

## REQUEST FOR THE INITIATION OF AN EXPIRY REVIEW OF THE ANTI-DUMPING MEASURES ON IMPORTS OF COLD ROLLED FLAT STEEL ORIGINATING IN RUSSIA AND CHINA

### EXECUTIVE SUMMARY OF THE APPLICATION

#### 1. APPLICANT

- (1) The application is submitted by Eurofer, the European Steel Association, on behalf of its members active in the production of cold rolled flat steel products (hereinafter referred to as “CRF”):

Eurofer - the European Steel Association  
Avenue de Cortenbergh, 172  
1000 Brussels

- (2) Eurofer is the European Steel association, representing more than 95% of steel production in the European Union. Eurofer members are steel companies and national steel federations throughout the EU.

- (3) It is submitted on behalf of Union producers active in the production of cold-rolled flat products, as follows:

- ArcelorMittal
- Salzgitter AG
- Tata Steel Ijmuiden BV
- Thyssenkrupp Steel Europe AG
- Voestalpine AG
- US Steel Košice, s.r.o

#### 2. PRODUCT CONCERNED

- (4) The products subject to this review are those falling under the scope of the current measures; flat-rolled products of iron or non-alloy steel, or other alloy steel but excluding of stainless steel, of all widths, cold-rolled (cold-reduced), not clad, plated or coated and not further worked than cold-rolled (cold-reduced), currently falling within CN codes ex 7209 15 00 (TARIC code 7209 15 00 90), 7209 16 90, 7209 17 90, 7209 18 91, ex 7209 18 99 (TARIC code 7209 18 99 90), ex 7209 25 00 (TARIC code 7209 25 00 90), 7209 26 90, 7209 27 90, 7209 28 90, 7211 23 30, ex 7211 23 80 (TARIC codes 7211 23 80 19, 7211 23 80 95 and 7211 23 80 99), ex 7211 29 00 (TARIC codes 7211 29 00 19 and 7211 29 00 99), 7225 50 80, 7226 92 00 and originating in the PRC and Russia.
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### 3. PRODUCTION PROCESS

- (5) CRF is produced in three steps. First, raw materials are melted in order to obtain slabs. Second, the slabs are hot-rolled. Third, the slabs are cold-rolled.
- (6) The melting of raw materials can happen in two different kinds of ovens. First, the Electric Arc Furnace (EAF). The EAF uses steel scrap or direct reduced iron as raw materials, and is powered by electricity. Second, the Basic Oxygen Furnace (BOF). The BOF uses iron ore and coke as raw materials, and the materials are melted by injecting hot air in the furnace. In both cases, the molten metal is then cast into slabs.
- (7) The slabs are then hot-rolled: they are re-heated, removed of any scale layer and rolled out until they reach the desired thickness. The slabs are cooled with water and rolled into coils. The coils are then cleaned in an acid bath ('pickled') and oiled.
- (8) Finally, the slabs are cold-rolled: hot-rolled products pass through a rolling mill at a lower temperature until they have reached the desired thickness. The end product is a steel that is thinner, smoother, and stronger. The final properties of the product depend on the type of cold-rolled steel: products can be annealed, with varying grades of hardness, in coils, in cut lengths, in narrow strips, etc.

### 4. USES OF THE PRODUCT

- (9) End users use cold-rolled flat steel for many applications. This largely entails manufacturing and construction. Cold-rolled flat steel products are used for building materials (tubes, profiles, hardware, metal frame, etc.), electrical machineries (oven, washing machine, etc.), equipment and accessories for air conditioning (ventilation, heating, etc. ), metal packaging (metal drum, etc.), metal furniture (office equipment, etc.), road equipment, construction, shipbuilding, gas container, pressure vessels, power lines, cars, etc. End users form or cut the cold-rolled flat steel products for use in the products that they manufacture.
  - (10) In the European Union, a significant share of the production of CRF is used for internal consumption, namely as a feedstock to manufacture other flat-rolled steel products: coated products such as organic coated steel, galvanized (hot dipped or electro galvanized) tubes and tin-plated sheet. These products only enter the market as downstream products.
  - (11) EU producers, importers and exporters sell cold-rolled flat steel products directly to end users or through steel service centres (SSC). SSC, in turn, resell cold-rolled flat steel products to end users. They might add value by cutting or slitting it to sizes needed by end users.
  - (12) Traditionally, EU producers have used "coil base prices" as the basis for establishing relative cold-rolled flat steel product prices. To these prices, extras are normally added for cutting to length, quality, finish or any other extra, as applicable.
  - (13) Cold-rolled flat steel products are offered in many grades, dimensions and finishes. The full range of qualities includes both commercial quality as well as non-prime and secondary
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goods. Commercial quality covers a standard range of sizes and finish specifications. There are also "non-prime" or "second" cold-rolled flat steel products that do not meet specifications for higher quality products and standard uses. EU producers, importers and exporters sell this product as "seconds". SSC or end users can extract from seconds a "yield" of acceptable quality for their requirements. The anticipated yield determines the price of seconds in relation to the prime-quality product. The products covered by this Application include both commercial quality products as well as non-prime and secondary goods.

## 5. SUMMARY OF THE APPLICATION

- (14) With the end of the original measures in sight, the situation of the EU industry has remained precarious. Russian and Chinese export prices to third countries are still perilously low, and dumping would likely recur if the original measures would be lifted. Furthermore, the EU industry is still seriously at risk of injury. The reduction in the import volume of Russian and Chinese CRF to the EU is entirely attributable to the anti-dumping duties imposed in the original investigation.
  - (15) First, there is a likelihood of recurrence of dumping for both exporting countries. The dumping margin for Russian exports is significant and comparable to the dumping margin in the original investigation. Furthermore, Chinese dumping margins are massive and much higher than those in the original investigation.
  - (16) This is confirmed in many other countries, which have also found Chinese and Russian dumping of CRF (and its upstream/downstream products). The EU market is thus not the only one to fall victim to unfair trading practices of Chinese and Russian CRF exporters: no less than five countries have imposed anti-dumping duties on CRF, and no less than eight have investigated dumping practices on CRF and its upstream and downstream derivatives. Countries around the world have confirmed dumping practices by CRF exporters.
  - (17) Furthermore, the EU itself has imposed several anti-dumping measures on up- and downstream derivatives of CRF. The same enterprises often export both these derivatives and CRF. This shows that the relevant CRF-exporting enterprises engage in unfair trading practices as a matter of course.
  - (18) Second, the injury suffered by the EU industry is likely to recur/continue. The original anti-dumping measures improved the situation on the EU market by taking away the injury's cause: dumped Chinese and Russian exports. However, the injury is very likely to recur or continue. This is due to two principal causes. First, there is a continued risk of substantial increase of dumped imports from Russia and China. Overcapacity, unused capacity and massive inventories in those countries ensure that exports to the EU could skyrocket at the drop of a hat. Second, other countries have also imposed anti-dumping duties on CRF; thus further reducing market opportunities for Chinese and Russian exporters. This includes important markets like the US, India, and the UK.
  - (19) Indeed, the EU industry is currently in a very fragile situation. After peak performance year 2017, CRF prices started to drop and raw material prices started to go up. The EU has also reduced its capacity (to a rational level). All this has ensured that the EU industry has not
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been able to reach its target profits since 2018, and that it has made significant losses in 2020, aggravated by the pandemic. Furthermore, Russian and Chinese prices would significantly undercut current EU prices in the absence of the current measures. They would undercut the EU industry's established target profit by no less than about 30%.

- (20) If the original measures would be lifted, the EU industry would be forced to further reduce its price to align with Chinese and Russian exports. Given the Union industry's losses in 2020, this would likely mean its collapse in a matter of months.
- (21) This is also confirmed by the capacity increase in both China and Russia. Going against international efforts to reduce the current global steel overcapacity problem, both countries 1) demonstrably added impressive amounts of new capacity over the last four years, and 2) are currently in a situation of production overcapacity.
- (22) Finally, continuing the original measures is in the interest of the Union. It would align with the Union's environmental, development, and sustainability objectives. It would also not hurt CRF importers or users, and there would be no lack of supply on the EU market. Chinese and Russian methods of steel production are generally more polluting than the methods used in the EU, and enormous overcapacities cause needless carbon emissions. If the measures were to lapse, the EU would actively undermine its own environmental goals: allowing unimpeded access of unfair CRF imports originating from China and Russia would result in the Union abandoning its core environmental goals by rewarding the most polluting production process, and sanctioning the least polluting and most resource efficient production processes. Ending the current measures would also mean that China and Russia are rewarded for their non-cooperation with international efforts to reduce steel overcapacity.
- (23) Therefore, there is evidence of likelihood of recurrence of dumping from Russian and Chinese exporting producers of CRF, as well as likelihood of continuation or recurrence of injury to the Union Industry. The continuation of the measures would be in the interest of the Union.

## **6. KNOWN INTERESTED PARTIES**

### **6.1 Union Industry**

- ArcelorMittal
  - Salzgitter AG
  - Tata Steel Ijmuiden BV
  - Thyssenkrupp Steel Europe AG
  - Voestalpine AG
  - US Steel Košice, s.r.o
  - Acciaieria Averdi
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- GO Steel
- ISD Dunafer
- Liberty Steel
- Lusosider
- Marcegaglia
- SIJ Acroni
- SSAB Europe

## **6.2 Exporting producers (China)**

- Anben Iron & Steel Co Ltd
  - Anhui Changjiang Steel Co., Ltd.
  - Anyang Iron and Steel Group
  - Baosteel Group
  - Baosteel Zhanjiang Iron and Steel
  - Baotou Iron & Steel (Group) Co., Ltd.
  - Beijing Jianlong Heavy Industry Group Co., Ltd.
  - Beijing metallurgy zhengyuan technology co ltd
  - Beitai Iron And Steel Group Co., Ltd.
  - Buddha Steel Inc.
  - China Gohigh Group
  - Chongqing Iron & Steel (Group) CO., Ltd,
  - Daziran Steel Industry Group Co Ltd
  - Dingsheng Iron and Steel
  - Foshan Gaoming Nanbei Steel Co Ltd
  - Foshan Jinxi Jinlan Cold-rolled Sheet Co., Ltd.
  - Fujian Kaijing Steel Development Co. Ltd.
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GIDE LOYRETTE NOUËL

- Guangdong Huaguan Steel Co. Ltd.
  - Guangxi Liuzhou Iron and Steel Group
  - Guoqiang group Guan County Xingdu Steel Plate Co., Ltd
  - Hebei Iron & Steel Co., Ltd.
  - Hunan Valin Iron & Steel Group Co., Ltd.
  - Inner Mongolia Huaye Special Steel Co. Ltd.
  - Jiangsu Dajiang Metal Material Co., Ltd.
  - Jiangsu Huaxi Group Corporation
  - Jiangsu Jiangnan Cold-Rolled Sheet Co. Ltd.
  - Jiangsu Shagang Group Co., Ltd.
  - Jiangxi Hongdu Steelworks Co., Ltd.
  - Jiangyin Comat Metal Products Co. Ltd.
  - Jiangyin Kemao Metal Products Co., Ltd.
  - Jiangyin New Taifu Metal Product Co Ltd
  - Jiangyin Xicheng Iron and Steel Co. Ltd
  - Jiangyin Zong Cheng Steel Co..Ltd.
  - Jiuquan Iron & Steel (Group) Co., Ltd.
  - Liaoning Xingzhe Board Material Industry Group Co. Ltd.
  - Ling Yuan Iron & Steel Group Co., Ltd.
  - Liu'an Steel Holdings
  - Maanshan Iron & Steel Co. Ltd.
  - Magang (Group) Holding Company Limited
  - Nanjing Union-Strong (Group) Equipment Manufacture Co., Ltd.
  - Pangang Group Chengdu Iron & Steel Co., Ltd.
  - Panhua Group Co., Ltd
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- Panzhihua Iron & Steel Co., Ltd.
- POSCO-China Co.,Ltd.
- Shandong Guanzhou Co., Ltd.
- Shandong Iron & Steel Group Co., Ltd
- Shanghai Huaye Iron & Steel Group Co., Ltd.
- Shenzhen Huamei Board Co., Ltd.
- Shougang Changzhi Iron & Steel Company Limited
- Shougang Group Corp.
- Shougang Jingtang United Iron & Steel Co.
- Sichuan Tranvic Group Co. Ltd.
- Sino-Coalition (Ningbo) Steel Production Co.,Ltd
- Taiyuan Iron and Steel Group Co., Ltd. (TISCO)
- Tangshan Hongwen Industry Group Co. Ltd.
- Wuhan Iron & Steel (Group) Corp.
- Wuxi Huaye Iron and Steel Co., Ltd.
- Xinji Aosen Iron & Steel Co Ltd
- Yieh Phui(China) Technomaterial Co., Ltd.

### **6.3 Exporting producers (Russia)**

- Evraz
  - Gemont Metal
  - Magnitogorsk Iron & Steel Works (MMK)
  - Metall Profil
  - Novolipetsk Steel (NLMK)
  - OAO Severstal
  - OMK Vyska Works
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- Rustechnologies
- OAO Mechel

## **6.4 Importers**

- C&F International GmbH
- Coilinter Internationaler Stahlservice GmbH & Co. KG
- Duferco
- DUFERCO INTERNATIONAL TRADING HOLDING S.A.
- EISEN + STAHL Service Center GmbH
- EMW Stahl Service GmbH
- Knauf Interfer Stahl Service Center
- Network Steel Germany GmbH
- OSCACER
- Primex Steel Trading GmbH
- PRORENA
- Roba Metals B.V.
- Salzgitter Mannesmann International GmbH
- STAHL0 Stahlservice GmbH & CO. KG
- Thyssenkrupp Materials Trading GmbH

## **6.5 Users**

- ABC - Atlas Blech Center GmbH
  - ALFUN a.s.
  - ALLGAIER Sachsen GmbH
  - BAMESA
  - Bandstahl Schulte & Co. GmbH
  - Bandstahl-Service-Hagen GmbH
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- Becker Stahl-Service GmbH
  - Blech-Service Nordhausen GmbH & Co. KG
  - Bosch Siemens Hausgeräte
  - DAIMLER AG, Germany
  - Duttenhöfer T+L GmbH & Co. KG
  - EMV SCHAEFFER, Germany
  - EMW Stahl Service GmbH
  - Ets. Robert et Cie S.A.S.
  - European Steel Business Group
  - Gestamp Umformtechnik GmbH
  - Gonvarri Steel Services
  - Greif Netherland BV
  - GREIF PACKAGING NL
  - Greif Vreeland
  - Harris Calorific International Sp. z o.o
  - Hemeyer Holding GmbH
  - HFS Hagener Feinblech
  - Knauf Interfer Stahl Service Center
  - Konsorcjum Stali S.A.
  - LÄPPLE Automotive GmbH
  - Lemvigh - Müller A/S
  - MARCEGAGLIA POLAND sp. z o.o.
  - MAUSER PACKAGING, Germany
  - MCB Nederland B.V.
  - MCB Nederland B.V.
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- Primex Steel Trading GmbH
  - RETTIG, Finland
  - Roba Metals B.V.
  - Salzgitter Europlatinen GmbH
  - Salzgitter Mannesmann Stahlservice
  - SL Packaging GmbH
  - Snop Automotive Artern GmbH
  - STAHL Stahlservice GmbH & CO. KG
  - sumbisa bidones sl
  - thyssenkrupp Materials Processing Europe GmbH
  - VB Stahlblechverarbeitungs
  - voestalpine Automotive Components Bunschoten B.V.
  - VoestApline POLYNORM, Germany
  - Welser Profile Deutschland GmbH
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