

# EXECUTIVE SUMMARY OF THE ANTI-DUMPING COMPLAINT CONCERNING IMPORTS OF CERTAIN STEEL ROAD WHEELS ORIGINATING IN CHINA.

## 1. PRODUCT CONCERNED

Road wheels of steel, whether or not with their accessories and whether or not fitted with tyres, designed for

- Road tractors,
- Motor vehicles for the transport of persons and/or the transport of goods,
- Special purpose motor vehicles (for example, fire fighting vehicles, spraying lorries),
- Trailers, semi-trailers, caravans, and similar vehicles, not mechanically propelled.

Excluding:

- Road wheels of steel for the industrial assembly of pedestrian-controlled tractors of subheading 8701 10; of Vehicles of heading 8703; of Vehicles of heading 8704 with either a compression-ignition internal combustion piston engine (diesel or semi-diesel) of a cylinder capacity not exceeding 2 500 cm<sup>3</sup> or with a spark-ignition internal combustion piston engine of a cylinder capacity not exceeding 2 800 cm<sup>3</sup>; of Vehicles of heading 8705,
- Wheel centres in star form, cast in one piece, of steel,
- Wheels for road quad bikes,
- Wheels for motor vehicles specifically designed for uses other than on public roads (for example, wheels for agricultural tractors or forestry tractors, for forklifts, for pushback tractors, for dumpers designed for off-highway use)

CN codes: ex 8708 70 99, ex 8716 90 90

## 2. CASE SUMMARY

### 2.1 Standing

The complaint is lodged by the Association of European Wheel Manufacturers (EUWA). EUWA represents European Union ("EU") producers of Steel Road Wheels ("SRW"). EUWA represents a sufficient proportion of the EU production of Steel Road Wheels in the EU, exceeding the required threshold in Article 5(4) of the Basic Regulation<sup>1</sup> (hereafter Basic Regulation).

### 2.2 Dumping

EUWA holds that it demonstrated that the provision of Article 2.6 (a) of the aforementioned Basic Regulation applies and that that it is not appropriate to use domestic prices and costs in the exporting country due to the existence of significant distortions. Consequently, EUWA established

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<sup>1</sup> Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union as amended by Regulation (EU) 2017/2321 of the European Parliament and the Council of 12 December 2017 and Regulation (EU) 2018/825 of the European Parliament and the Council of 30 May 2018.

Normal Value on the basis of corresponding costs of production and sale in an appropriate representative country with a similar level of economic development as the exporting country. For the export price EUWA used price offers by Chinese SRW producers.

On this basis substantial levels of dumping were found at levels reaching 99% on an average basis.

### **2.3 Imports**

Imports from China more than doubled from 2015 to the Investigation Period (IP, i.e. from 1 July 2017 to 30 June 2018) both in absolute terms and in terms of market share.

### **2.4 Undercutting and underselling**

Substantial undercutting and underselling has been established in the complaint at levels exceeding 50%. The low priced imports from China drove the EU industry's profit down to average margins around 0%.

### **2.5 Injury**

Most of the macro indicators, i.e. production, sales volumes, and market share all show a negative trend. As to the micro indicators, profitability declines steadily from 2015 to the IP. Investments show an increase while stocks slightly decrease. The EU producers lost important market share in an increasing market despite keeping their prices low forced by the heavy undercutting by the Chinese exporters. The latter gained market share, a substantial increase of more than 100%, driven by low dumped prices.

Consequently, the profitability remained far below the normal level due to the suppressed prices. The suppression of the prices did not allow the Union industry to raise its prices when faced with an increased cost in the IP because of higher steel prices. These levels can only be maintained by the Chinese exporters thanks to their unlimited access to cheap subsidised steel and energy in China itself. It is clear that in the absence of Chinese low-priced imports the unit selling price of the EU producers would have been at a normal level allowing a normal profit.

The analysis of the major economic indicators shows a clear-cut situation of material injury. While consumption increased during the period considered, the EU producer's sales volume to unrelated customers on the EU market remained almost at the same level. At the same time the volume of imports from the country concerned increased substantially by more than 100% between 2015 and the IP and its respective market share increased rapidly in the same proportion.

It is evident that, in the absence of dumped imports from the country concerned, the sale prices on the Union market would have been at a higher level, allowing in that way the Union industry to move to a normal profit. It should be mentioned that the Union Industry lost sales in 2016, 2017 and during the IP in absolute terms and did not even reap the benefits of the increased consumption. The EU producer lost market share in an increasing market.

The Chinese exporters will take a larger share of the market by moving from one market segment to the other. This strategy of the Chinese exporters, in EUWA's view, constitutes a threat of further injury in the sense of Article 3(9) of the Basic Regulation.

### **2.6 Causality**

EUWA is of the view that the above material injury of the EU industry was caused by the dumped Chinese imports and the continuing inflow of these imports poses a clear and imminent threat of future injury. No other known factor contributed to this injury to an extent that would have broken the causal link between the material injury and the Chinese dumped imports.

### **3. INTERESTED PARTIES**

#### **3.1 Chinese exporters**

Chongqing Hongqi Steel Wheel Co.Ltd, BaoSteel Wheel, JiNing, Kkama Changchun Faway Automobile Components Co. Ltd, Allen Iron, Zhejiang Starco Huanmei Auto-Parts CO.LTD , FengPai, Hengzheng, Jingu, Stone Wheel, Xiamen Sunrise Wheel Group Co. Ltd, Zenix Auto International Limited, Qilu Automobile Wheel Co. Ltd, Cemax / Xingmin ITS, Shang Dong Tongli Wheel Co. Ltd, Shengtai, Zhengyu, Better Wheels, Dongfeng Wheels (DFW)

#### **3.2 Importers/users**

Intercars, Walmar, Handlopex, Truck Gum, Otto Just, Hämmerling, Bohnenkamp, Hofmeister, Lips Reiferhandel, Etop International, Remcol, Etop Wheel Assembly, Oscrrehvid, TIA Wheels, MWS, Heuver

#### **3.3 EU producers**

The contact details of the complainant producers are not mentioned for reasons of fear of retaliation. The statements setting out the companies' individual situations and the reasons for fearing retaliation have been provided in confidence to the Commission.