

Executive Summary

Anti-dumping complaint concerning imports of fasteners of iron or steel originating in the People's Republic of China

1. The Product Concerned

a) Description

The product subject to this investigation is certain fasteners of iron or steel, 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 and bolts for fixing railway track construction material), and washers originating in the People's Republic of China.

The product concerned currently falls within the following 10 codes of the Combined Nomenclature: 73181290, 73181491, 73181499, 73181558, 73181568, 73181582, 73181588, 73181595, 73182100, 73182200. It is important to note that the Combined Nomenclature changed in January 2017, as a result of the adoption of Commission Implementing Regulation (EU) 2016/1821 of 6 October 2016.

The applicable non-preferential duty rate is 3.7% ad valorem.

b) Production Processes

Fasteners parts are produced by cold or hot-heading processes. It is a process whereby the metal is deformed, and thereby hardened with a consequent increase in the strength/hardness of the steel as well as the fatigue resistance. Basically, iron or steel wire rod is first processed into wire by the cold drawing operation. Subsequently, wire feeding into a cold and hot-heading machine is cut to length and inserted into a die so that a bit of this stock protrudes. A punch slams down on the protruding end to form a head like shape at the end of the blank wire.

Both cold and hot-heading are fast, and produces uniform parts; it is suited for high-volume production. After the forging, for the high strength products, another hardening treatment is required. In the case of the self-tapping screws, also a carbonitriding treatment is made, to reach the necessary surface hardness.

As regard washers, the manufacturing process begins with steel strips, that are blanked with mechanical or hydraulic presses and thereafter heat-treated, when required.

The requirement to produce at increasingly short lead times and at reduced cost as well as to ensure homogeneity in the quality have made it necessary to apply highly automated manufacturing techniques involving computerised production and control programmes.

c) Uses

All iron or steel fasteners ('fasteners') are used to mechanically join two or more elements. Fasteners are used by a variety of consumer industries and in a wide range of final applications, including: automotive, electrical appliances, electricity, agriculture, earth-movers, mechanical industry in general, precision engineering, building, shipbuilding and household applications.

2. Summary of the Case

a) Complainant

In November 2020, EIFI, the European Institute of Fastener Industries, a recognised non-profit making organisation registered under Belgian law and representing EU producers of bolts, screws, washers, nuts, rivets and other industrial fasteners, lodged a complaint under Article 5 of Regulation (EU) 2016/1036. The Complainant produced 45% to 55% of the total Union production during the period relevant for the Complaint.

The Complainant provided evidence that unfairly low-priced imports of the product concerned originating in the People's Republic of China and dumped on the EU have caused material injury to the Union industry of the like product.

The Complainant requested the European Commission to investigate whether or not imports from exporting producers in the People's Republic of China were in fact dumped and, if so, to adopt appropriate measures to restore fair trading conditions and a level playing field on the European Union market.

b) Dumping

The Complainant demonstrated that the Chinese market was distorted and that dumping should be determined on the basis of Article 2(6a) of Regulation 2016/1036. The Complainant demonstrated that Brazil was the appropriate representative country for the purposes of constructing the Normal Value. Comparing this normal value with the export price, on the basis of price offers from exporting producers of the product concerned to the EU, the Complainant demonstrated dumping margins from 100% to 300%. Dumping calculations were carried out for more than 100 specific fastener standards. In support of its dumping analysis, the Complainant also found significant dumping when taking Turkey as the representative country.

c) Injury and Causation

Imports of the product concerned increased by 192% between 2016, when anti-dumping duties on fasteners originating in PR China lapsed, and the investigation period for the purposes of the Complaint. Union production decreased during the same period as did the

capacity utilisation rate. Undercutting ranged between. 20% and 75% and underselling between 35% and 260%.

The Complainant demonstrated its view that there were no other factors adversely affecting the situation of the Union industry nor that any factor was such as to break the causation between the dumping and the injury.

3. List of known parties

The Complainant provided lists of known EU producers, known EU importers and intermediaries as well as known exporting producers from PR China. These lists are too lengthy to be summaries in this Executive Summary.