Summary of the anti-dumping case concerning imports of certain cast iron articles originating in the People's Republic of China and in India

The Product Concerned

The product under investigation is certain articles of lamellar graphite cast iron (grey iron) or spheroidal graphite cast iron (also known as ductile cast iron), and parts thereof.

These articles are of a kind used to:

- cover ground or sub-surfaces systems, and/or openings to ground or sub-surface systems, and also
- give access to ground or sub-surface systems and/or provide view to ground or sub-surface systems.

The articles may be machined, coated, painted and/or fitted with other materials such as but not limited to concrete, paving slabs, or tiles, but exclude fire hydrants, originating in India and in the People's Republic of China.

Like product

There are no differences between the EU produced castings and those that are imported from China and India, which have the same basic physical and technical characteristics and the same use. The Chinese and Indian producers produce castings with the same basic technology on production facilities that are similar to those of EU producers.

The product concerned and the like product generally comprise a frame, which is embedded in the ground and either a cover or a grate, which are rated for either pedestrian or vehicular applications, such as within the road surface, pavements and runways and which directly withstand the weight and the dynamic impact of traffic (vehicle or pedestrian). They are usually named by reference to their purpose that is access cover, manhole top (or manhole cover), gully top or channel grating and surface box.

End Uses

The purpose of an access cover is to give physical or visual access to a subsurface installation for the purpose of carrying out maintenance work or inspection. A grating

permits surface water to be channelled away, while a surface box, allows inspection but not physical access to a subsurface installation. Castings are used in the construction market, in building (both housing and non-housing) and infrastructure (mainly water, telecommunications and roads).

Production Process

The main raw materials used in the production of the cast iron are steel scrap, iron ore, pig iron, and coke. In the spheroidal graphite process magnesium is added to change the carbon in the iron from a flake form to spheroidal structure. The metal is melted either in a blast furnace, cold or hot blast cupola or by electric furnace.

The process typically seen in casting production using a cupola is as follows. The raw material is weighed and discharged into the cupola charge bucket. The contents are transferred to the top of the cupola and are progressively heated as they descend towards the melt zone, where the steel charge melts to form iron and slag. Iron is tapped from the cupola and collected in a desulphurising ladle. Slag is separated from the iron. Carburisers are added to increase the carbon content of the iron.

Molding is done using sand, which is consolidated around a permanent metal pattern in a molding flask at high pressure so that it supports itself once the mold is removed. The resulting cavity is filled with iron to provide a replica. Once solidified and cooled, the casting is retrieved from the sand, which is recycled. The castings are treated with shot blast and may then be painted.

Analogue Country

Since China is a non-market economy, the Complainants have proposed the USA as an appropriate analogue country. There is normal competition in the market due to substantial domestic production and to imports from other third countries. The production processes used for the production of the like product are comparable to those of Chinese producers.

Domestic prices are above the cost of production and are not subject to distorting influences. Apart from labour costs there are similarities between the cost structures of the American and respectively Chinese industries since the main raw materials iron ore, pig iron and scrap steel are the same and are global commodities with world market price and foundries in both countries have similar access to raw materials.

Complainants also find dumping using Norway as an analogue country and have suggested it as an alternative.

Injury

Chinese exporters have increased the volumes of their exports of the product concerned, and gained market share particularly in some key Member States with ever decreasing prices. They have become the price setter for the product concerned and depressed EU prices, causing Complainants to sell commodity products at a loss and suffer losses, while other EU producers have closed production. Indian exports too at ever decreasing prices have increased in volume and gained market share in key Member States markets where they have depressed EU prices for the product concerned and caused closures. In the past three years, another three foundries have ceased production, with a loss of some 30 thousand tonnes of production and 300 direct EU jobs. Others are now under threat.

Summary of the case

The Commission has opened an anti-dumping investigation in relation to the product concerned originating in the People's Republic of China and in India. The complainants, Fundiciones de Odena SA, Fonderies Dechaumont SA, Heinrich Meier Eisengiesserei GmbH & Co KG, Fondatel Lecomte SA, Niemisen Valimo, Saint-Gobain Construction Products UK Ltd and Saint-Gobain PAM SA have shown *prima facie* evidence that Chinese and Indian producers of the product concerned are selling in the EU at ever decreasing dumped prices, which are undercutting and severely depressing the prices of the EU industry, thereby causing severely reduced profitability, closures and job losses.

List of Known Interested parties

All producers exporting castings originating in the People's Republic of China and India are concerned by this investigation. Known exporters include the following:

Beijing Tongzhou Dadusche Foundry Factory
Benito (Tianjin) Metals Products Co. Ltd.
Botou City Simencun Town Bai Fo Tang Casting Factory
Botou City Wangwu Town Tianlong Casting Factory
Chang An Cast Ltd. Company
Changsha Jinlong Foundry Industry Co. Ltd.
Changsha Lianhu Casting Products Foundry
Fengtai Alloy Casting Co. Ltd.

GB Metal Products
Guiyang Bada Foundry Co., Ltd.
Hebei Jize Xian Ma Gang Cast Factory
Hongguang Handan Foundry Co.,Ltd
Hunan Shaoshan Huanqiu Castings
Qingdao Qitao Casting Co., Ltd.
Shane City Fangyuan Casting Co., Ltd
Shandong Huijin Stock Co., Ltd.
Shanghai GB Metal Products Co., Ltd
Shanxi Jiaocheng Xinglong Casting Co., Ltd.
Shanxi Yuansheng Casting and Forging Industrial Co. Ltd.
Shaoshan Huanqiu Castings Foundry
Shijiazhuang Transun Metal Products Co., Ltd.
Tanjin Jinghai Chaoyue Industrial and Commercial Co.,Ltd.
Tianjin Fu Xing Da Casting Co., Ltd
Weifang Jianhua Casting Co., Ltd.
Zibo Beinituo Metal Products Co., Ltd.
Zibo Benito Metalwork Co., Ltd.
Zibo City Boshan Guangyuan Casting Machinery Factory
Zibo Dehua Machinery Co., Ltd.
Carnation Industries Ltd
Crescent Foundry Co. Ltd.
Kiswok Industrial Pvt Co. Ltd.
NIF Ispat Ltd (Nandikeshwari Iron Foundry)
Plasma Alloys Pvt Ltd.
RB Agarwalla and Co.
Victory Castings Ltd.