

## **REQUEST**

**Concerning circumvention of anti-dumping measures on imports of certain aluminium foil originating in China by circumvention practices in Thailand and concerning the registration of such imports**

**under Article 13 of Regulation (EU) 2016/1036 of 8 June 2016 on protection against dumped imports from countries not members of the European Union**

## **EXECUTIVE SUMMARY**

**6 November 2020**

## I. INTRODUCTION

1. The present request concerns imports into the European Union ("EU") of certain aluminium household foil in large reels ("AHF Jumbo Rolls") originating in the People's Republic of China ("China"). It is brought under Article 13 of Regulation (EU) 2016/1036 ("Basic Regulation")<sup>1</sup> and targets the circumvention, by means of imports of AHF Jumbo Rolls from Thailand, of the currently applicable antidumping measures on imports of this product originating in China ("Request").
2. The antidumping measures on imports of AHF Jumbo Rolls from China were first imposed by means of Regulation (EC) No 925/2009.<sup>2</sup> The measures took the form of an *ad valorem* duty ranging between 6,4% and 30%.
3. In December 2015, the European Commission extended the antidumping measures on imports of AHF Jumbo Rolls from China for another five years by means of Regulation (EU) 2015/2384 ("Expiry Regulation").<sup>3</sup> Following an anti-circumvention investigation conducted in 2016-2017, Regulation (EU) 2017/271 ("Anti-Circumvention Regulation"),<sup>4</sup> as amended by Regulation (EU) 2017/2213,<sup>5</sup> extended the anti-dumping measures on AHF Jumbo Rolls from China to slightly modified AHF Jumbo Rolls.
4. The Applicant has collected extensive evidence that the measures currently in force were circumvented by means of consignment via or assembly operations in Thailand, whereby AHF Jumbo Rolls are sourced from China and consigned via Thailand after slight finishing or completion operations or assembled from either semi-finished AHF Jumbo Rolls or aluminium foil stock ("Foil Stock") sourced from China.

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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, OJ L 176, 30.6.2016, p. 21.

<sup>2</sup> Council Regulation (EC) No 925/2009 of 24 September 2009 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain aluminium foil originating in Armenia, Brazil and the People's Republic of China OJ L 262, 6.10.2009, p. 1.

<sup>3</sup> Commission Implementing Regulation (EU) 2015/2384 of 17 December 2015 imposing a definitive anti-dumping duty on imports of certain aluminium foils originating in the People's Republic of China and terminating the proceeding for imports of certain aluminium foils originating in Brazil following an expiry review pursuant to Article 11(2) of Council Regulation (EC) No 1225/2009, OJ L 332, 18.12.2015, p. 63.

<sup>4</sup> Commission Implementing Regulation (EU) 2017/271 of 16 February 2017 extending the definitive anti-dumping duty imposed by Council Regulation (EC) No 925/2009 on imports of certain aluminium foil originating in the People's Republic of China to imports of slightly modified certain aluminium foil, OJ L 40, 17.2.2017, p. 51.

<sup>5</sup> Commission Implementing Regulation (EU) 2017/2213 of 30 November 2017 amending Commission Implementing Regulation (EU) 2017/271 extending the definitive anti-dumping duty imposed by Council Regulation (EC) No 925/2009 on imports of certain aluminium foil originating in the People's Republic of China to imports of slightly modified certain aluminium foil, OJ L 316, 1.12.2017, p. 17.

## **II. THE PRODUCT CONCERNED AND THE PRODUCT UNDER INVESTIGATION**

### ***II.1 The product concerned***

5. The antidumping measures in force apply, in accordance with the Expiry Regulation and the Anti-Circumvention Regulation, to the following products originating in China:
  - (i) aluminium foil of a thickness of not less than 0,008 mm and not more than 0,018 mm, not backed, not further worked than rolled, in rolls of a width not exceeding 650 mm and of a weight exceeding 10 kg, currently falling within CN code ex 7607 11 19 (TARIC code 7607 11 19 10);
  - (ii) aluminium foil of a thickness of not less than 0,007 mm and less than 0,008 mm, regardless of the width of the rolls, whether or not annealed, currently falling within CN code ex 7607 11 19 (TARIC code 7607 11 19 30);
  - (iii) aluminium foil of a thickness of not less than 0,008 mm and not more than 0,018 mm and in rolls of a width exceeding 650 mm, whether or not annealed, currently falling within CN code ex 7607 11 19 (TARIC code 7607 11 19 40);
  - (iv) aluminium foil of a thickness of more than 0,018 mm and less than 0,021 mm, regardless of the width of the rolls, whether or not annealed, currently falling within CN code ex 7607 11 19 (TARIC code 7607 11 19 50); and
  - (v) aluminium foil of a thickness of not less than 0,021 mm and not more than 0,045 mm, when presented with at least two layers, regardless of the width of the rolls, whether or not annealed, currently falling within CN code ex 7607 11 90 (TARIC codes 7607 11 90 45 and 7607 11 90 80).

(together, the "product concerned")

### ***II.2 The product under investigation***

6. The product under investigation is the same as the product concerned, but either consigned via Thailand after slight finishing or completion operations or assembled in and consigned via Thailand, whether declared as originating in Thailand or not, currently falling within the same CN codes as the product concerned ("the product under investigation").
7. The product under investigation consists in AHF Jumbo Rolls, which are only subject to slight finishing or completion operations in Thailand. The product under investigation is also assembled in Thailand from Foil Stock or semi-finished AHF Jumbo Rolls sourced from China, rather than manufactured from pure aluminium ingots. Only the last stages of the production process of the product concerned are therefore carried out in Thailand, namely – in case of assembly operations – rolling Foil Stock to the desired thickness and/or annealing and slitting of the foil.<sup>6</sup>

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<sup>6</sup> Once rolled, the foil is annealed by a thermal process to make it pliable. Slitting to a width not exceeding 650 mm is typically made before annealing of the reels.

8. This notwithstanding, the product under investigation has the same basic physical and technical characteristics and the same uses as the product concerned. Therefore, the product concerned and the product under investigation are to be considered as like products within the meaning of Article 1(4) of the Basic Regulation.

### **II.3 Production process and end-use**

9. AHF Jumbo Rolls are manufactured on the basis of pure aluminium, which is firstly cast into thick strips (of a thickness of several mm, i.e. up to 1 000 times thicker than the product concerned) and subsequently rolled in different stages into the desired thickness. Once rolled, the foil is annealed by a thermal process and is finally presented on reels (rolls).<sup>7</sup>
10. AHF Jumbo Rolls are used by downstream processors (i.e., rewinders) to manufacture small rolls that are sold to end-users for multi-purpose short-life wrapping, mostly in households, catering, food and floristry retail business.<sup>8</sup>

### **III. SUMMARY OF THE REQUEST**

11. In accordance with Articles 13(1) and 13(2) of the Basic Regulation, the Applicant has provided extensive evidence demonstrating that:
- (i) There is a change in the pattern of trade between third countries and the Union;
  - (ii) Such change stems from a practice, process or work for which there is no due cause or economic justification other than the imposition of the duty (i.e., either consignment of the product under investigation via Thailand after slight finishing or completion operations in Thailand or assembly operations which started or substantially increased since, or just prior to, the initiation of the anti-dumping investigation and the parts concerned are from the country subject to measures and where the parts constitute 60 % or more of the total value of the parts of the assembled product and the value added to the parts brought in, during the assembly or completion operation, was lower than 25 % of the manufacturing costs);
  - (iii) The remedial effects of the duty are being undermined in terms of prices and/or quantities of the like product; and
  - (iv) There is evidence of dumping in relation to the normal value previously established for the like product.
12. First, based on Eurostat, the Applicant determined the evolution of imports into the EU from China and Thailand of AHF Jumbo Rolls. The Applicant noted a strong growth of imports of AHF Jumbo Rolls from Thailand, whereas imports from China are likely to have declined. In parallel, based on UN COMTRADE, the Applicant determined that exports of Jumbo Rolls and Foil Stock from China to Thailand have increased

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<sup>7</sup> Expiry Regulation, recital (30).

<sup>8</sup> Id., recital (31).

substantially. Insofar as imports of raw materials for the production of AHF Jumbo Rolls in Thailand from China have increased in parallel of an increase in imports from Thailand of AHF Jumbo Rolls, and to the extent imports into the EU of AHF Jumbo Rolls from Thailand have replaced or supplemented imports from China, the Applicant concluded to a change in the pattern of trade.

13. Secondly, the Applicant provided detailed evidence that Chinese producers started to export AHF Jumbo Rolls from Thailand to circumvent the anti-dumping duties applicable to Chinese imports, thereby demonstrating that there is no due cause or economic justification other than the imposition of the duty for any consignment via Thailand or assembly operations in Thailand. In addition, the Applicant demonstrated that assembly operations in Thailand started or substantially increased since the initiation of the anti-dumping investigation and, more specifically, after the adoption of the Anti-Circumvention Regulation. The Applicant also provided evidence that the parts concerned are from China, the country subject to anti-dumping measures. Finally, the Applicant substantiated that the raw materials imported from China (either semi-finished Jumbo Rolls or Foil Stock) constitute 60 % or more of the total value of the parts of the assembled product and that the value added to the parts brought in, during the assembly or completion operation, was lower than 25 % of the manufacturing costs.
14. Thirdly, based on the information available to it, the Applicant demonstrated that the imports of AHF Jumbo Rolls assembled in Thailand increased significantly in volume, undersell the prices of the Union industry, based on the injury elimination level found in the Expiry Regulation, and undercut the current prices of the Union industry. Consequently, imports of AHF Jumbo Rolls consigned after slight finishing or completion operations via or assembled in Thailand undermine the remedial effects of the antidumping measures in terms of prices, as well as quantities.
15. Finally, based on the information available to it, the Applicant established *prima facie* dumping margin calculations showing that AHF Jumbo Rolls consigned after slight finishing or completion operations via or assembled in Thailand enter the Union market at dumped prices in relation to the normal value previously established for the like product in the Expiry Regulation.

#### **IV. LIST OF INTERESTED PARTIES**

16. The list of interested parties, as annexed to the Request, is reproduced below:

##### **EU producers association**

<b>Name</b>	<b>Address</b>
European Aluminium Foil Association	Mörsenbroicher Weg 200 40470 Düsseldorf

## EU producers

Name	Address
ALIBERICO S.L.U.	C/ de Orense 16- 2º Planta 28020 Madrid – SPAIN
AL INVEST Břidličnaa	Bruntálská 167 793 51 Břidlična Czech Republic
Alcoa Europe	Alcoa Nederland Holding B.V. Weena 798 3014 DA Rotterdam The Netherlands
Alcomet AD	Second Industrial Zone 9700 Shumen Bulgaria
Aludium	Barrio Iburguren s/n E-48340 Amorebieta, Vizcaya Spain
	Avda. de Elche, 109 E-03008 Alicante Spain
	294 chemin de Lavalette 82100 Castelsarrasin France
	Prof J.H. Bavincklaan 2-4 1183 AT Amstelveen The Netherlands
Amcor	Head Office, Zurich Thurgauerstrasse 34 CH-8050, Zürich, Switzerland
Carcano	Via Carcano, 10 - 23826 Mandello del Lario (LC) ITALY
Constantia Flexibles	Rivergate, Handelskai 92 1200 Vienna Austria
Constellium	
Comital	Strada Brandizzo, 130 10088 Volpiano Italy
Eurofoil Luxembourg S.A.	Z.I. De Riedgen L-3401 DUDELANGE Luxembourg

Gränges	Gränges AB Box 5505 SE 114 85 Stockholm Sweden
	Gränges Sweden AB S-612 81 Finspång Sweden
Hydro Aluminium Rolled Products GmbH	Aluminiumstr. 1 D-41515 Grevenbroich Germany
Impexmetal SA Aluminium Konin	ulica Walcownicza, 62-510 Konin, Woj. Wielkopolskie
Impol d.o.o.	Partizanska 38 2310 SlovenskaBistrica Slovenia
Laminazione Sottile Group	Headquarters and plant: S.S. 87 Km 21,200 81020 S. Marco Evangelista (CE) Italy
Novelis	Novelis' global headquarters is located in Atlanta, Georgia. 3560 Lenox Road, Suite 2000 Atlanta, GA 30326 USA
	Hannoversche Straße 1 37075 Göttingen, Germany
	Gaterslebener Strasse 1 06469 Nachterstedt Germany
	Am Eisenwerk 30 Plettenberg-Ohle, D-58840 Germany
	Carl-Spaeter-Strasse 10 Koblenz, 56070 Germany
	Koblenzer Straße 120 41468 Neuss Germany
	Schleusenstr. 11 Voerde, 56562 Germany
	Centr'Alp – BP 24 38341 Voreppe cedex France

	Via Bruno Buozzi, 12 Fizzonasco di Pieve Emanuele Pieve MI Italy
	Via Vittorio Veneto, 106 20091 Bresso MI Italy
SLIM Aluminium	Piazzale dell'Alluminio 04012 Cisterna di Latina (LT) Italia
Symetal S.A.	2-4 Messogion Ave., GR-11527Athens, Greece
TLM-TVP d.o.o. - Rolled products	Narodnogpreporoda 12 22000 Šibenik, Hrvatska

### EU importers – users

Name	Address
Aleuro Converting	Lotnicza 8, Stanowice 55-200 Olawa Phone: +48 (71) 303 35 14 Fax: +48 (71) 303 35 17
ALUFIX	Horst Witte Gerätebau Barskamp KG Horndorfer Weg 26-28 21354 Bleckede Germany
ALUPACK srl	C.da Corso Z.I. 87010 San Marco Argentano (CS)
CeDo	Hennes-WeisweilerAllee 18 D-41179 Monchengladbach Germany
Cellofix	Ctra. Villanueva de Castellon Km 0,6. Apdo. 20 – 46660 Manuel Valencia, Spain
Cofresco	Ringstr. 99 Germany - 32427 Minden

Cuki Cofresco	Strada Brandizzo 130 10088 Volpiano Italy
Cuatrogasa	Sede central Ctra. de la Esclusa s/n, Pol. ZAL Sevilla Nave 1.8 CP 41011 – Sevilla (España)
FORA FOLIENFABRIK	Libellenweg 10 D-78315 Radolfzell Germany
ITS Foil, film and paperproducts	Nagelpoelweg 56 7333 NZ Apeldoorn The Netherlands
MACOPAL INSTALACIONES LLIÇA DE VALL	Pol. Ind. Els Batzacs Ctra. C-17 Km.17,500 08185 - Lliça de Vall (Barcelona)
RUL-LET	Egelund 35 - DK-6200 Aabenraa
SPHERE	3 Rue Scheffer FR- 75116
Wrap Film Systems	Wrap Film Systems Ltd.Hortonwood 45Telford Shropshire TF1 7FA United Kingdom
Wrapex	Unit 6 Lodge Causeway Trading Estate Fishponds Bristol BS 16 3JB UK

### Thai entities involved in circumvention practices

Name	Address
DINGSHENG NEW MATERIALS CO., LTD	7/525 Moo.6, T. Mabyangporn, A. Pluakdaeng, Rayong, 21140 (Head Office) Rayong Thailand
Loften (Thailand) Co., Ltd.	7/476,478,479 MOO.6 T.MABYANGPORN A. PLUAKDAENG RAYONG 21140 THAILAND