

REQUEST FOR THE INITIATION OF AN EXPIRY REVIEW OF THE ANTI-SUBSIDY MEASURES ON IMPORTS OF DUCTILE IRON PIPE PRODUCTS ORIGINATING IN INDIA

EXECUTIVE SUMMARY

1. INITIAL MEASURES

On 17 March 2016, the Commission adopted Commission Implementing Regulation (EU) 2016/387 of 17 March 2016 imposing a definitive countervailing duty on imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron), originating in India. That regulation established that imports of coated tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron) originating in the country concerned were sold in the EU at subsidised prices, causing injury to the Union Industry. It therefore imposed countervailing duties ranging from 8.7% to 9.0% on imports from the country concerned.

The General Court annulled the Regulation as regarding Jindal Saw Limited in 2019 (Case T-301/16). Following this judgment, the Commission partially re-opened its investigation to implement the General Court judgment. As a result of this investigation, the Commission Implementing Regulation (EU) 2020/526 of 15 April 2020 imposed a countervailing duty of 6.0% on imports from Jindal Saw Limited.

2. APPLICANT

The Application is submitted by Saint-Gobain PAM, Saint-Gobain PAM Deutschland GmbH and Saint-Gobain PAM Espana S.A.

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3. PRODUCT CONCERNED

The products subject to this review are those falling under the scope of the current measures; coated tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron) ('ductile iron pipes'), originating in India, currently falling under the TARIC codes 7303 00 10 10 and 7303 00 90 10.

It does not include bare or uncoated pipes of ductile cast iron, currently falling under the TARIC codes 7303 00 10 20 and 7303 00 90 20.

4. PRODUCTION PROCESS

The production of ductile iron pipes is typically undertaken in a continuous process at the same location. However, the final stage of the production process, the internal and external coating may be carried out at a separate location.

The first stage of the production of ductile iron pipes – the melting stage – consists in the melting of raw material to produce cast iron. This stage can be achieved by smelting together iron ore and coking coal in a blast furnace or cupola furnace. The purpose of the blast furnace is to chemically reduce and physically convert iron oxides into liquid (i.e. molten) iron. Alternatively cast iron can be obtained from pig iron and scrap steel melted in a cupola or a furnace. That process allows scraps and pig iron to be converted directly into liquid iron without a chemical reduction.

The cast iron obtained through any or a mix of the two processes mentioned above is then transferred to a desulphurisation unit before undergoing magnesium treatment, where magnesium is added to the melted cast iron to obtain ductile cast iron.

Once the iron is manufactured from the raw material, pipes are prepared through a special spinning process, known as centrifugation. The spinning process has been specially developed for the manufacture of cylindrical shapes such as pipes. The process involves the layering of molten iron within a high-speed spinning mould. Under the effect of centrifuge force, the molten iron will remain at the rim of the mould, taking a tubular shape while cooling and solidifying as a result of an external cooling process. The pipes then undergo heat treatment to strengthen the metal and increase its flexibility.

Immediately after the heat treatment, and before internal cement coating, the pipes are generally coated with metallic zinc to increase their external corrosion resistance. The pipes then undergo a hydrostatic test for integrity assessment and pressure resistance.

The pipes are then subjected to an internal cement coating applied through a centrifugation process similar to the one used for the shaping of the ductile iron into a pipe. The purpose of the internal cement coating is to stop the transported water corroding the pipes, a phenomenon known as tuberculation, which typically results in the water changing colour or reduction of the water flow. The cement lining creates a barrier between the pipe and the water, thus preventing tuberculation.

Once the cement has been cured at adequate moisture and temperature for a defined time-period, it then undergoes external coating with corrosion resistant materials and or paints. Several types of coating may be used, depending on the environment in which the tube will be used.

5. USES OF THE PRODUCT

Ductile iron pipes are essentially used in water and sewerage applications, with sewerage representing 15% of the market and water 85%. Beside the above described specific standards for the different uses, ductile iron pipes producers may also adapt their products to fit the needs of particular sectors. Rainwater disposal may, for instance, require water pipes to show increased resistance to ground movements, which can be achieved through the use of more flexible joints. Similarly, specific niche

markets such as mountain snow guns, require increased pressure resistance and adjustment to account for tight curves.

The main uses of ductile iron pipes nonetheless remain the provision of drinking water, irrigation in agriculture, and sewerage treatment, including the drainage of rainwater or snow melt. Depending of the specific condition and the nature of the soil, in addition to the specific pressure classes, the coating of the pipes might be adjusted to ensure the durability of the ductile iron pipes.

Ductile iron pipe is a material of choice for the transportation of water and sewage due to its ease of installation, its capacity to be installed both above and underground and its durability. Its high resistance also ensures that it can withstand surges and increased pressure loadings for years. Once installed, ductile iron pipes require very little maintenance and can last more than a hundred years, making it a cost-saving material for users, especially as they are 100% recyclable material at the end of their use-life.

6. SUMMARY OF THE CASE

Saint-Gobain PAM, Saint-Gobain PAM Deutschland GmbH and Saint-Gobain PAM Espana S.A. request the European Commission to initiate an expiry review of the anti-subsidy measures on unfair imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron) originating in India as applied by Commission Implementing Regulation (EU) 2016/387 of 17 March 2016 imposing a definitive countervailing duty on imports of tubes and pipes of ductile cast iron (also known as spheroidal graphite cast iron), originating in India.

Since the implementation of the measures, imports of the product concerned from India have remained at a significant level and imported volumes have even significantly increased in the most recent periods. The Applicant finds that the Indian subsidy schemes identified as countervailable by the Commission in the original investigation are still in force and continue to provide exporting producers with benefits. It also finds that a significant number of subsidy schemes not countervailed in the initial investigation appear to grant a benefit to the exporting producer over the period of reference of the Application. The Applicant therefore finds the criteria of likelihood of continuation or recurrence of subsidy to be met.

The Union Industry has undertaken a significant modernisation effort, translating into massive investments and a rationalisation of capacities in order to strengthen its competitiveness. While the measures have initially accompanied that effort and allowed the Union Industry to substantially improve its performances, the recent increase in imports and the downturn resulting from the sanitary crisis have coincided with a clear degradation of the performances of the Union Industry, highlighting its vulnerability.

In parallel, the EU market remains a clear focus of Indian exporters, which continue to significantly undercut EU prices and to propose injurious prices on the EU market. The existence of significant spare capacities in India, and the perspective of further increased capacities, together with the ability of Indian producers to leverage their cheaper raw material costs as a result of the Indian distortions on iron ore, further contribute to that clear threat to the recovery of the Union Industry. The Union industry therefore faces a clear likelihood of continuation or recurrence of the injury found in the initial investigation.

The continuation of the original measures is therefore of the utmost importance, in order to allow the Union Industry to achieve the transformation initiated and to reap the benefits of their significant

investments in terms of competitiveness. Without these measures, and in view of the renewed intensity of the Indian unfair practices, the sustainability of the Union Industry will be threatened.

In view of the absence of a negative impact of the original measures, there is no doubt that the continuation of the measures would bring benefit to the European Union, with regard to employment, including upstream, but also due to the fact that the Union producers contribute to achieving EU policy priorities.

7. KNOWN INTERESTED PARTIES

Union Industry

- VONROLL HYDRO GMBH
- TIROLER ROHRE GMBH
- SAINT-GOBAIN PAM

Exporting producers

- ELECTROSTEEL CASTINGS LIMITED (ECL)
- JINDAL
- ELECTROTHERM (EIL)
- JAI BALAJI GROUP (JBIL)
- TATA METALIKS
- RASHMI GROUP
- SATHAVAHANA
- SRIKALAHASTHI PIPES LIMITED ('SPL') / PART OF ECL
- ESL STEEL LIMITED (VEDANTA)

Importers

- JINDAL SAW ITALIA SPA
- ELECTROSTEEL FRANCE
- ELECTROSTEEL CASTINGS (UK) LIMITED
- ELECTROSTEEL EUROPE SA - ELECTROSTEEL ITALIA
- ELECTROSTEEL EUROPE, S.A SUCURSAL EN ESPAÑA & ELECTROSTEEL TRADING S.A
- ELECTROSTEEL EUROPE S.A. NIEDERLASSUNG DEUTSCHLAND

Users

- HTI WARSZAWA
- NEPTUN SP. Z O.O.
- RUREX
- ŽELPLAST
- SANEAMIENTOS GOZALO, S.L.
- VIRLINZI S.P.A.
- TECNORESINE S.R.L. DI BELLINI E STU
- TECAM PRAHA S.R.O.
- JOKVA OLOMOUC, A.S.
- PTACEK - VELKOUBCHOD, A.S.
- GLASSPOL, SPOL. S R. O.
- FRAZER -
- WOLSELEY -

- PINTO & CRUZ
- ELITUBOS - ELISIO TEIXEIRA, LDA.
- INOXTUBO-ARTIGOS SANITARIOS, S.A.
- HTI ÖSTERREICH GMBH
- WÜRTH HOCHENBURGER GMBH
- TECHNO ALPIN AUSTRIA GMBH
- AUGUST RÄDLER GMBH
- HTI ZEHNTER
- MUFFENROHR BADEN-WÜRTEMBERG
- HTI COLLIN&SCHULTEN
- PUM
- ETS JEAN LAFFORGUE
- VHM
- BVP SOCCA
- BUSCA
- TECHNOROI SA
- EMPRESA MUNICIPAL AGUAS DE MÁLAGA, S.A. (EMASA)
- DIPUTACION DE JAEN
- SUEZ SPAIN
- AGUAS MUNICIPALES DE VITORIA, S.A. (AMVISA)
- EMPRESA MUNICIPAL AGUAS DE LA CORUÑA (EMALCSA)
- SOCIEDAD ARAGONESA DE GESTIÓN AGROAMBIENTAL (SARGA)
- INSTITUTO NAVARRO DE TECNOLOGÍAS E INFRAESTRUCTURAS AGROALIMENTARIAS (INTIA)
- EMAYA
- FOMENTO AGRARIO CASTELLONENSE (FACSA)
- ASA S.P.A.
- TENNACOLA S.P.A
- ATENA AZ.TERR.ENERGIA AM. VERCELLI
- ACQUE DEL CHIAMPO S.P.A. SERV.IDRIC
- AZIENDA SERVIZI INTEGRATI SPA
- BIM GESTIONE SERVIZI PUBBLICI SPA
- S.I.C.A.M. SRLUS SERV.IDR.INT.COMUN
- A.I.M. SERVIZI A RETE SRLUS
- ASM VIGEVANO E LOMELLINA S.P.A.
- TRENINO ECO SINERGIE -SCO.CONS. SRL
- ASPEM S.P.A.
- SEVEROCESKE VODOVODY A KANALIZACE, A.S.
- SEVEROMORAVSKÉ VODOVODY A KANALIZACE OSTRAVA A.S.
- BRNĚNSKÉ VODÁRNY A KANALIZACE, A.S.
- KRALOVEHRADECKA PROVOZNI, A.S.
- WESSEX WATER
- UNITED UTILITIES
- SOUTH EAST WATER
- BRISTOL WATER
- ARM - ÁGUAS E RESIDUOS DA MADEIRA
- DGADR - DIRECÇÃO-GERAL DE AGRICULTURA E DESENVOLVIMENTO RURAL
- KRAFTWERK JERZENS GMBH
- ÖKOSTROM – BIOENERGIE ANDEXER / VIEHHAUSER GMBH
- ILLWERKE VKW AG
- TIWAG-TIROLER WASSERKRAFT AG
- WASSERLEITUNGSVERBAND DER TRIESTINGTAL- UND SÜDBAHNGEMEINDEN
- WASSERLEITUNGSVERBAND NÖRDLICHES BURGENLAND
- WASSERWERK VILLACH
- WML/WATERL.MIJ.LIMB.NV AFD.I&F
- DUNEA N.V.
- STICHTING WATERNET
- RECKENBERGGRUPPE
- GELSENWASSER AG

- HAMBURG WASSER
- OOWV
- SW TRIER AÖR
- EAU DU GRAND LYON
- SIEGVO
- SYNDICAT HAUTE-LOUE
- SIAEP DU SANTERRE
- SIE DES EAUX DE PICARDIE
- METROPOLE ROUEN NORMANDIE
- CAPSO
- S2E77
- EAU DE PARIS
- COMMUNAUTE DE COMMUNES BRIE DES RIVIERES ET CHATEAUX
- DEYAL: WATER COMPANY OF LARISSA
- DEYAT: WATER COMPANY OF TRIPOLIS
- DEYAG: WATER COMPANY OF GREVENA
- DEYAA: WATER COMPANY OF AIGIALIAS
- DEYAA: WATER COMPANY OF AGRINIO
- DEYAK: WATER COMPANY OF KATERINIS
- CARLOS A.PINTO SANTOS & FILHOS, S.A
- DOMINGOS DA SILVA TEIXEIRA,S.A
- A.R.CASANOVA-CONSTRUÇÃO CIVIL, LDA.
- SUBMERCÍ-CONST.E URBANIZ., LDA.
- CONSTRUÇÕES CARLOS PINHO, LDA.
- CONDURIL-ENGENHARIA, S.A.
- GMB
- HURKMANS
- VAN DER VEN
- BAM
- HAK
- VBK SCHADENBERG
- STRUKTON
- MARKGRAF
- SCHWARZ GMBH
- STRABAG AG
- EIFFAGE GENIE CIVIL RESEAUX
- AXEO
- STURNO
- COCA ATLANTIQUE
- LATOMIKI ATE
- AGT GROUP SA
- SIDIRODROMIKA ERGA SA
- DOXA ATEBE