting countries, namely Taiwan, Japan and the United States of America, shows exactly the same trends as for the Rest of the World.

Source: Comext	2003	2004	2005	2006	IP
Taiwan (MT)	171.770	180.176	160.765	169.777	186.901
Japan (MT)	22.392	17.289	21.735	52.056	56.852
USA (MT)	6.537	6.132	6.059	7.254	7.459
<i>Index (aggregated)</i>	<i>100</i>	<i>101</i>	<i>94</i>	<i>114</i>	<i>125</i>
Aggregated Unit Price: (EURO/MT)	2.238	2.297	2.626	2.456	2.510

5.3.2. Export performance of the Community industry

(165) It was also examined whether or not the exports of the Community industry to non-Community countries may have contributed to the injury suffered during the period considered. Exports to non-Community countries represented only around 11% of the Community industry's production of the like product in 2006. These exports increased by about 81% between 2003 and the IP. Furthermore, these exports were consistently made at prices significantly above sales prices on the Community market. It is therefore concluded that the export performance to third countries was not a source of material injury to the Community industry.

	2003	2004	2005	2006	IP

Community Exports to the Rest of the World for the PC (MT)	114.211	135.656	149.463	171.240	197.722
<i>Index</i>	<i>100</i>	<i>119</i>	<i>131</i>	<i>150</i>	<i>173</i>
Community Exports to the Rest of the World for the PC (000 EUR)	513.286	611.366	683.624	825.528	927.644
<i>Index</i>	<i>100</i>	<i>119</i>	<i>133</i>	<i>161</i>	<i>181</i>
Unit Price: (EURO/MT):	4.494	4.,506	4.573	4.820	4.691

5.3.3. Increase in raw material prices

- (166) While the evidence available points to some increase of steel prices in the Community during the IP, it appears that these increases were not the decisive factor behind the deterioration of the situation of the Community industry. This deterioration was rather due to the loss of market share as pointed out above in point (x). The investigation revealed that the increased average unit selling prices during the period considered were mainly due to the increase of the share of special types in the product mix of the Community industry as these types are more costly to manufacture.
- (167) However, the Community industry could not increase its sales prices sufficiently to make up for the cost increase generated by the production of high end products. This inflexibility in prices was caused by the simultaneous surge of dumped imports originating in the PRC, at prices significantly undercutting those of the Community industry. Under these circumstances it has to be concluded that the Community industry was exposed to heavy price pressure by these dumped imports and consequently had no possibility to compensate fully for the increase in costs by increasing its sales prices.
- (168) Finally, it should be noted that the increase in raw material prices should have affected all operators in the market, including the Chinese exporting producers and can therefore not be considered as a particular factor causing injury to the Community industry, especially since the unit selling prices of the product concerned originating in the PRC remained stable despite the increase of raw material prices.
- (169) Based on the above, it is concluded that the increase in prices of raw materials *per se* would not break the causal link between dumped imports from the PRC and the injury suffered by the Community industry.

5.3.4. Conclusion on causation

- (170) The injury in this case mainly takes the form of loss of potential sales volume in a growing market and market share. The resulting price depression and loss of economies of scale due to low capacity utilisation led to an insufficient level of

profitability despite the favourable general economic conditions which have prevailed during the period considered.

- (171) The investigation has shown that the lack of improvement regarding the situation of most injury indicators of the Community industry coincided with a sharp increase in import volumes and market share from the PRC and a substantial price undercutting by these imports. It was also found that imports originating in other third countries could not have contributed to the injury suffered by the Community industry since the average import prices are significantly higher than the PRC imports prices and the market share of non PRC imports has decreased compared to PRC imports in the Community.
- (172) The positive evolution of exports of the Community industry to non-EC countries means that the potential effect of that evolution cannot break the causal link between dumped imports from the PRC and the injury suffered by the Community industry.
- (173) Furthermore, although raw material prices experienced an unprecedented increase in the period considered, this should have affected all operators in the market and, moreover, the time pattern of the injury indicators does not suggest that this was the main cause of the injury suffered by the Community industry.
- (174) It is therefore concluded that the dumped imports originating in the PRC have caused material injury to the Community industry within the meaning of Article 3(6) of the basic Regulation.

6. COMMUNITY INTEREST

6.1. General considerations

- (175) Pursuant to Article 21 of the basic Regulation, it was investigated whether compelling reasons exist that could lead to the conclusion that it would not be in the Community interest to impose anti-dumping measures on imports from the country concerned. Questionnaires were sent to all importers, traders and industrial users which were mentioned in the complaint. Replies to the questionnaire were received from seven importers, and some information was also received from industrial users.

6.2. Interest of the Community industry

- (176) The imposition of measures is expected to prevent further distortions and restore fair competition on the market. The Community industry is a competitive and viable industry; this is evidenced by the fact that it can export a variety of products in strongly competitive world markets. Thus, the imposition of measures should allow it to reach reasonable capacity utilisation levels, and improve its financial situation. This will also allow it to continue investments in technology and modernise its production facilities, thus guaranteeing the Community industry's survival.

- (177) On the other hand, should anti-dumping measures not be imposed, it is likely that the situation of the Community industry would deteriorate. It would not be able to carry out the necessary investments in order to compete effectively with the imports from third countries and in particular the PRC. This will force some companies to cease production and lay off their employees in the near future. With the closure of the Community production, the Community industry in a number of downstream sectors would become more dependent on suppliers outside the Community.
- (178) Accordingly, it is concluded that the imposition of anti-dumping measures would allow the Community industry to recover from the effects of injurious dumping suffered and that it therefore is in the interest of the Community industry.

6.3. Interest of unrelated importers/traders in the Community

- (179) Seven importers selected in the final sample (see points (27) above) cooperated in the investigation by submitting a questionnaire reply. These seven importers represent about 15% of the total imports of the product concerned into the Community during the IP. However, one importer did not accept a verification visit and information regarding this company had to be disregarded. For the importers who fully cooperated, the product concerned represents a significant part of their turnover. It was found that, on average, the profitability for the product concerned is higher than the companies' general profitability. A surge of imports of the product concerned by these importers during the period considered could be observed, as well as a diminution of purchases from Community producers.
- (180) In several submissions received from Community unrelated importers, it was claimed that should measures be imposed, the negative impact would be twofold: a) absence of sufficient capacities in the Community, if any, to maintain the same level of supply of the product concerned, and b) increased prices of the product concerned, which could not be passed on to the final customers, leading to a loss of profitability by the importers. The investigation revealed that the product concerned is only a limited part of the product range offered by Community unrelated importers, the rest being purchased mostly in the Community. Furthermore, in order not to rely on a single source, the Community importers are purchasing the same types of product from Community and PRC producers alike, albeit buying the largest quantities from PRC exporting producers. In addition, it was found that Community importers still rely on Community producers for the supply of small quantities of the product concerned in order to meet short term needs from customers and continue to offer a complete product range. Community importers could not provide any convincing evidence to prove that Community producers could not meet the demand for all types of fasteners, whether standard or corresponding to specific customers' needs. The investigation also revealed that Community importers are increasingly offering additional special logistic services to their customers in addition to the simple supply of fasteners. Therefore, eventual measures which would only be applied to a limited portion of the product range would have an even more limited impact since the provision of logistic services is generating new costs and revenues. Hence, should measures be imposed, Community importers could still offer the same level of services to their customers given the significant and diversified production

capacities available in the Community with no significant impact on the Community importers' profitability.

- (181) The investigation revealed that the six Community unrelated importers visited significantly increased their purchases of PRC products during the period considered and this had particularly positive effects on the profitability of their sales of fasteners. On average the profit margin for the product concerned was found to be superior to their overall profit and close to 10% in average. The overall profitability for the six Community unrelated importers visited was also found to be positive in all cases, ranging between 5 and 10% and would likely remain positive even following the imposition of measures.
- (182) The product mix offered by these companies is very wide and the product concerned only represents a portion of it. Furthermore, importers continue to purchase the product concerned from Community producers and import from other third countries in order not to rely totally on the supply from PRC producers, but also to respond to short term needs. Since the importers are diversifying their sources of supply between Community and Far East producers in order to offer the widest possible product mix to their customers, it can be considered that the consequences of the eventual existence of an anti-dumping measure on one exporting country should not be such as to prevent them from continuing to offer the same products whilst maintaining comfortable profit margins.

6.4. Interest of users and consumers

- (183) Questionnaires intended for users were sent to 16 companies or groups of companies. Only three responses were received. Two car manufacturers indicated that they were not concerned by the current proceeding, as they did not directly purchase the product concerned from the PRC and they did not know the situation with regard to their suppliers. Given their specific requirements, it appears that the automotive industry in the broad sense (i.e. including car manufacturers and all their parts suppliers) is for the moment sourcing the product concerned mainly in the Community.
- (184) The third response was sent by Verband der Automobilindustries ("VDA") - German vehicle manufacturers' association, in which it is stated that VDA's members are mainly purchasing the product concerned from Community producers, thus confirming the statements made by the two users mentioned above. However, VDA opposes the imposition of antidumping measures on the grounds that its members have an interest in keeping as many alternative sources of supply as possible. In this respect, it is recalled that it is not the purpose of the measures to close the Community market to third country suppliers, but only to restore competition to a level playing field. Even with the anti-dumping measures proposed, the number of players from the Community, the PRC and other third countries is expected to be sufficient to ensure a competitive supply of fasteners to the Community automotive industry.
- (185) None of the users contacted reacted to the disclosure of the information document. Therefore, there was no indication that users' interests would be significantly affected. Indeed, on the basis of the information available on the file,

fasteners, in most of the cases, only constitute a small part of the total production cost and the anti-dumping duties would not have a major impact on the costs and the competitive situation of those industries.

6.5. Interest of steel suppliers

- (186) Eurofer has claimed that the upstream Community steel industry i.e. Community producers of wire-rods and bars for cold-heading applications, have faced a deterioration of their capacity utilisation between 2004 and 2007, allegedly due to both direct import pressure in their product range and the erosion of their downstream markets by unfair competition. Hence, this organisation claimed that Community producers of wire-rods and bars for cold-heading applications also have available capacity to serve the Community producers of the product concerned.
- (187) Shortly afterwards, this claim was echoed by two producers of steel wire based in Spain and the Czech Republic. According to these companies, there is enough capacity in the Community to cater for an eventual increase of the Community production of the product concerned.
- (188) On the basis of the above, it is concluded that the imposition of measures would be in the interest of the raw material suppliers in the Community.

6.6. Competition and trade distorting effects

- (189) Several importers, exporters and their associations claimed that the imposition of measures would lead to a reinforcement of the allegedly dominant position of the two largest Community producers.
- (190) In this respect, it was found that there is a large number of producers in the Community, as well as imports from various other third countries which will ensure that users and retailers will continue to have a wide choice of different suppliers of the like product at reasonable prices. Furthermore, it is considered that the exporting producers in the PRC will be able to continue to sell the product concerned, albeit at non-injurious prices, as they have a strong market position in the Community.
- (191) Thus, there will be a significant number of actors in the market, which will be able to satisfy the demand. On the basis of the above, it is therefore concluded that competition will most likely remain strong after the imposition of anti-dumping measures.

6.7. Developments after the IP

- (192) Several importers, exporters and their associations submitted that after the IP, due to developments in raw material costs, the market situation in the PRC and the increase in transport costs, the prices of the imports of the product concerned have increased sharply. It has been claimed that this would lead to significantly lower levels of dumping and injury, making the imposition of measures no longer appropriate.

- (193) It should be noted that developments of global commodity prices, energy etc. affect all actors in the market in a similar way, and therefore would not *per se* lead to lower levels of dumping or undercutting as found during the IP.
- (194) However, according to the last available statistical data, imports from the PRC during the first half of 2008 are showing only a small increase in unit price compared to the previous year, despite the sharp increase in international steel prices. Furthermore, the quantities imported from the PRC have not decreased in the first half of 2008.
- (195) It is concluded, therefore, that there are no developments after the IP which would render the imposition of measures inappropriate from the point of view of Community interest.

6.8. Conclusion on Community interest

- (196) In view of the above, it is concluded that there are no compelling reasons not to impose anti-dumping measures on imports of the product concerned.

7. DEFINITIVE MEASURES

7.1. Injury elimination levels

- (197) The level of any anti-dumping measures should be sufficient to eliminate the injury to the Community industry caused by the dumped imports, without exceeding the dumping margins found. When calculating the amount of duty necessary to remove the effects of the injurious dumping, it was considered that any measures should allow the Community industry to obtain a profit before tax that could be reasonably achieved under normal conditions of competition, i.e. in the absence of dumped imports. For this purpose, it was considered that a profit margin of 5 % is an appropriate level that the Community industry could be expected to obtain also with regard to the like product in the absence of injurious dumping.
- (198) The necessary price increase was then determined on the basis of a comparison, per product type, of the weighted average import price, as established for the price undercutting calculations, with the non-injurious price of the like product sold by the Community industry on the Community market. The non-injurious price has been obtained by adjusting the sales price of the Community industry in order to reflect the above mentioned profit margin. Any difference resulting from this comparison was then expressed as a percentage of the total CIF import value.
- (199) The above-mentioned price comparison showed the following injury margins for the sampled exporting producers:

Company	injury margin
Biao Wu Tensile Fasteners Co., Ltd.	102,5%

Changshu City Standard Parts Factory and Changshu British Shanghai International Fastener Co., Ltd	68,1%
Kunshan Chenghe Standard Components Co., Ltd.	82,6%
Ningbo Jinding Fastener Co., Ltd.	67,3%
Ningbo Yonghong Fasteners Co., Ltd.	81,5%
Cooperating exporting producers not selected to form part of the sample	80,6%

(200) For the cooperating exporting producers granted individual examination, the injury margins, calculated as explained above, are the following:

Company	injury margin
CELO Suzhou Precision Fasteners Co., Ltd.	2,1%
Golden Horse (Dong Guan) Metal Manufactory Co., Ltd.	137,3%
Yantai Agrati Co., Ltd.	0%

(201) As mentioned in point (101) above, the degree of cooperation of the PRC exporting producers can be considered low. Therefore the injury margin for the non-cooperating companies was established on average of the value found in Eurostat data and the highest margins found for product types sold in a representative quantity by the cooperating exporting producer with the highest injury margin.

(202) On this basis the country-wide injury margin amounts to 87,1% of the CIF Community frontier price, duty unpaid.

(203) In the light of the foregoing and pursuant to Article 9(4) of the basic Regulation, it is considered that a definitive anti-dumping duty should be imposed in respect of imports of certain fasteners originating in the PRC at the level of the lower of the dumping or injury margins.

8. CONCLUSIONS AND PROPOSED COURSE OF ACTION

(204) Consequently, the anti-dumping duties should be as follows:

Biao Wu Tensile Fasteners Co., Ltd.	69,9%
CELO Suzhou Precision Fasteners Co., Ltd.	0,0%

Changshu City Standard Parts Factory Co., Ltd. and Changshu British Shanghai International Fastener Co., Ltd.	63,1%
Golden Horse (Dong Guan) Metal Manufactory Co., Ltd.	26,5%
Kunshan Chenghe Standard Components Co., Ltd.	82,6%
Ningbo Jinding Fastener Co., Ltd.	67,3%
Ningbo Yonghong Fasteners Co., Ltd.	81,5%
Yantai Agrati Co., Ltd.	0,0%
Co-operating companies not included in the sample (Annex)	78,1%
All other companies	87,3%

ANNEX

Abel Manufacturing Co., Ltd.	Shanghai
Autocraft Industrial (Shanghai) Ltd.	Shanghai
Changshu British Shanghai International Fastener Co., Ltd.	Changshu
Changshu City Standard Parts Factory	Changshu
Changshu Fuxin Fasteners Manufacturing Co., Ltd.	Changshu
Changshu Shining Sun Fasteners Manufacturing Co., Ltd.	Changshu
Changzhou Oread Fasteners Co., Ltd.	Changzhou
Chun Yu (Dongguan) Metal Products Co., Ltd.	Dongguan
Cixi Zhencheng Machinery Co., Ltd.	Cixi
Dongguan Danny & Kuen Metal & Co., Ltd.	Dongguan
Foshan Nanhai Gubang Metal Goods Co., Ltd.	Foshan
Gem-year industrial Co., Ltd.	Jiashan
Guangzhou Tianhe District Zhonggu Hardware Screw Manufacture	Guangzhou
Haining Xinxin Hardware Standard Tools Co., Ltd.	Haining
Haiyan Flymetal Hardware Co., Ltd.	Jiaying
Haiyan Haitang Fasteners Factory	Jiaying
Haiyan Hardware Standard Parts Co., Ltd.	Jiaying
Haiyan Lianxiang Hardware Products Co., Ltd.	Jiaying
Haiyan Mengshi Screws Co., Ltd.	Jiaying
Haiyan Self-tapping Screws Co., Ltd.	Jiaying
Haiyan Sun's Jianxin Fasteners Co., Ltd.	Jiaying
Haiyan Xinan Standard Fastener Co., Ltd.	Jiaying
Haiyan Xinglong Fastener Co., Ltd.	Jiaying
Hangzhou Everbright Metal Products Co., Ltd.	Hangzhou
Hangzhou Spring Washer Co., Ltd.	Hangzhou

Hott Metal Part and Fasteners Inc.	Changshu
J. C. Grand (China) Corporation	Jiaxing
Jiangsu Jiangyu Metal Work Co., Ltd.	Dongtai
Jiashan Yongda Screw Co., Ltd.	Jiashan
Jiaxiang Triumph Hardware Co., Ltd.	Haining
Jiaxing Victor Screw Co., Ltd.	Jiaxing
Jinan Star Fastener Co., Ltd.	Jinan
Jin-Well Auto-parts (zhejiang) Co., Ltd.	Jiashan
Kinfast Hardware Co., Ltd	Haining
Ningbo Alliance Screws and Fasteners Co., Ltd.	Ningbo
Ningbo Anchor Fasteners Industry Co., Ltd.	Ningbo
Ningbo Dafeng Machinery Co., Ltd.	Ningbo
Ningbo Development Zone Yonggang Fasteners Co., Ltd	Ningbo
Ningbo Fastener Factory	Ningbo
Ningbo Haixin Hardware Co., Ltd.	Ningbo
Ningbo Haixin Railroad Material Co., Ltd.	Ningbo
Ningbo Jinhui Gaoqiang Fastener Co., Ltd.	Ningbo
Ningbo Jinpeng High Strength Fastener Co., Ltd.	Ningbo
Ningbo Jintai Fastener Co., Ltd.	Ningbo
Ningbo Jinwei Standard Parts Co., Ltd.	Ningbo
Ningbo Jiulong Fasteners Manufacture Co., Ltd.	Ningbo
Ningbo Londex Industrial Co.,Ltd	Ningbo
Ningbo Minda Machinery & Electronics Co., Ltd.	Ningbo
Ningbo Ningli High-Strength Fastener Co., Ltd.	Ningbo
Ningbo Qunli Fastener Manufacture Co., Ltd.	Ningbo
Ningbo Special - Wind - Fasteners (China) Co., Ltd.	Ningbo
Ningbo Xinxing Fasteners Manufacture Co., Ltd.	Ningbo

Ningbo Yonggang Fasteners Co., Ltd.	Ningbo
Ningbo Zhenhai Xingyi Fasteners Co., Ltd	Ningbo
Ningbo Zhongbin Fastener Manufacture Co., Ltd.	Ningbo
Ningbo Zhongjiang High Strength Bolt Co., Ltd.	Ningbo
Robertson Inc. (Jiaxing)	Jiashan
Shanghai Boxed Screw Manufacturing Company Limited	Shanghai
Shanghai Fenggang Precision Inc.	Shanghai
Shanghai Foreign Trade Xiasha No. 2 Woodscrew Factory Co., Ltd.	Shanghai
Shanghai Great Diamond Fastener Co., Ltd.	Shanghai
Shanghai Hang Hong Metal Products Co., Ltd.	Shanghai
Shanghai Hangtou Fasteners Co., Ltd.	Shanghai
Shanghai Huaming Hardware Products Co., Ltd.	Shanghai
Shanghai Moregood C&F Fastener Co., Ltd.	Shanghai
Shanghai Moresun Fasteners Co., Ltd.	Shanghai
Shanghai Qingpu Ben Yuan Metal Products Co., Ltd.	Shanghai
Shanghai Ren Sheng Standardized Item Manufacture Ltd, Co	Shanghai
Shanghai Shuyuan Woodscrews Factory	Shanghai
Shanghai SQB Automotive Fasteners Company Ltd.	Shanghai
Shanghai Tapoo Hardware Co., Ltd.	Shanghai
Shanghai Yifan High-Intensity Fasteners Co., Ltd	Shanghai
Shanxi Jiaocheng Zhicheng Foundry Ltd.	Jiaocheng
Shenzhen Top United Steel Co., Ltd.	Shenzhen
Sundram Fasteners (Zhejiang) Limited	Jiaxing
Sunfast (Jiaxing) Enterprise Co., Ltd.	Jiaxing
Suzhou Escort Hardware Manufacturing Co., Ltd.	Suzhou
Taicang Rongtong Metal Products Co., Ltd.	Taicang
Tangshan Huifeng Standard Component Make Co., Ltd	Tangshan

Tangshan Xingfeng Screws Co., Ltd.	Tangshan
Tapoo Metal Products (Shanghai) Co., Ltd.	Shanghai
Tianjin Jiuri Manufacture & Trading Co., Ltd.	Tianjin
Wenzhou Excellent Hardware Apparatus Packing Co., Ltd.	Wenzhou
Wenzhou Junhao Industry Co., Ltd.	Wenzhou
Wenzhou Tian Xiang Metal Products Co., Ltd.	Wenzhou
Wenzhou Yili Machinery Development Co., Ltd	Wenzhou
Wenzhou Yonggu Fasteners Co., Ltd	Wenzhou
Wuxi Huacheng Fastener Co., Ltd.	Wuxi
Wuxi Qianfeng Screw Factory	Wuxi
Xingtai City Ningbo Fasteners Co., Ltd.	Ningbo
Yueqing Quintessence Fastener Co., Ltd.	Yueqing
Zhejiang Jingyi Standard Components Co., Ltd.	Yueqing
Zhejiang New Oriental Fastener Co., Ltd.	Jiaxing
Zhejiang Qifeng Hardware Make Co., Ltd.	Jiaxing
Zhejiang Rising Fasteners Co., Ltd.	Hangzhou
Zhejiang Yonghua Fasteners Co., Ltd.	Rui' An
Zhejiang Zhongtong Motorkits Co., Ltd.	Shamen
Zhongshan City Jinzhong Fastener Co., Ltd.	Zhongshan