

Executive summary of the

**Request for an expiry review
in accordance with Article 11 (2) of Regulation 1225/2009
concerning imports of lever arch mechanisms
originating in the People's Republic of China**

submitted by LAMMA
on behalf of the EU producers of lever arch mechanisms

1. The product concerned and the like product

The product concerned is defined in Article 1 of Regulation 2006/1136. Lever arch mechanisms are used for archiving sheets in binders or files. They consist of arched sturdy metal elements (normally two) on a back plate and having at least one opening trigger that permits inserting and filing of sheets and other documents. The mechanisms are usually sold in standardized sizes, with spine widths of 75 and 80 mm accounting for approximately three fourth of sales.

Compressor bars, i.e. bars to hold down the sheets in the binder, are not part of the product concerned by this request.

Ring binder mechanisms or RBM in short, which are used for a variety of purposes including software manuals, catalogues and brochures, technical manuals, and photo and stamp albums, are not concerned by this request.

The mechanisms produced in China for export to the European Union are the same as those produced in the European Union as are mechanisms produced in other third countries such as India, Iran and Thailand. See also recitals 11 – 16 of Regulation 2006/134, recitals 5 -10 of Regulation 2006/1136 and recitals 14 – 15 of Regulation 796/2012 for a detailed discussion of product types.

2. Applicable Common Nomenclature and customs duties

Lever arch mechanisms are classified under tariff heading 8305 1000.

The current most favoured nation customs duty rate is 2.7 percent ad valorem which applies to imports, unless suspended or reduced under the Generalized System of Preferences (GSP).

The tariff heading comprises mainly ring binder mechanisms and lever arch mechanisms together with some other archiving material (imports of which are not significant in Europe).

Additional tariff subheadings were introduced by the anti-dumping measures.

3. Executive summary

The expiry review request is submitted by the LAMMA (Lever arch mechanism manufacturers association), representing the majority of EU producers in volume and value of lever arch mechanism, on behalf of its members and EU producers.

The regulation imposing definitive anti-dumping duties on imports of lever arch mechanisms was adopted by the Council after the Commission had initiated a procedure in accordance with the Council Regulation (EC) No 384/96 then in force further to a complaint by the Union industry, see the [Notice of initiation](#) (2005/C 103/07) in Official Journal C 103 page 18 of 18 April 2005.

The Commission, having established that the Chinese exports were dumped, had materially injured the Union industry and that protective measures were in the Union interest, imposed provisional anti-dumping duties by [Commission Regulation](#) (EC) No 134/2006 of 26 January 2006, see Official Journal L 23 page 13, of 33.4 percent for the company qualifying for individual treatment and of 48.1 percent for all other exporting producers.

Subsequently, the Council also established significant dumping by the exporters, established material injury and found that measures were in the interest of the Union. The injury margins established for exports of Chinese companies exceeded the dumping margins, and the duties were set at the rate of the dumping margins, i.e. 27.1 % and 47.4 % respectively, [Council Regulation](#) (EC) No 1136/2006 of 24 July 2006, Official Journal L 205 page 1.

One company has challenged the measures and the General Court dismissed the application for annulment of the definitive duties imposed on that company; see Case T-296/06, Dongguan Nanzha Leco Stationery v Council, [judgment of 23 September 2009](#). The judgment was confirmed on appeal, see Case C-511/09 P, [judgment of 27 October 2011](#).

The measures were reviewed in an expiry review investigation that started on 23 July 2011, see the [Notice of initiation](#) (2011/C 217/10) in Official Journal C 217 page 35 of 23 July 2011. The Council subsequently found a strong likelihood that dumping may recur, that the economic situation of the industry remains fragile and vulnerable, a likely recurrence of injury to the Union industry, and concluding a clear likelihood of recurrence of the injurious dumping in substantial volumes which the Union industry could not withstand, [Council Implementing Regulation](#) (EU) No 796/2012 of 30 August 2012, Official Journal L 238 page 5, at recitals 56, 95, 106 and 112.

Even though imports from the People's Republic of China have decreased since the anti-dumping measures came into force, exports of lever arch mechanisms from China to the EU continue to be made in significant quantities. The exporting producers from the People's Republic of China continue to be engaged in selling at dumping prices, in the EU and in other export markets.

The continuation and/or recurrence of dumping and continuation and/or recurrence of injury of the EU industry in this request has been analysed for the four year period from 1 January 2013 to 31 December 2016, and in detail for the calendar year 2016.

4. Likelihood of continuation and/ or recurrence of dumping

Chinese exporting producers continue to dump lever arch mechanisms in the EU at injurious prices. The expiry of the existing measures would most likely lead to a continuation of dumping at increased margins or at the very least to a recurrence of injurious dumping.

There exists vast excess capacity in China and the Union is the major and most interesting market for the product concerned.

Given that the People's Republic of China is a non-market economy country, a normal value has to be established on the basis of the domestic prices or constructed normal value in an analogue country.

In the original investigation, the EU institutions chose Iran as analogue country. However, upon verification, the data were incomplete and / or inconsistent. Therefore, the calculations for the definitive measures were based on other available information, and not on data from the three mentioned countries.

In 2017, the situation in Iran has barely improved. The production in Thailand is mainly with components imported from China. The domestic Indian producers do not cooperate and the Chinese invested exporting producers neither sell on the domestic market nor cooperate. Therefore, the EU industry submits that the same methodology as in the original investigation should be followed in the review proceeding.

Accordingly, the determination of the normal value and the calculation of the dumping margin are made following the methodology used in the original investigation and the 2011 expiry review investigation, with data for the calendar year 2016.

The export price calculation was based on price information obtained from customers and industry experts for the calendar year 2016. With respect to the calculation of the export price, the transport costs for the product shipped were calculated on the basis of known freight costs, inland transport in China, ocean transport and land transport in the EU. Neither customs duties have been deducted at the current rate, i.e. 2.7 %, nor the respective anti-dumping duties. The dumping amount has been expressed as a percentage of the CIF export price.

The normal value and export prices were compared on an ex-works basis. The calculated dumping margins are substantial.

5. Likelihood of continuation and/ or recurrence of injury

The European market was in the past mostly supplied by European and Chinese manufacturers of lever arch mechanisms.

The data show that imports from the People's Republic of China have retained a significant market share. Given that there is substantial unused capacity, it must be expected that imports would immediately surge, were measures allowed to lapse. As mentioned, the Union is the major and most interesting market for the product concerned.

For more than a decade now, sales of Chinese-origin lever arch mechanisms at dumped prices have exerted a price pressure on the European Union industry and the prices have not yet come back to what would be a level playing field and healthy competition. At the same time, the price undercutting for the imported product remains substantial, when taking account of the duties. Accordingly, protective measures are still necessary to offset injurious dumping.

At the very least material injury was likely to recur should measures be allowed to lapse.

6. Interested parties

EU LAMMA producers and applicants

IML Industria Meccanica Lombarda SRL

Interkov spol. s r.o.

Niko, Metallurgical company, d.d.

7. Other EU producers

EJA international, „EJA“

Tecnosteel

8. Known importers

PERFECT FOIL

PLADUREX Carpeteria s.l.

KAKADO

GIARDINI srl
PLASTOREG Smidt GmbH
PLASTOREG Smidt GmbH Deutschland

9. Main known users

Biella Falken GmbH
Esselte Leitz GmbH & Co KG
VauPe Spolka z.o.o.
Biella Polska Ltd.
Exacompta
Th. C. Skagias S. A.
Esselte S.r.l.
AMBAR S. A.
Korona spol. S. r. o.
Remesloslužba
PUKKA PAD
Delmet Prod srl
Grafoplas
Carpeteria Industrial, S.A.
FISA Kartotecnica spa
ARCA srl
Swedex Hungaria Kft.
Klimstein GmbH
HIT Office s.r.o.
Achilles GmbH

10. Chinese exporting producers

Anhui Qitian Stationery Mfg Co. Ltd.
Dongguan Tao Yuan Stationery Co., Ltd
East Far International Co., Ltd.
Ehao File Stationery Co. Ltd.
Foshan Nanhai Jinxinyu Hardware Factory

Foshan Yongfa Hardware Factory
GuangZhou Guohua Stationery and Hardware Co. Ltd.
Guangzhou Jinkenna Hardware Stationery Product Co., Ltd
Guangzhou Weichen Hardware Product Co., Ltd.
Hangzhou Eastwill Technology Co., Ltd.
Eastwill Imp. & Exp. Co. Ltd.
Hopen Industry Co., Ltd.
Hui Feng Stationery Co. Ltd.
Trading through: Guangzhou Shunhey Trading Co., Ltd.
Jiangmen Jinye Stationery Manufactory
JinDaShun Hardware Factory
JMD International Ltd
Oriental Bind Manufactory Limited
Paramount Manufactory Ltd.
Shanghai Chi Link Hardware Products Co, Ltd
Sharecord International Co. Ltd.
Shenzhen YiKuai Stationery Co., Ltd
Suntek Stationery Co., Ltd.
Super-i Enterprise Co Ltd.
Sure Succes Industrial Ltd.
Syun Industries
Tung Yung International Limited
US Ring Binder Corporation
Wah Hing Stationery Manufaactory Ltd.
Wah Lee Metal Company, "Wah Lee" or "WLS - Operated by Cosmos
Concord Ltd.
Whole Sun Holdings Limited
World Wide Stationery Manufacturing Co Ltd, WWS
Xin Egang Hardware (Shenzhen) Co., Ltd.
Yong Fa Wu Sin Su Liao Zhi Pin Chang