

EXECUTIVE SUMMARY

Petition for an expiry review of regulation (EU) No 430/2013 of 13 May 2013 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People's Republic of China and Thailand.

BRIEF HISTORY

In 1999 after a big reorganization and reduction of capacity of the EU industry (in EU17 in 1990 there were 15 producers in 1998, only 6 were active.). It was after this big reorganization and reduction of capacity when the EU producers were forced to ask for anti-dumping measures, due to the rapid increase of the imports (dumping). As an example, from 2777 tons from China in 1995 to more than 6000 tons in 1998.

In 2000 the first anti-dumping measures were approved. In 2005 there was not made a petition for expiry review. From the original 6 companies active in 1999 in EU 17 only 2 are active today.

During the period between 2005 and the introduction of the new measures in 2012/2013 another 4 companies closed (EU28).

In 2011 a new complain was lodged. The measures were approved in 2012 provisional and 2013 definitive.

From the time, these measures were approved, no one producer has closed.

The European Industry during this period has proved their competitiveness increasing their exports between 2014-2017 from 17 % of their total sales to 19 % (it was 13 % in 2007). European Industry has been also capable to maintain their costs during the validity of the measures.

PART A- PETITIONER

A) Name and Address:

**Defence Committee of Tube or Pipe Cast Fittings, of
Malleable Cast Iron of The European Union.**

**Poligono Industrial Atusa-Agurain, s/n
ES-01200 Salvatierra (Alava)- Spain
Phone: 34 945180000**

B) EU producers supporting this petition:

- **Austria** **Georg Fischer Fittings Gmbh**
- **Spain** **Accesorios de Tubería, S.A.
Including Berg Montana Fittings
(Bulgaria)**
- **Poland** **Odlewnia Zéliwa S.A.**
- **Slovenia** **Livarna Titan, d.o.o.**

**C) Complainants` share of the EU production of the
PRODUCT:**

**Representing 98,9 % of the total EU production of Tube
or Pipe Cast Fittings, of Malleable Cast Iron the
European Union.**

PART B- GENERAL INFORMATION

1) Current measures against People´s Republic of China and Thailand:

Currently , we have the following dumping measures according to regulation (EU) No 430/2013 of 13 May 2013 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of threaded tube or pipe cast fittings, of malleable cast iron, originating in the People´s Republic of China and Thailand and terminating the proceeding with regard to Indonesia.

For China, we have the following anti-dumping measures:

- Goes from 24,6 duty rate corresponding to Qingdao Madison to around 40 % for the collaborating companies and general of 57,8 % for all other companies.

For Thailand, we have the following anti-dumping measures:

- Goes from 14,9 duty rate corresponding to Siam Fittings to 15,5 for all the other companies.

2) Product

The product under review is threaded tube or pipe cast fittings, of malleable cast iron, currently falling within CN code ex 7307 19 10, excluding bodies of compression fittings using ISO DIN 13 metric thread and malleable iron threaded circular junction boxes without a lid.

3) Production Process

The main raw material is scrap. The scrap fe-alloys and other additives are melted to obtain liquid metal. From other side, sand boxes in two parts and sand cores are produced. The stamp of the form, of the pieces we want to obtain, in the sand box must be done. After that, the core must be placed in the form. The box is closed, and the melted iron introduced in the

box with the core. The boxes and the melted iron must be cooled and then, the sand, the feeders and runners must be removed. Through a shot blasted process, the pieces are cleaned. An annealing process is necessary to make the pieces malleable. Depending on the final finish it could be necessary a hot dip galvanized process. Then, through the mechanising process, the pieces are threaded. A pressure test is necessary before they are cleaned it and protected against rustiness. The product is finished, and it must be packaged. Depending on their size, it is packaged in plastic bag before placing them into the carton boxes.

4) Product Utilization

The product is used to connect pipes. The installations obtained are used to transport liquids and gases.

Some uses are:

- Water distribution (sanitary, human consumption, and construction)
- Compressed air
- Oil
- Firefighting installations
- Irrigation
- HVAC (heating, ventilating and air conditioning)
- Gases distribution
- Industrial capital goods (ovens, machine tools, fridges, etc...)

5) Countries concerned by this petition

| Geo Code | Country | % of 3rd countries imports July-16 to June-17 | Share of EU consumption July 16-June 17 |
|----------|----------|---|---|
| 720 | CHINA | 80-83 % | 50-55 % |
| 680 | THAILAND | 3-3,5 % | 2,2-2,6 % |

PART C- SUMMARY OF IMPORTS

Imports of 3rd countries in tonnes

| | 2014 | 2015 | 2016 | OCT-2016/ SEP-2017 |
|----------------------------|---------------|---------------|---------------|-----------------------|
| China - Eurostat - 1910 | 37.827 | 38.509 | 39.970 | 43.403 |
| CHINA | 37.827 | 38.509 | 39.970 | 43.403 |
| Thailand - Eurostat - 1910 | 3.452 | 2.406 | 2.079 | 1.785 |
| THAILAND | 3.452 | 2.406 | 2.079 | 1.785 |
| | | | | |
| 2 countries | 41.279 | 40.915 | 42.049 | 45.188 |
| USA | 1.194 | 1.118 | 1.175 | 670 |
| BRAZIL | 1.880 | 1.567 | 1.634 | 2.136 |
| INDIA | 2.845 | 2.498 | 2.734 | 2.448 |
| TURKEY | 1.249 | 755 | 149 | 131 |
| INDONESIA | 783 | 971 | 1568 | 1.608 |
| Others | 1.777 | 1.401 | 1.372 | 1.247 |
| | | | | |
| Total | 51.007 | 49.225 | 50.681 | 53.428 |

PART D- EVOLUTION OF APPARENT CONSUMPTION IN EU-28

| | 2014 | 2015 | 2016 | OCT-2016/ SEP-2017 |
|--|--------|---------|---------|-----------------------|
| 4 complainants | 100% | 89,46% | 102,90% | 102,66% |
| other EU producers | 100% | 100,00% | 100,00% | 100,00% |
| Production | 100% | 89,58% | 102,87% | 102,63% |
| - Exports to 3 rd Countries | 100% | 97,20% | 117,76% | 125,63% |
| + Imports from 3 rd Countries | 100% | 96,51% | 99,36% | 104,75% |
| | | | | |
| = Apparent Consumption | 100% | 93,66% | 99,57% | 102,52% |
| | | | | |
| % 3rd Countries | 60-70% | 60-70% | 60-70% | 60-70% |
| % Domestic | 30-40% | 30-40% | 30-40% | 30-40% |

PART E-SITUATION OF THE COMPLAINANTS

Production Capacity and Total Production:

| | 2014 | 2015 | 2016 | oct16-sep17 |
|--------------------------------------|-----------|-----------|-----------|-------------|
| Total Production (tons) complainants | 30-32.000 | 26-28.000 | 31-33.000 | 31-33.000 |
| Total Capacity (tons) complainants | 55-65.000 | 55-65.000 | 55-65.000 | 55-65.000 |
| Utilization ratio % | 51,7% | 46,3% | 53,2% | 53,1% |

Employment of the complainants:

| | 2014 | 2015 | 2016 | est-2017 |
|------------------------|-------------|-------------|-------------|-------------|
| Employment (2000-2500) | (2000-2500) | (2000-2500) | (2000-2500) | (2000-2500) |

As a summary, it is quite obvious that the complainants, and more generally the Union industry, is currently in a very difficult and dangerous situation, and could not face a further increase of imports without further decreasing its production and utilization ratio, or making still heavier and unbearable losses, obviously compromising its survival.

PART F- REQUEST FOR AN EXPIRY REVIEW

Resulting from a detailed study of the capacity and production of these 2 countries, it appears that all of them have a huge overcapacity, which cannot be directed to any other significant world market, and would be immediately shipped to EU, should the current antidumping measure not be renewed.

All these 2 countries also still practice very significant high dumping margins, and undercut the EU domestic prices, as summarized in the below table:

| Country | Average dumping margin % | Undercutting % |
|---------------------------------|--------------------------|----------------|
| People's Republic of China | 67-69 % | 44-49 % |
| *With current measures (duties) | | 21-29 % |
| Thailand | 30-32 % | 36-40 % |
| *With current measures (duties) | | 29-32 % |

PART G- SUMMARY OF THE PETITION

As conclusion, the complainants, if the current antidumping measures on imports are revoked, will certainly suffer an increase of material injury immediately, in their already fragile situation, in view of the size of the industries of these countries of their overcapacity, their structural tendency to sell at dumped prices and if needed to avoid the measures through circumvention, absorption.

Salvatierra, 25 April 2018



M. Bastera
Chairman of the Defence
Committee of Tube or
Pipe Cast Fittings, of
Malleable Cast Iron of
the European Union.

